

19 May 2017

Mr Peter Kolf
Chair
Rule Change Panel
PO Box 8469
PERTH BC WA 6849

10 Eagle Street
Brisbane QLD 4122
T 07 3347 3100

Dear Mr Kolf

Submission to Rule Change Proposal RC_2017_01 (Reserve Capacity Mechanism – Manifest Errors 2017)

Please find attached our submission regarding the Fast Track Rule Change Proposal to correct manifest errors in the Wholesale Electricity Market Rules related to the Reserve Capacity Mechanism, which AEMO supports.

We would be pleased to provide any required assistance to the Rule Change Panel regarding these rule changes. If you would like to discuss or have any questions regarding this submission, please do not hesitate to contact myself or Martin Maticka, Group Manager Operations and Technology on (08) 9254 4340.

Yours sincerely



Peter Geers
Executive General Manager Markets

Attachments: Wholesale Electricity Market Rule Change Proposal Submission

Wholesale Electricity Market Rule Change Proposal Submission

RC_2017_01

Reserve Capacity Mechanism – Manifest Errors 2017

Submitted by

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Date submitted:	19 May 2017

Submissions on Rule Change Proposals can be sent by:

Email to: rcp.secretariat@rcpwa.com.au

Post to: Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

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

AEMO supports the Rule Change Proposal on the basis that the corrections are necessary to describe the allocation of Capacity Credits by AEMO and to accurately reflect the transition of System Management functions from Western Power to AEMO.

In relation to clause 4.20.5B, AEMO notes that the manifest error removed the explicit determination of the quantity of Capacity Credits to be assigned. This may have created some uncertainty with respect to the Reserve Capacity certification and accreditation processes that were conducted in 2016 for the 2017-18 Capacity Year. AEMO notes that it is clear from analysis of the rules, both before and after the gazettal of amendments in May 2016, that the intent was that AEMO would continue to assign Capacity Credits under this clause on the same basis – except in relation to a Facility that is covered by a pre-existing Long Term Special Price Arrangement. AEMO advises that it will follow this practice for the 2017-18 Capacity Year.

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

AEMO considers that the proposed amendments will better facilitate achievement of market objective (a) by improving the integrity of the WEM Rules.

3. 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 in implementing these changes.

AEMO has not identified any system or process changes resulting from the proposed amendments.

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

See above.
