



Our Ref: DMS#3507218
Enquiries: Andrew Everett
Telephone: (08) 9424 1836

12 December 2012

Economic Regulation Authority
Level 4, Albert Facey House
469 Wellington Street
PERTH WA 6000

Attention: Tyson Self
Manager Projects
Access

And also by email to: publicsubmissions@erawa.com.au

Dear Sir

**CALL FOR SUBMISSIONS ON WESTERN POWER'S PROPOSED
TECHNICAL RULES EXEMPTION FOR THE NILGEN WIND FARM**

Thank you for the opportunity to comment on the proposed exemption to the Technical Rules for the Nilgen Wind Farm project.

Verve Energy recognises that there are opportunities to use the existing SWIS grid in a more efficient manner and supports the ability of a proponent to make a judgement to proceed with a project on a constrained access basis.

Western Power is currently transitioning to a new Applications Queuing Policy (AQP) for applications under the new Access Arrangement 3 (AA3) due to come into force as of 1st February 2012. During this transition process uncertainty is being created for all participants and this uncertainty means that there is the potential for other market participants to be disadvantaged by the Nilgen exemption proposal. On this basis Verve Energy requests that the ERA ensures that other participants are not disadvantaged by seeking answers to the following questions from Western Power:

1. Does the granting of this exemption to the Nilgen project mean that it will be treated differently to other applicants who are also considering constrained access proposals for their projects? Will other proponents

have to go through a longer access proposal and negotiation phase than the Nilgen project?;

2. Will the Nilgen project be under a different transitional process to the new AQP if the exemption is granted compared with other applicants? Does granting of the exemption essentially allow Nilgen to "jump" the queue?; and
3. Will the fact that the Nilgen project has received an open-ended derogation, for a project which is currently not under construction or committed, mean that Western Power is obliged to consider it as part of the "existing system" when undertaking network access studies for other participants? Will the granting of the exemption essentially "lock out" other proponents from the region even if the project does not proceed to construction?

Please do not hesitate to contact me to discuss any aspect of Verve Energy's submission on the above number or by email andrew.everett@verveenergy.com.au should you have any further queries.

Yours sincerely

ANDREW EVERETT
MANAGER TRADING & REGULATION