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

RC_2011_10 Competitive Balancing and Load Following Market

Submitted by

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Submission

1. Please provide your views on the proposal, including any objections or suggested revisions.

Verve Energy has the following comments on the revisions to the proposed Revised Amending Rules issued after the conclusion of the second consultation period:

- 6.17.3 (e)
 - phrase ' any Downwards LFAS Backup ' should be 'any Upwards LFAS Backup '
- 6.17.5 (b)
 - phrase ' Constrained On Compensation ' should be ' Portfolio Constrained on Compensation ' to differentiate between 6.17.5 (b) and 6.17.3 (b)
- 6.17.5 (e)
 - second one should be 6.17.5 (f)
- 6.17.6A (d)
 - PCoffQN should be PConffQN + 1
 - PCoffPN should be PCoffPN +1
- 6.17.6A (f)(i)
 - PCoffG1 think it should be PCoffQ1

7A.2.15A

- As discussed at the 6 February 2012 RDIWG Meeting, this clause is difficult to follow and needs to be revised for clarity.

Glossary

"Available Capacity" - what value will be used in the case of dual fuel facilities

In addition, we have analysed the LFAS horizon definitions in the 5 December 2011 version of the proposed Amending Rules, the 12 box design document and also the User Guide explaining the 'same' horizons as they should operate in the market trial and the transitional live period. There are a number of issues:

Assuming the User Guide to be correct:

- 1) The LFAS Gate Closures and Horizons do not match the rules.
- 2) There is no guidance on what the LFAS Horizons at the start of the transitional live period will be. (The 'normal' ongoing horizons seem suitable but need confirming.
- 3) Different Horizons are defined, as expected, for the duration of the transitional live period.
- 4) The new Horizons for the transitional live period remove the additional 18:00 balancing submission for Verve Energy as this now coincides with a post-LFAS balancing submission.
- 5) There is no guidance on how the market will transition from the LFAS Gate Closures and Horizons in the transitional live period to the LFAS Gate Closures and Horizons defined in the Market Rules for the normal operation of the market.

Assuming the Market Rules LFAS Horizons, as defined, are correct:

The LFAS Horizon definitions (a) to (d) and subsequently (e) do not define any LFAS Horizons for 08:00pm on TD1 to 08:00pm on TD2. This is almost certainly because of the way items (a) to (d) and subsequently (e) are trying to define these horizons.

We would suggest that the IMO reviews how it wishes to define these horizons in the Glossary.

Perhaps (a) to (d) could be removed and participants referred to user guides relevant to each implementation phase if the initial LFAS Horizons are to be different for the first day of each implementation phase.

The transitional horizons could also be defined in the glossary as (a) to (d)

(e) to (h) could be referenced as the final implementation horizons. ((e) would need a slight amendment.)

2. Please provide an assessment whether the change will better facilitate the achievement of the Market Objectives.

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.
