oc   n   op n on   C n   opo

o   no o p oc d   n   o
d o co   c   n   o o
c   n y   d nd   n   o   c   nd   op   on
o   o

Verve Energy considers the current possibility that MCAP may be widely divergent from the actual cost of providing balancing energy to be a manifest error in the Market Rules.

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3) Provide any proposed specific changes to particular Rules (for clarity, please use the current wording of the Rules and place a ~~strikethrough~~ where words are deleted and <u>underline</u> words added)

6.14.2. The value of MCAP for a Trading Interval is calculated as follows:

(a) If the STEM Auction was suspended for the Trading Interval under clause 6.10.1, and the process described in clause 6.9 cannot subsequently be completed by the time MCAP must be published under clause 6.14.1, the IMO must determine MCAP for the Trading Interval to be the value of MCAP for the equivalent Trading Interval:

    i. if the IMO is determining MCAP for a Business Day, MCAP will be the value for the most recent Trading Day in the past which is a Business Day and commenced on the same day of the week;

    ii. if the IMO is determining MCAP for a day which is not a Business Day, MCAP will be the value for the most recent Trading Day in the past which is not a Business Day.

(b) If the STEM Auction was not suspended for the Trading Interval under

       iii.   the Net Contract Position of the Electricity Generation Corporation for that Trading Interval.

(d)   the "Relevant Quantity" equals:

       i.   the Operational System Load Estimate for the Trading Interval; plus

       ii.   IMO's estimate of the total MWh demand curtailed during that Trading Interval (if any); <u>minus</u> ~~plus~~

       iii.   the IMO's estimate of the amount by which energy provided by Market Generators other than the Electricity Generation Corporation ~~falls short of~~ <u>deviates from</u> the relevant Resource Plan quantities. <u>This estimate equals:</u>

          1.   <u>the Operational System Load Estimate for the Trading Interval; minus</u>

          2.   <u>the total Loss Factor adjusted generator sent out energy of the Electricity Generation Corporation based on SCADA data for the Trading Interval; minus</u>

          3.   <u>the sum over all Resource Plan Submissions of the total Loss Factor adjusted sent out energy included in each Resource Plan for the Trading Interval; minus</u>

          4.   <u>the sum over all Resource Plan Submissions of the absolute value of each shortfall included in accordance with clause 6.11.1(e) for the Trading Interval</u>

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4) Describe how the proposed Market Rule change would allow the Market Rules to better address the Wholesale Market Objectives:

This proposed Rule Change supports the following Market Objectives:

     (b)   to minimise the long-term cost of electricity supplied to customers from the South West interconnected system;

Adoption of the proposed Rule Change will enable generators and retailers which are buying or selling in balancing to receive or pay more accurate and market reflective prices for balancing energy.

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5) Providect ydtdc4(d)35(i)413211(u)13211(t)41(h)13211( )13(W)344(e)1211(s)153(t)( )41(i)4415(n)1321

Benefits:

- More accurate and market reflective prices for balancing energy, leading to a more efficient market.

Costs:

- This change will require minor changes to the IMO's WEMS
- This change may require minor changes to System Management's system(s)