



29 September 2022

Energy Policy WA Level 1 66 St Georges Terrace Perth WA 6000

Lodged email: energymarkets@dmirs.wa.gov.au

Dear Energy Policy WA,

Shell Energy Australia Pty Ltd (Shell Energy) welcomes the opportunity to respond to Reserve Capacity Mechanism Stage 1 Consultation Paper (the Consultation Paper), released on 29 August 2022. The Consultation Paper has been developed for Stage 1 of the Reserve Capacity Mechanism Review (the ROM Review) being undertaken under clause 2.2D.1 of the Wholesale Electricity Market (WEM) Rules. The ROM Review also incorporates the Coordin

and reduce their environmental footprint.

Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves more than 185,000 households and small business customers in Australia.

As the second largest electricity provider to commercial and industrial businesses in Australia¹, Shell Energy offers integrated solutions and market-leading² customer satisfaction, built on industry expertise and personalised

-fired peaking power stations in

Western Australia and Queensland, supporting the transition to renewables, and the 120 megawatt Gangarri solar energy development in Queensland.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website here.









6c. Do stakeholders support commencing the proposed amendments to clause 4.5.9(a)(ii) for the 2023 Reserve Capacity Cycle?

We support the commencement of the proposed amendment in the 2023 Reserve Capacity Cycle and understand





Shell Energy are supportive of a fixed price option for proposed flexible capacity, however, with regard to the duration of the fixed price, we consider 5 years to be insufficient and a longer duration fixed price would be more appropriate. There is a considerable reliance on investment in the WBM and a 5-year fixed price may not encourage investor confidence, given that between now and 2030, new capacity is required over a 7-year period to replace retiring assets, yet the fixed price option is only 5 years.

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13a. Do stakeholders support replacement of the current Availability Classes with Capability Classes?

We are supportive of the replacement of availability classes with capability classes.

13b. Do stakeholders support the conceptual design proposal for the Capability Classes?

Broadly, we are supportive however, we note that there may be inequity regarding obligations between classes. We have concern aroun





16. Conceptual Design Proposal 16

16. Do stakeholders support requiring ABMO to procure expert reports on behalf of participants?

Shell Energy does not support AEMO procuring expert reports on behalf of participants. There are a number of reasons as to why this is not suitable, including:

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