

03 April 2018

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Dear Sir/Madam

**Response to Consultation Papers: Improving access to the Western Power network, Allocation of capacity credits in a constrained network & Modelling the impacts of constrained access – methodology and assumptions**

Thank you for the opportunity to provide feedback in relation to the implementation of a constrained network access regime for Western Power's network.

Energy Developments Pty Ltd (EDL) has elected to provide one submission, consolidating its comments on the three Consultation Papers (**Papers**) published by the Public Utilities Office (**PUO**).

EDL is broadly supportive of the changes detailed in the Papers. It is felt that the introduction of a constrained network model as described by the PUO will deliver positive outcomes for both generators and consumers in Western Australia.

However, in introducing such a model it is important that the following outcomes are achieved:

- A level playing field is created and maintained, such that smaller generators are able to compete equally with large producers of electricity;
- Pricing and despatch mechanisms are transparent. This will be critical in understanding those elements that are working well, as well as where improvement is required. It is also key in providing certainty for ongoing investment in generation capacity;
- Pricing and dispatch mechanisms are structured to ensure a mix of generation that meets the economic, reliability and quality requirements of the network; and
- The changes do not result in additional administrative burden or cost to electricity generators.

To this point, EDL understands and supports the PUO's intent with regards to encouraging the development of capacity in areas where it is needed most, rather than in areas where sufficient capacity already exists.

However, EDL notes that introducing new layers of process and modelling has the potential to increase complexity and reduce transparency for generators. Accordingly, EDL requests that the PUO continue to seek industry input regarding the design and implementation of the 'capacity priority' model.

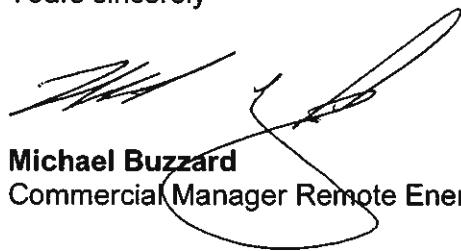
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With regards to the modelling that has been completed on the impacts of constrained access, the methodology and assumptions demonstrate consideration of the wide range of variables involved in this exercise.

However, EDL notes that a mandatory reserve capacity auction appears to have been excluded from the modelling. Given the potential introduction of this structure prior to 1 July 2022, it will be important that future modelling and consultation exercises take into account the financial impacts on generators.

Please contact me on: 0417 914 103 if you would like further information on any of the above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Buzzard', with a large, stylized flourish extending from the end of the signature.

**Michael Buzzard**  
Commercial Manager Remote Energy