

## **Wholesale Electricity Market Rule Change Proposal Submission Form**

RC\_2010\_29 Curtailable Loads and Demand Side Programmes

## **Submitted by**

Name:	Corey Dykstra
Phone:	9486 3749
Fax:	9221 9128
Email:	corey.dykstra@alinta.net.au
Organisation:	Alinta Sales Pty Ltd
Address:	12-14 The Esplanade PERTH WA 6000
Date submitted:	15 April 2011

## **Submission**

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

**Summary** T8 12(oposal0 )Tj3(.(A66 s aed)-4.c29.2( )-722732000 )5134-16.065 -1.1



 Changing the manner in which Relevant Demand is measured for Curtailable Loads and/or Demand Side Programmes to use their Individual Reserve Capacity Requirement (IRCR), rather than the 32 Peak Trading Intervals as is currently the case, entrenches the existing 'static' baseline for measuring the extent to which Curtailable Loads and/or Demand Side Programmes meet their obligations under the Market Rules.

There appeared to be general consensus at a workshop held by the IMO on 8 April 2011 that adopting a 'dynamic' baseline to measuring the extent to which Curtailable Loads



- There may be an unintended misalignment between the 10 Business Day delay in the IMO associating a load with a DSP under clause 2.29.5E and a further 10 Business Day delay in resetting the Relevant Demand in clause 2.29.5H after a load is associated with the DSP. Alinta is concerned that the delay in resetting the Relevant Demand by 10 Business Days after the load is associated with the DSP has the potential to create issues if the DSP were dispatched within this period. It appears that the resetting of the Relevant Demand should be occurring in the original 10 Business Days allowed for the IMO to associate the load with the DSP.
- It appears that the deletion of clause 2.33.4(d)(iii) would mean that a Demand Side Programme (DSP) may only be deregistered with six months notice, whereas currently a Curtailable Load, which may comprise the entire programme, can be deregistered with one month notice.
- Currently, Intermittent Loads are not permitted to be included in demand side programmes, but if clause 4.8.3(a) were deleted as proposed, this would no longer be the case.
- Clause 4.8.3(e) currently requires that loads comprising the demand side programme have the same availability as the block that is applied for (e.g. 24 hours or 48 hours).
  This appears not to have been covered in the amended Market Rules or in the new procedure.
- The reasons that clause 4.11.4, which specifies the hours of availability, is being deleted is unclear.
- The reference in clause to 4.25.1(c) to a DSP operating at its maximum Reserve Capacity Obligation Quantity is unclear, as this quantity is simply the difference between its Relevant Demand and its Required Level (i.e. should it be operating at its Relevant Demand?).
- Clause 4.25.2(a) contains a reference to "Meter Schedules" which should instead be a reference to "sent out energy non loss adjusted".
- It appears that clause 4.25.3B assumes that the "activation" of the DSP would be for the complete amount of capacity offered by the DSP. Alinta understands it is possible, although perhaps unlikely, that a DSP might only be partially "activated". In such circumstances, it appears that the second Reserve Capacity test would still be required.
- The reference to "current scheduling day" in clause 4.25.4 is unclear and must be more specific. For example, "....on the Second Trading Day following the day on which the



- Alinta considers that the drafting of clauses 4.26.2CA and 4.26.2CB could be improved.
- Alinta notes that clause 4.26.2D(iii) currently results in a level of refunds that is greater than capacity credits assigned (-2 \* meter data + Capacity Credits - Relevant Demand).
  This error should be corrected.
- The new clause 4.26.3A(b)(ii) appears to add MW to \$?
- In respect of clause 6.12.1(h), Alinta notes that loads and Demand Side Programmes do not have "sent out capacity".
- Clause 6.17.6(d)(i)(2) appears to incorrectly refer to clause 7.1.13(eC) rather than clause 7.13.1(eC). It also appears that this clause will conflict with changes to clause 6.17.6.(d)(i) following RC\_2008\_20, which commences on 1 October 2011 and changes the dispatch quantity.



Alinta considers that until the RCM is reviewed, the IMO cannot be satisfied that RC\_2010\_29 is consistent with the Wholesale Market Objectives, and in any event that it is unlikely to be inconsistent with the Wholesale Market Objectives.

Specifically, over the past four years, the quantity of Capacity Credits assigned by the IMO to Curtailable Loads and/or DSPs registered by Market Customers that do not supply energy to those Loads has increased more than 15 fold, from around 21 MW for the 2008/09 Capacity Year to around 320 MW for the 2012/13 Capacity Year.

- The effect has been to transfer around \$93 million from Market Generators to those Market Customers that only register Curtailable Loads and/or DSPs and do not supply energy to any Loads.
- Since 2010/11, more than 50 per cent of the excess supply of Capacity Credits can be attributed to Capacity Credits assigned to Market Customers that only register Curtailable Loads and/ DSPs but do not supply energy to any Loads.

To the extent the amendments to the Market Rules contemplated by RC\_2010\_29 reinforce the status quo, the outcome is likely to be inconsistent with Market Objectives (a), (b), (c) and (d).

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

The changes to the Market Rules contemplated by RC\_2010\_29 would not require Alinta to change its IT or business systems, and hence there are no IT or business costs associated with the rule change proposal.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.

The changes to the Market Rules contemplated by RC\_2010\_29 would not require Alinta to change its IT or business systems, and hence there is no specific period of time that would be required to implement the changes arising from the rule change proposal.