

Wholesale Electricity Market Rule Change Proposal Submission

RC_2019_01

The Relevant Demand calculation

Submitted by

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Submissions on Rule Change Proposals can be sent by:

Email to: support@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.

It is agreed that despite the pricing reforms, the current method for calculating Relevant Demand, combined with availability requirements, means that it is unlikely meaningful levels of Demand Side Management (DSM) will be delivered to the Capacity market in the future.

The Relevant Demand calculation proposed cannot be supported as a standalone rule change. The methodology needs to be considered within the context of all elements of DSM and the intent and structure of the capacity market within the Western Australian Electricity Market.

The greater visibility to AEMO of the real time delivery of demand response would enhance the efficiency of the market.

The review of Relevant Demand and availability requirements is very important. The Energy Transformation Implementation Unit have identified that these issues will not be considered as part of their reforms. Therefore, the opportunity to improve the participation of DSM can be delivered via the normal RCP processes independently of the many other changes happening in the market.

The proposal at the Market Advisory Committee that a working group be set up is strongly supported. This group should consider all elements of the delivery and measurement of DSM (excluding pricing), not just the Relevant Demand calculations.

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

DSM is a highly efficient mechanism for delivering capacity to the market. DSM done well supports all the market objectives.

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.

The proposed change would be unlikely to increase the Water Corporation's participation in DSM unless it was accompanied by other changes around availability requirements.

Changes to near real time information provision to AEMO would require some changes to SCADA/IT infrastructure, but these would be balanced against financial benefit of participation.

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

The capacity cycle timeframe would be more than adequate to implement any changes.
