

Wholesale Electricity Market
Rule Change Proposal Submission Form

RC_2011_14 Calculation of Availability Class Quantity Correction

Submitted by

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Submission

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

Background

The Independent Market Operator (IMO) has an obligation to publish a Statement of

The same clause also describes how to associate capacity with each of the four Availability Classes:

- Availability Class 4 = The Reserve Capacity Target
 - o less the greater of:

reference to “48 hours” with “24 hours” in 4.5.12(c)(i), a reference to “72 hours” with “48 hours” in 4.5.12(c)(ii) and a reference to “96 hours” with “72 hours” in 4.5.12(c)(iii).

Perth Energy’s Views

Comments on the proposed changes

Perth Energy considers that clause 4.5.12 of the Market Rules is somewhat ambiguous and should be amended to clarify the intent of the Market Rules. However, Perth Energy does not agree with System Management’s assessment that there is a misalignment between the availability requirements listed in Appendix 3 and information about the Availability Classes in clause 4.5.12.

Clause 4.5.12 starts as follows “An Availability Curve for a Capacity Year is to contain the following information: (a) the forecast capacity, in MW, required for more than 24 hours per year, 48 hours per year, 72 hours per year and 96 hours per year”.

These four cut-offs align well with the availability requirements contained in Appendix 3 where Availability Class 4 must be available between 24 and 48 hours per year (corresponding to capacity required for more than 24 hours per year), Availability Class 3 must be available between 48 hours and 72 hours (corresponding to capacity required for more than 48 hours per year) and so on.

The current version of 4.12.5 (c)(i) defines Availability Class 4 capacity as “the capacity quantity associated with Availability Class 4 is the Reserve Capacity Target for the Capacity Year 2018/19 of the quantity specified in the quantity table in the table above (s) being required”

Other issues identified

Perth Energy has identified a different issue with the current wording of clause 4.5.12(c)(iii) and 4.5.12(c)(iv). Perth Energy proposes that clause 4.5.12(c)(iii) be amended as follows:

- “iii. the capacity quantity associated with Availability Class 2 is:
1. the Reserve Capacity Target for the Capacity Year less the greater of the quantity specified under paragraph (b) and the quantity specified under paragraph (a) as being required for more than 96 hours per year; less
 2. the total capacity quantity associated with Availability Class 3 ~~or~~ and Availability Class 4;”

Clause 4.5.12(c)(iv) should also be similarly amended.

2. Please provide an assessment whether the change will better facilitate the achievement of the Market Objectives.

Perth Energy does not agree with System Management’s interpretation of clause 4.5.12 and does not consider there to be any inconsistency between clause 4.12.5 and Appendix 3 of the Market Rules. Perth Energy therefore does not support the rule change proposal.

Perth Energy considers that if the proposed changes were to be made inconsistencies would be introduced between clause 4.5.12 and Appendix 3. Perth Energy is also concerned that with the new wording in 4.5.12(c)(i), no capacity could be associated with Availability Class 4 as presumably the capacity that must be available for 24 hours or more would be equal to the full Reserve Capacity Target.

Perth Energy considers the proposed changes would have a marginally detrimental impact on facilitating achievement of Market Objectives¹ (a) and (d) by potentially introducing an internal inconsistency in the Market Rules and excluding demand side provision of capacity within Availability Class 4.

Perth Energy considers the further issues that it has identified (use of “or” instead of “and”) should be addressed. The proposed changes would impact positively on facilitating achievement of Market Objective (a) by clarifying the Market Rules.

Perth Energy has not identified any impacts on the remaining Market Objectives.

¹ The objectives of the market are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discr

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.

Perth Energy has not identified any significant cost or IT issues in relation to this change proposal.

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

Perth Energy does not require any lead time to implement the change proposal.