

Community Electricity

It's not just business; it's personal 😊

Response to PUO Public Consultation

Proposed capacity pricing model

Standing

Community Electricity is:

- a a licensed Electricity Retailer and provider of Electricity Retail Services and Market Consultancy;
- b a member of the original Access Code Development Committee (2003 to 2004)
- c a member of the Rule Change Panel's Market Advisory Committee;
- d a member of the Economic Regulation Authority's previous Technical Rules Committees from time to time;

Further information is available at: www.communityelectricity.net.au

Context

1. The instant PUO consultation paper is part of a series of consultations intended to progress reform of the SWIS electricity market to the broad objective of optimising value for money and least cost to consumers. In response, Community Electricity has lodged two comprehensive and well-researched papers which are available on the PUO website.

Response

2. Community Electricity supports the capacity pricing proposals on the grounds that they are a pragmatic compromise between economic idealism and the real-world illiquidity and market concentration of the SWIS.
3. In the spirit of compromise, we limit our suggestions to the following:
 - i. we suggest that the harmonising of DSM ought to impose further requirements, particularly regarding dispatch notice periods. Ideally, System Management should have full visibility of quantities available for curtailment and DSM should be facilitated to additionally contribute to the energy and ancillary services markets.
 - ii. we suggest that the notice requirements for capacity withdrawal should be accompanied by penalties and enforcement measures.
 - iii. please clarify Table 5.1 "Current Arrangement" figures, the first two years of which are inconsistent with the figures published by AEMO, below.

Community Electricity

It's not just business; it's personal 😊

The table below shows the BRCP and Reserve Capacity Price for each Capacity Year since market start. The Reserve Capacity Price is paid by AEMO for Capacity Credits not traded between Market Participants.

Capacity Year	BRCP (\$ per MW per year)	Reserve Capacity Price (\$ per MW per year)
2020-21	\$153,600	
2019-20	\$149,800	\$128,683.47
2018-19	\$159,800	\$138,760.39

Contact

For further information or comment, please contact:

Dr Steve Gould

steve@communityelectricity.net.au