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Wholesale Electricity Market  
Rule Change Proposal Submission Form

RC\_2012\_10 Limits to Early Capacity Payments

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Submitted by

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Submission

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1. Please provide your views on the draft report, including any objections or suggested revisions.

Synergy supports RC\_2012\_10 as it removes an unnecessary cost to the market by not making early arrival payments to new capacity of types which could not be considered to have a summer peak period arrival risk.

Synergy believes that this rule change is one step towards improving the cost benefit trade-off between ensuring that new generators will be reliable for the summer peak period and making early capacity payments.

RC\_2012\_10 is not the only possible step to improve the early capacity payments

Synergy complements the IMO in providing a succinct and accurate description of the rule change proposal in its covering summary to the rule change. For further clarity Synergy also wishes to add the following points in regard to harmonisation:

- (i) Harmonising is still a concept under discussion and development by the Reserve Capacity Mechanism (RCM) working group, and at this time it is not known whether it will be adopted, and if so then what form it will finally take and therefore it should not be taken into consideration in assessing this rule change.
- (ii) Harmonising, as being discussed by the RCM working group, is endeavouring to align the availability of the capacity types by increasing DSP availability and dispatch obligations to more closely reflect that of generators. Harmonising in this form better supports the view that DSPs ought to receive the same availability payment as generators, removing concerns that they represent a lesser form of capacity and therefore poor value for money.
- (iii) Finally, rule change RC\_2012\_10 has a different focus to harmonising as being discussed by the RCM working group in that it identifies that the arrival risk

