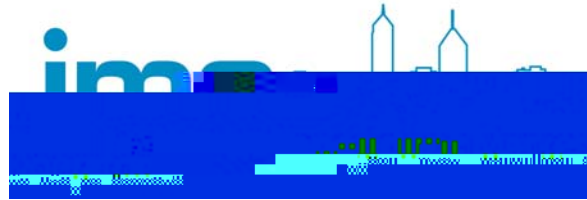


**Wholesale Electricity Market
Rule Change Proposal Submission Form**

**RC_2010_25 and RC_2010_37: Calculation of the Capacity Value of
Intermittent Generation**

Submitted by

Name:	Ken McAlpine
Phone:	(03) 8698 7300
Fax:	(03) 9645 0111
Email:	kenmc@vestas.com
Organisation:	Vestas Wind Systems A/S



Most notably, System Management conceded that RC 25 did little to address any issues it had in managing system security at times of high demand:

System Management wishes to add that the major concern is not the capacity credits assigned to a facility but rather the contribution that the various types of generation that is procured during the reserve capacity cycle make to system security.

Furthermore, System Management added:

System Management believes that the contributions cannot be influenced in realtime however it can be done as part of the Reserve Capacity procurement process.

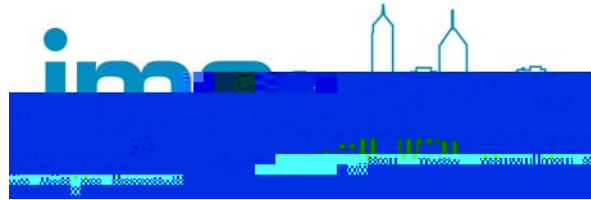
This can be facilitated by predetermining the minimum quantities of various types of generation and demand side resources that must be sourced. This is already taken into account for Demand Side options in development of the availability curve.

Such comments underline what Vestas and many other investors in Western Australia have been saying all along. It doesn't matter what level of capacity credits are paid to generators under the Rules if your major concern is security of supply at peak times. There is nothing in RC 25 that will have a material impact in addressing such issues.

If the gas doesn't flow, the wind doesn't blow or the sun doesn't shine then there is nothing contained in RC 25 that would help System Management in such circumstances, and now that this has been conceded then it makes much of the IMO's initial support for the Rule Change quite redundant.

In addition, the "U factor" that was introduced in one of the latter incarnations of RC 25 also seems misplaced. We also reiterate our strong view that such a concept should have always faced the proper scrutiny that any other new Rule Change would have to undergo.

As noted previously, we consider that if the IMO board wishes to retain the confidence of private sector investors then it should be clearer about the terms upon which it engages so-



The existing arrangements for valuing capacity credits may well be in need of an overhaul, and that is a matter that most if not all members of the Renewable Energy Generation