

# Community Electricity

*It's not just business; it's personal ☺*

## Submission in Response to ERA Public Consultation

Determination of the Ancillary Service margin peak and margin off-Peak parameters for 2016-17

### Standing

Community Electricity is:

- a a licensed Electricity Retailer and a provider of Electricity Retail Services and Market Consultancy;
- b a member of the Independent Market Operator's Market Advisory Committee;
- c a member of the Economic Regulation Authority's Technical Rules Committee;

Further information is available at: [www.communityelectricity.net.au](http://www.communityelectricity.net.au)

### Submission

1. We note that:
  - i) the System Marginal price is expected to increase by \$5.74/MWh Peak and \$3.29 Off Peak as a result of fuel indexation plus the retirement of Worsley;
  - ii) the average spinning reserve requirement is expected to increase because of increased output of Collie due to the retirement of Worsley;
  - iii) the Off Peak Period is 22:00 to 08:00 daily;
  - iv) after the retirement of Worsley there remains a surplus of baseload;

On this basis, we perceive that the Off Peak increase should be around \$1/MWh.

2. We note that the Simcoa and Bluewaters contracts are planned to terminate on 30-JUN-16. Given that the cost of spinning reserve is increasing, we request clarification of why they aren't continuing. It is well known that both parties could reasonably double the quantity they provide and that System Management imposes unreasonable requirements on availability – 100% annual availability in order to provide on-the-day reserve.

### Contact

For further information or comment, please contact:

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