
Wholesale Electricity Market Rule Change Proposal Submission Form

<RC_2008_30> <Reserve Capacity Security>

Submitted by

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Submission

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

On 11 September 2008 the Independent Market Operator (IMO) submitted a Rule Change Proposal regarding changes to clauses 4.13.1, 4.13.10, 4.13.10A, 4.13.11, 4.13.11A and 4.13.11B of the Wholesale Electricity Market Rules (Market Rules).

This rule change seeks to provide added clarity and administrative efficiency to the current Reserve Capacity Security provisions of the Market Rules. Most specifically, the current Market Rules require the IMO to determine, within 5 business days, that the requirement to hold Reserve Capacity Security in respect of a Facility has ceased. Synergy agrees with the IMO that it is not practical to for the IMO to continuously monitor each Facility and then to make this determination within 5 business days. We support a change of methodology such that the Market Participant must request the IMO to return the Reserve Capacity Security and that a longer period of time, than the previously prescribed 5 days, is appropriate to facilitate such a transaction.

Synergy further agrees with the IMO that it is more economically efficient to limit the Reserve Capacity Security associated with upgrades to the upgrade itself, not the full capacity of the Facility.

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

Synergy accepts the IMO's view that the proposed rule change supports the operation of the Market Objectives. Specifically, Synergy views that the proposal supports market objective (a) by promoting the economically efficient supply of electricity in the South West Interconnected System. This proposal will provide clarity to the interpretation and application of the Market Rules associated with the provision of Reserve Capacity Security.

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 does not identify any substantial cost implications in implementing this rule change.

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

Synergy does not anticipate that this rule change proposal will take a protracted period of time to implement.
