



Wholesale Electricity Market Rule Change Proposal Submission

RC_2017_06

Reduction of the prudential exposure in the Reserve Capacity Mechanism

Submitted by

Name:	Steve Gould
Phone:	
Email:	steve@communityelectricity.net.au
Organisation:	Community Electricity
Address:	
Date submitted:	20-APR-2018

Submissions on Rule Change Proposals can be sent by:

Email to: rcp.secretariat@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.

Community Electricity continues to support the original Rule Change Proposal.

We perceive the new cost benefit assessment to compare an avoided cost of capital with the cost of achieving that avoidance. As such, we perceive the analysis to be unrealistically narrow in scope. We also consider it to be based on unrealistic assumptions.

We consider the payback period to be much shorter than the value posited.

We suggest that the assessment should instead holistically consider the impacts - intangible and tangible - on the Market Objectives including the following aspects:

