

during periods of very high temperature. A solar facility should in fact have a positive U-factor. To d \nearrow the capacity output of a solar facility based on its assumed output during times of extreme temperature is nonsensical and clearly discriminates against that technology. It is unclear whether wave resources are in any way correlated to temperature. Based on this issue alone, it would be inappropriate to include the U-factor in the modified RC_2011_25 methodology.

Implementation of modified RC 2011 25

The issue, arising late in the second submission process, relating to the provision of data by Collgar and the inability of the IMO to use this data in the analysis of peak trading intervals, raises some questions over the implementation of the modified RC_2011_25. Currently, new entrant IGFs are able to provide evidence from an accredited consultant as to their expected



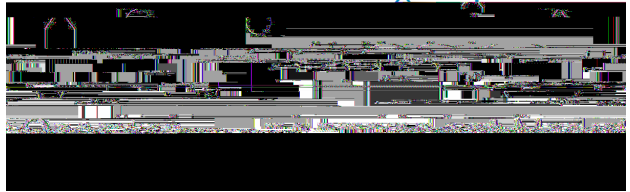
Lowering volatility (and risk) will better facilitate new entrant generation.

- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;

Clearly, the U-factor is a manifest discrimination against solar facilities and a likely discrimination against wave facilities. It is also likely to discriminate between wind farms located in different climatic zones in the SWIS. Based on this alone, the U-factor cannot be included in any methodology.

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

Reducing capacity credits to wind farms will increase the cost of energy and ultimately lead to higher costs to consumers. Increasing the capacity value for solar facilities will do the opposite.



It is expected that the introduction of RC_2011_37, while increasing revenue risk, would have little impact on the value of the Emu Downs Wind Farm or the development of the Badgingarra Wind Farm project.

NA
