

24 April 2009

Mr Troy Forward  
Manager Market Administration and System Capacity  
Independent Market Operator  
PO Box 7096  
Cloisters Square  
Perth WA 6850

Dear Troy

***Market Rule Change Proposals – 2008\_31 - Capacity Credits for Solar Facilities***

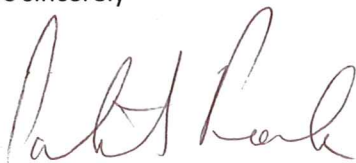
Thank you for the opportunity to make comment on the proposed rule changes in respect to capacity credits for solar facilities. Perth Energy considers this an important proposal in view of the number of prospective solar power developments that appear to be under consideration.

As per our earlier submission, Perth Energy considers that the current mechanisms for assigning capacity credits does not reflect the true capacity value that a solar generation facility may bring to the SWIS. The proposed calculation methodology appears to be an improvement though we note the reservations contained in the Senergy Econnect report. This report notes that looking back over the past three years, rather than a single year, provides a more stable determination of the level of capacity credits. This may be a more suitable approach.

As a more general comment, Perth Energy is concerned that we are developing different approaches to assigning capacity credits for different technologies. As a longer term project, Perth Energy would encourage the IMO to consider an approach to assigning capacity credits which more reflects the real-time value of each facility to system reliability. This would parallel the proposed changed approach to funding of supplementary reserve capacity (SRC) whereby the cost of SRC may be sheeted home to a generator that has a major unscheduled outage.

I would be happy to discuss any of these points with you directly if this would assist the Rule Change process.

Yours sincerely



Patrick Peake  
General Manager Wholesale