RC_2010_11

Removal of Network Control Services expression of interest and tender process from the Market Rules

Submitted by

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Submission

1. Please provide your views on the proposal, including any objections or suggested revisions

LGP supports the Office of Energy recommendation that a Network Control Service, being an option to network augmentation, is more efficiently and effectively addressed by Western Power under the Access Code, with regulatory oversight by the ERA. We consider that this change improves the integrity of the regulations governing the Electricity Industry and removes inappropriate administration from the Market Rules.

LGP also supports the proposed changes to the energy price paid by the market to NCS providers to MCAP for NCS provided through generation; and zero to NCS provided through DSM. In this regard, we consider that the extent to which additional payment is required is a matter for Western Power to negotiate and fund from network revenue.

2. Please provide an assessment, whether the change will better facilitate the achievement of the Market Objectives

LGP supports the IMO's contention that the changes to the energy payments made to MCAP providers will promote the economically efficient production and supply of electricity in the SWIS (Market Objective (a)). We also perceive that the changes to the establishment of the NCSC will have no material impact on the Rules or the market, but are necessary for tidy administration.

 Please indicate if the proposed change will have any implications for your organisation, (for example changes to your IT or business systems) and any costs involved

LGP would incur no organisational costs as a consequence of adopting the change.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed

LGP would be able to implement this Rule Change immediately.

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