



15 April 2013

Independent Market Operator
Attn: Kate Ryan, Group Manager, Development
PO Box 7096
Cloisters Square Perth WA 6850

By email: market.development@imowa.com.au

Dear Kate

**RE: Rule Change Proposal (RC_2012_001)
Control Service Facilities**

ERM Power ('ERM') welcomes the opportunity to outline the assignment of Capacity Credits to the Wholesale Electricity Market ('WEM').

Consistent with the agreed view of the Independent Market Operator, the Economic Regulation Authority, the February 2013 workshop, ERM supports the assignment of Capacity Credits to LT-SPA Facilities (including Facilities assigned Capacity Credits). ERM agrees that this will improve network reliability by more appropriately allocating capacity requirements for the WEM. In addition, ERM supports a Market Participant who operates a NCS Facility to receive income should not be paid to the Network Service Provider.

ERM emphasises the importance of Facilities receiving Capacity Credits concurrently under the proposed rule change conducive to broader development opportunities, network augmentation and capacity simulation outcomes. On this basis, ERM further encourages...

Should you have any queries regarding this proposal, please call 9481 1100.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Sutherland', written over a white background.

Andrew Sutherland
General Manager – WA Projects