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## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2007\_18 Reserve Capacity Testing Payments

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#### Submitted by

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<b>Date submitted:</b>	29 October 2007

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#### Submission

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

The IMO proposes to amend the Market Rules to clarify the payments Participants receive when a facility is undergoing Reserve Capacity tests or Commissioning tests.

The IMO has confirmed that System Management provides Dispatch Instructions to the IMO any time it directs a Participant to vary the output of a facility, including in the case of Reserve Capacity testing under section 4.25 of the Market Rules. This information is used to calculate Dispatch Instruction Payments for Participants, consistent with Clause 6.17.6. However, in addition Clause 4.25.10 states that when a facility is tested for Reserve Capacity, the Dispatch Schedule for that facility must be set to reflect the energy scheduled in the test. Under these arrangement, Participants should be paid MCAP for the energy dispatched during the test.

This has resulted in some confusion between Participants and the IMO. Synergy notes the original intent of the Market Rules that Participants would not receive Dispatch Instruction Payments for the energy scheduled during reserve capacity tests. As such, the IMO proposes to clarify clauses 6.17.6 and 7.13.1 to explicitly exclude Dispatch Instructions from being provided to the IMO if a facility is undergoing a Reserve Capacity test in accordance with section 4.25.

Further, the IMO has noted that Participants are paid MCAP for Commissioning tests according to clause 3.21A.14. The IMO therefore also proposes to clarify that Dispatch Instructions are not provided to the IMO if a facility is undergoing a Commissioning Test in accordance with section 3.21A.

Synergy supports the IMO's rule change proposal as providing much needed clarity to the Market Rules.

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

The proposed changes will provide clarity to Participants and potential investors in regard to payments for Reserve Capacity tests. Synergy considers that the proposed changes are therefore consistent with the operation of objective (a) and (b) of the Market Objectives.

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**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.**

Synergy identifies no significant cost increases in implementing this rule change proposal.

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

Nil Impact

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