# Wholesale Electricity Market Rule Change Proposal Submission

## RC_2017_06
## Reduction of the prudential exposure in the Reserve Capacity Mechanism

**Submitted by**

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| **Date submitted:** | *11 September 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

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

*Perth Energy understands AEMO's desire to implement this proposed rule change and does not have any great objections.  We do, however, question whether it actually needs to be progressed now or whether it would be better to wait until a more holistic approach can be put in place in parallel with other more fundamental changes to the settlement system such as weekly settlement and daily IRCR.*

*Market participants are the ultimate payer of default market levies and it would be good if AEMO could share its risk modelling so that participants can make an informed decision on whether we agree with the need to prioritise this issue.  If the risks are low we may prefer to leave this issue lie rather than distract resources and time away from issues considered more fundamental.*

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2.     **Please provide an assessment whether the change will better facilitate the**

**achievement of the Wholesale Market Objectives.**

*The proposed changes should reduce financial risk in the market but it is unclear just how significant a risk is currently faced*

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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.**

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

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