
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2008_31 Capacity Credits for Solar Facilities

Submitted by

Name:	Corey Dykstra
Phone:	9486 3749
Fax:	9221 9128
Email:	corey.dykstra@alinta.net.au
Organisation:	Alinta Sales Pty Ltd
Address:	12-14 The Esplanade, PERTH WA 6000
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Submission

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

Under the existing Market Rule 4.11.3A, a Market Participant may elect to have the certified reserve capacity of an intermittent generator assessed based on the *average output* of the facility during all the Trading Intervals that fell within the last three years up to, and including, the last Hot Season.

As an alternative to the calculation process under Market Rule 4.11.3A, RC_2008_31 would allow a Market Participant to elect to have the certified reserve capacity of an intermittent generator assessed based on the *output of the facility determined with 90 per cent confidence* during the 250 Trading Intervals that fell within the last Hot Season where demand for electricity in the South West Interconnected System (SWIS) was highest. It is understood that RC_2008_31 would essentially reinstate, as an option, the certification process that was previously available to intermittent generators under the deleted Market Rule 4.11.3.

It is argued that RC_2008_31 would ensure that certified capacity for solar facilities more closely approximated the capacity that would be available from those facilities during periods of peak system demand. It is also claimed that the Market Rules currently act as a disincentive to the establishment of solar facilities within the SWIS.

While RC_2008_31 has intuitive appeal, it is noted that the proposed new rule would be available to all intermittent facilities, not just solar facilities.

Further, whether or not RC_2008_31 would result in capacity certification for solar facilities being set at levels that more closely approximated the capacity that would be available from those facilities during periods of peak system demand has not been empirically examined.

Consequently, Alinta considers RC_2008_31 should not be approved as currently proposed. Instead:

- RC_2008_31 should be amended to apply only to intermittent solar facilities; and
- The IMO should undertake a technical study to assist it and Market Participants in assessing whether the amendments proposed by RC_2008_31 for the calculation of certified reserve capacity for solar facilities is consistent with the Market Objectives and should therefore be approved.

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

As noted above, no evidence has been provided to allow an assessment to be made as to whether RC_2008_31 would amend the Market Rules in a manner that would better facilitate the Wholesale 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.

Alinta has not identified any cost impact from RC_2008_31 for its IT or business systems.

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

Alinta would not require any specific lead time to allow implementation of RC_2008_31.
