

Market Rule 2.5.1 of the Wholesale Electricity Market Rules provides that any person (including the Independent Market Operator) may make a Rule Change Proposal by completing a Rule Change Proposal Form and submit this to the Independent Market Operator (IMO).

The IMO will assess the proposal and, within 5 Business Days of receiving the Rule

Details of the Proposal

Alinta raises two issues in its proposal. The first one relates to current differences in how the Market Rules treat Scheduled Generators and Non-Scheduled Generators in regard to dispatch instruction payments. The second issue relates to how the downward dispatch quantity is calculated when a Non-Scheduled Generator is dispatched down.

These issues are addressed in turn below:

1. Non-Scheduled Generators – Dispatch Instruction Payment

Under the current Market Rules, clauses 6.17.6(c) and 9.8.1, Non-Scheduled Generators are treated differently than Scheduled Generators in regard to downward dispatch instruction payments, after being dispatched down by System Management.

Alinta is concerned that this difference results in potential adverse outcomes for Non-Scheduled Generators, compared to Scheduled Generators.

Including the imbalance, the Effective Downward Dispatch Instruction Payment, (EDDIP) as calculated according to clause 9.8.1, for a Scheduled Generator is:

$$a). \text{ EDDIP} = \text{Dispatch Quantity} * (\text{Bid Price})$$

The EDDIP for a Non Scheduled Generator is:

$$b). \text{ EDDIP} = \text{Dispatch Quantity} * (\text{MCAP} + \text{Bid Price})$$

Under *a)*, Scheduled Generators always pay or are paid their bid price and the MCAP value does not impact upon this.

Under *b)*, Non Scheduled Generators could be adversely impacted in instances where $\text{MCAP} > 0$. This is because the Bid Price for a downward dispatch instruction may be a negative value, while MCAP is a positive value. In *a)* above, the negative Dispatch Quantity multiplied by a negative Bid Price results in a positive EDDIP. In *b)*, the EDDIP is lower due to a positive MCAP value (>0) added to a potentially negative Bid Price.

Alinta's proposal is to remove this inequality, by ensuring that Scheduled Generators and Non Scheduled Generators are treated in the same way in regard to Dispatch Instruction Payments. It is also proposed to clarify that the downward dispatch quantity is a negative value.

... .. ALL