



## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2012\_01 Intermittent Loads Eligibility Criteria

#### Submitted by

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#### Submission

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

#### Background

The Market Rules currently contains provisions for a class of loads called “Intermittent Loads”. Intermittent Loads can in general be described as loads that are normally served entirely by embedded generation (normally residing at the same site as the load). As Intermittent Loads are serviced by embedded generation they are only required to purchase capacity credits to cover the reserve margin requirement.

The reserve margin is defined as negative one plus the ratio of the Reserve Capacity Requirement and the expected peak demand for the relevant Capacity Year. For example, if the Reserve Capacity Requirement was 5,000MW and the expected peak demand 4,000MW the reserve margin would be 0.2  $(-1 + 5,000 / 4,000)$ . In that year, a load that recorded a 1MW consumption during the 12 peak intervals of the previous hot season would be required to purchase 1.2MWs of Capacity Credits (this number will normally be slightly further inflated due to oversupply of Capacity Credits). An Intermittent Load of 1MW would only be required to purchase 0.2MW of Capacity Credits to cover the reserve margin.

A single load may in some instances have a normal load that regularly exceeds the capacity of the embedded generator that it is associated with. In those instances the Market Rules



