
**Wholesale Electricity Market
Rule Change Proposal Submission Form**

**RC_2014_04 Specific Transition Provisions for the 2014 Reserve
Capacity Cycle**

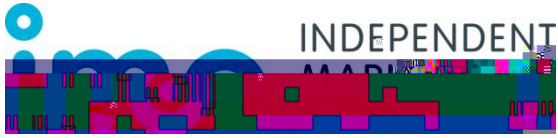
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On 29 April 2014 the Minister for Energy, Dr Mike Nahan, directed the Independent Market Operator (IMO) to defer certain aspects of the 2014 Reserve Capacity Cycle.

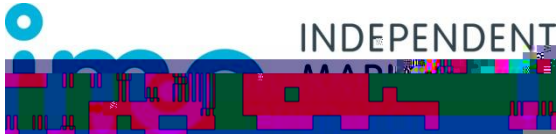
In particular, the Minister directed the IMO to defer the process for assigning Reserve Capacity Credits (RCR) for the 2016/17 Capacity Year. The IMO decided that it would be prudent to defer a number of other processes, including the publication of the Statement of Opportunities (SOO) for that capacity cycle to allow the SOO to be as up to date as possible when published.

There are a number of responsibilities placed on the IMO to do certain things throughout each capacity cycle. Many of these actions are interrelated and assume that the normal process in the capacity and energy markets are followed each year. For example, information from the SOO is used to inform the Long Term Projected Assessment of System Adequacy (LT PASA) and also provides information about forecast capacity requirements in



the Wholesale Energy Market (WEM) for the expression of interest process for the Reserve Capacity Market.

The Market Rules places certain obligations on the IMO to for example publish the LT PASA and use information from the most current SOO to inform the expression of interest process for the reserve capacity process. With the changes to the 2014 Reserve Capacity Cycle imposed on the IMO by the Ministerial Direction, the IMO will not be able to fulfil all of its obligations under the Market Rules as some of the information it is required to provide as



Perth Energy considers the proposed changes adequately and efficiently removes the potential for non-compliance with respect to the IMO due to the flow on effects from the Ministerial Direction. Furthermore, the proposed amendments by the IMO ensures that the expression of interest process for the next capacity cycle can be run having as up to date information as possible about future capacity requirements in the WEM.

For these reasons, Perth Energy considers the proposed amendments will better facilitate