

Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2013_21 Limit to Early Entry Capacity Payments

Submitted by:

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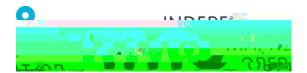
Submission

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

Background

A key objective for the Wholesale Electricity Market (WEM) is to ensure that electricity and related services are provided reliably and economically. The provision of capacity in Western Australia is achieved through the Reserve Capacity Mechanism - a set of processes through which the IMO determines the amount of generation and Demand Side Management capacity required to meet future demand and reliability requirements.

Under the initial Reserve Capacity Mechanism design the timeframe for new capacity to enter the market was a four-month window centralised around the start of a new Capacity Year on 1 October (between 1 August and 30 November). This timeframe allowed new Facilities to enter the market and receive the benefit of Capacity Credits and any associated income stream from 1 August, and aimed to reduce the potential for post-commissioning reliability problems to continue into December - the first month of the summer peak demand period.



Summary of this proposal

The IMO's Rule Change Proposal: Limits to Early Entry Capacity Payments (RC_2013_21) proposes to maintain the early entry capacity payment scheme but remove access to it when capacity is in surplus.

The IMO will determine early entry payment