

A 'Lodge your submission' form has been submitted from the **ERA Home** website.

The supplied details are specified below:

Consultation: Relevant level method review 2018 - Draft report

Are you submitting as an individual or on behalf of an organisation?: Individual

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To Whom It May Concern,
From the outset of deregulation in WA and the establishment of the IMO (AEMO) it has been clear, well-recognised and promoted that 'diversity' in our small, isolated grid is the key to security of supply. Our 'Capacity' market system and associated Market Rules have demonstrated remarkable resilience and Reserve Capacity Mechanism has served well to attract new entrants to connect to the SWIS (both generation and loads).

The political and policy instability at the Federal level has demonstrated the fickle nature of the rules and policy that underpin investment into long term assets in the sector. Particularly in WA, where under the proposed National Energy Guarantee, existing and proposed renewable energy assets we would have been left out in the cold.

Comments: The incumbent WA scheduled generation consists (mainly) of fossil fuel driven assets whose proponents (GO & NGO) have helped steer the outcomes of the original rule-sets to meet their own economic sustainability, as always underpinning their submissions and lobbying with 'reliable scheduled power, reliable jobs'. However time has shown, it is the very reliance on these 'traditional fossil-fuel generation' assets to make-up the gravitas of the market generation that has caused true system security vulnerability across the SWIS since 2006. For instance, the 'Veranus Island Incident, removed the majority of gas-generation from the system causing a number of our long term industrial loads to close for weeks. Reliance on transmission-level transformer assets, positioned for coal-fired base load power saw a very risky period for grid constraint where two-of-three southern feeders were un-serviceable. The same old scheduled-generation proponents lobbied to change rules that removed nearly 450MW of DSM Certified Capacity from the market, when the same rule change could have been used to make the 450MW of DSM more effective in the market. The ERA and the IMO (AEMO) commenced our market with the view that true diversity across our electricity network (generation-network management-load) is the key to grid stability and lower overall costs.

We have read the paper to change the calculation of the Relevant Method and can see all-too familiar slant towards changing the Rules to the needs of the most vocal proponents.

We have deep experience in SWIS grid predictive analytics of wholesale generator, networks and system load behaviors. It is our view that if a change in the determination of capacity certification for Intermittent Generation is required, then categorization of the asset according to its intrinsic class is essential, prior to a numerical model being applied. An

attempt to create a single numerical model to represent wind, solar and waves is unlikely to be correct. The assumptions that the most critical period for certification of capacity be based on peak-demand periods may also be incorrect, however it does correlate with how the market (particularly the end users) calculate, then pay for capacity, so it makes practical sense. The ERA team should be looking at the energy mix underpinning the entire load cycle if they're truly concerned about grid reliability otherwise new proponents will steer the development of their assets to address only peak demand (i.e. battery storage) and remove incentive to provide additional base load diversity (solar, wind, waste, geothermal etc). One could argue that solar is coincident with ambient temperature in the SWIS and with daytime peak demand, however, a theme within the context of the paper appears to suggest that because solar does not address the evening shoulder peak periods, it may not be as deserving as wind? The whole paper only serves to identify there is insufficient diversity of generation and grid management techniques on the SWIS, and there is little evidence to show that changing the calculation method of Relevant Level will deliver it or lower overall costs to users of the system.