

Wholesale Electricity Market Rule Change Proposal Submission

RC_2019_03

Method used for the assignment of Certified Reserve Capacity to Intermittent Generators

Submitted by

Name:	Timothy Edwards
Phone:	0438 855 845
Email:	timothy.edwards@metropower.com.au
Organisation:	Metro Power Company
Address:	38A Renewable Chase, Bibra Lake WA 6163
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1. Please provide your views on the proposal, including any objections or suggested revisions.

Metro Power Company welcomes the opportunity to provide feedback in response to the call for final round submissions: RC_2019_03 – Method used for the assignment of Certified Capacity Credits (CRC) to Intermittent Generators (Proposal).

Metro Power Company is supportive of the Proposal and considers the proposed changes necessary to:

- i. reduce shortcomings in the current Relevant Level Methodology (RLM), which can lead to material forecasting errors.
- ii. account for the effects of the rapidly changing generation mix in the South West Interconnected System (SWIS), including uptake in intermittent generation and solar photovoltaics (PV); and
- iii. more accurately accredit intermittent generators based on their contribution to system adequacy in the SWIS, thus attracting further investment across a mix of renewable and storage assets for increased system reliability going forward.

Metro Power considers the current draft as suitable for progression as soon as possible, preferably before the next Capacity Cycle.

The difference in outcomes between the current rule and the proposed rule changes are material to the sustainability of Metro Power intermittent generation Facilities (current and future).

Metro Power strongly supports the implementation of the proposed Rule Change 2019_03.

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

Metro Power considers the Proposal will better facilitate the achievement of the Wholesale Market Objectives (a), (b), (c) and (d) as follows:

- a) Economic efficiency: The Proposal promotes the economically efficient safe and reliable production and supply of electricity in the SWIS by more accurately accrediting intermittent generators based on their contribution to system adequacy.
- b) Encourage competition: Remedial improvements to the prevailing issues is likely improve investment signals and increase the correct allocation of future NAQs, hence facilitating the entry of new entrants and asset classes.
- c) Avoid discrimination: The proposal provides an enhanced methodology to assess a variety of technologies against contribution to the grid for technology-neutral outcomes.
- d) Minimise the long-term cost of electricity: Proposed changes seek to reduce inaccuracies in the RLM that may lead to over or under allocation of capacity credits to intermittent generators, thereby minimising costs in the long-term.

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 changes can be implemented immediately by Metro Power Company, with minimal changes. An additional fee for the annual *Independent Expert Report* may be incurred.

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

The proposed changes can be implemented immediately by Metro Power Company.
