

Wholesale Electricity Market Rule Change Proposal Submission

RC_2014_03

Administrative Improvements to the Outage Process

Submitted by

Name:	Andrew Everett
Phone:	0417 978 890
Email:	andrew.everett@synergy.net.au
Organisation:	Synergy
Address:	219 St Georges Terrace, Perth 6000
Date submitted:	11 December 2020

Submissions on Rule Change Proposals can be sent by:

Email to: support@rcpwa.com.au

Post to: Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

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

However, Synergy raises concerns on underlying issues with respect to the introduction of a Triggering Outage Notification mechanism and new Outage Quantity determinations as it does not consider the benefits to be sufficient justification for the:

- Opportunity cost s 6\QH UJ\¶V YLHZ LV WKDW WKH SURSRVHG FKDQJHV S significant, disruption to 6\QH UJ\¶V FULWLFDO DFWLYLWLHV UHTXLUHG WR

Outage Mechanism obsolete, meaning that costs and resources set aside to implement these changes will become redundant.

)XUWKHU FKDQJHV WR 2XWDJH 4XDQWLW\ GHWHUPLQDWLRQV IR
RXWDJHV FDOFXODWLRQV DQG UHTXLUH PDWHULDO V\WHP FKD
Balancing submissions and internal processes. For instance, system calculations would need to be reconfigured on a nominal basis and system changes would be required to enable automated temperature correction. Again, these changes will need to be reversed and amended once the new market commences; and

- High implementation costs : Synergy considers that the costs for implementation are FRQVLGHUDEOH \$(0.2M) HVWLPDWH RI F \$350,000) QHUV\TV H not accounting for contingency allowance, opportunity cost as well as costs borne by other Market Participants.

Triggering Outage Mechanism :

Synergy recognises the importance of Market Participant visibility of Network Operator planned outages. However, Synergy anticipates that the changes may only provide marginal benefits and incurring large costs to implement a guaranteed redundant mechanism may not be an efficient use of time and resources. Therefore, 6\QHUV\TV VWURQJ UHFRPPHQGDWLRQ LV WR QRW :
Change Report.

6\QHUV\TV YLHZ of the Wkdyng issues in relation to market transparency is the need to reflect GIA and regional network constraints in the Balancing Merit Order (BMO). However, Synergy considers that the proposed changes under RC_2014_03 only addresses a small component of these concerns.

Synergy notes that one of the key drivers for RC_2014_03 is to require individual participants to reflect foreseeable constraints in order to reduce the volume of energy bid into the market which may not be able to be delivered. Synergy notes that where the constraint impacts the sum of output from multiple facilities, the desire to properly reflect energy which can be physically delivered may not occur unless AEMO ensures that the sum of available capacity from all affected parties does not exceed the regional cap. At present, Synergy does not understand how this will be achieved without AEMO effectively picking winners as AEMO may not know the pricing of individual facilities in advance.

Further, the Rule Change Report does not address the issue of Western Power North Country regional network constraints, which heavily impacts balancing price forecast accuracy and would benefit from increased market transparency. In some instances, Synergy receives notification of North Country Network constraints as our Pinjar facility may be directly impacted. Synergy notes that Countr4.96 0 1 257.81 331.73

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.

3 U R S R V H G F K D Q J H V D U H O L N H O \ W R K D Y H P D W H U L D O L P S O L F D W L
resourcing and internal processes.

An automated solution to accommodate proposed changes is preferred to minimise non-compliance risk. Initial cost estimates for a system integration of the proposed changes is material, at approximately \$250,000 to \$350,000 based on two key assumptions:

- a) Triggering Outage Notifications will be provided at the facility level; and
- b) Triggering Outage Notifications will be provided as a structured message ¶ W K D W Z R X O G H Q D E O H 6
systems to automatically read and respond to messages.

Specifically, Synergy does not support the proposed method of communicating Triggering Outage Notices via Dispatch Advisories under clause 3.20.5. A Triggering Outage Notification mechanism that does not conform with these assumptions would adversely impact implementation costs as well as heighten non-compliance risk.

- 4.