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## Decrease in Maximum Demand

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When a customer without interval meter readings in the previous hot season transfers to a new retailer its Temperature Dependent Load for Individual Reserve Capacity Requirements (IRCR) determination is assumed to be its CMD or 1.1 times the MW figure formed by doubling the maximum Trading Interval demand by that customer (Appendix 5, step 5).

This approach significantly overstates the new retailer's IRCR as it does not take into account the diversity between peak loads on the SWIS. Individual customers' demand generally peaks in different intervals and the current methodology does not take that into account. For example, customers peaking at different times of the day, on



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Decrease in the proposed Market Rule to reduce the impact of the Market Rule on the electricity market.

Alinta believes that the proposed change to the Market Rules will improve the accuracy in cost allocation between retailers by more accurately reflecting the diversity of customers that do not have interval meter reading history for the preceding hot season.

The change will remove a significant disadvantage that currently applies to all but the incumbent retailer. The change will therefore facilitate competition in the supply of electricity and contribute to minimising the long term cost of electricity in the SWIS.

Finally, the change would allow customers to influence their contribution to IRCR by influencing their peak usage to fall at other times than the SWIS peak usage. The current rules do not give these customers any incentive to take into account their time of use pattern as their IRCR calculation is linked to their individual maximum consumption interval regardless of the time that consumption occurs.

For the reasons set out above, Alinta considers the change will better facilitate the