

### **d**hn Rhodes

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#### **Submission**

## 1. Please provide your views on the draft report, including any objections or suggested revisions.

Synergy supports System Management's assessment that an inconsistency or mismatch arises between clause 4.5.12(c) in its calculation of capacity quantities required for Availability Classes 2, 3 and 4 and the availability hours listed in Appendix 3 for those Availability Classes. Specifically, Synergy agrees that as a result of determining the capacity requirement of Availability Classes 2, 3 and 4, as currently defined by clause 4.5.12(c), may result in load for a segment being short of that expected as a consequence of the application of Appendix 3. For instance, in respect of Availability Class 4, clause 4.5.12(c) determines the required capacity based on minimum availability of 48 hours which may result in the load for a segment of the Availability Curve not being fully covered on account of the Appendix 3 setting a minimum of 24 hours. Clearly this misalignment of definitions of minimum availabilities can give rise to risk that the load duration curve is not fully covered.

Synergy agrees that amendments proposed in the Draft Rule Change Report to both 4.5.12(c) and Appendix 3 in regard to the hours of availability for each Availability Class remove the misalignment and also clarify that there is no overlap in the hours of availability of each Availability Class, as is currently the case. Synergy also agrees that it is redundant to list the hours of availability for Availability Class 1 in Appendix 3 given it is not stated in clause 4.5.12(c) and that therefore reference to it can be removed in Appendix 3 from the table defining the hours of availability for each Availability Class. Synergy also supports the IMO's proposed amendment to the Appendix 3 preamble to clarify and reinforce that Availability Class 1, being generation facilities, has the highest availability requirement.

#### A further amendment to Appendix 3 to remove a possible ambiguity



In regard to the preamble, Synergy notes that it states that the algorithm, used to determine whether to accept capacity offers in the context of exceeding capacity requirements, allows capacity from a high Availability Class to be used for a lower Availability Class. The algorithm iterates through the four Availability Classes in ascending order (i.e. 1 through 4) and defines a set of active offers for capacity offers in a particular class to comprise all offers from that class with step 3:

accepting offers (from the active set of offers) until the capacity requirements of the Availability Class are fully covered; and

providing a tie-break mechanism where accepting two or more offers would result in the



If it is accepted, as suggested by Synergy, that the Appendix 3 preamble can be read in different ways and result in different outcomes i.e. a nonsensical auction is triggered meaning Appendix 3 is ambiguous, then there is merit in considering some amendments to either the preamble or the steps in the algorithm to remove the potential for a second interpretation to be made. In this regard Synergy's suggestion is for the IMO to consider amending the Appendix 3 preamble as follows:

"However the algorithms in this appendix allow capacity from an Availability Class with high availability, including capacity already accepted but in excess of that Availability Class requirement, to be used in place of capacity from an Availability Class with lower availability."

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

Synergy believes that the amendments presented in the Draft Rule Change report will allow the Market Rules to better address Market Objective (a):

to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;

by ensuring that the potential for mismatch between capacity requirements and facility availability in each Availability Class is removed and that the Appendix 3 operates in the intended way to ensure that the availability curve is covered.

# 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.

Synergy would not require any changes to IT or business systems, nor incur any organisational costs as a consequence of adopting the proposed change.

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

Synergy would be able to implement this rule change immediately.