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## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2009\_08 – Update to Commissioning Provisions

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#### Submitted by

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#### Submission

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

Griffin supports the intent of this rule change – that is to allow generators to commission their facilities without being subject to strict energy market deviation and non-compliance penalties. This is a sensible way of allowing a new, untested facility to enter an energy market.

The need for this rule change has only come about through the adoption of a previous rule change, which inadvertently led to a late commissioning facility being required to submit a resource plan while undergoing commissioning. The objective of RC\_2008\_17 (amongst other things) was to disallow a late commissioning facility from using the commissioning process to escape capacity credit refunds. The inclusion in RC\_2008\_17 of clause 3.21A.7A, coupled with the seemingly innocuous changing of the term '*commissioning*' to '*Commissioning Test*' in clause 6.5.1A had the effect of introducing the perverse outcome. In other words, the letter of the rules no longer reflected the intent of the rules – leading to the potential for a late commissioning facility to suffer significant financial loss. Griffin suggests that this anomaly could be deemed a manifest error and that RC\_2009\_08 should have been progressed via the fast track process in order to limit any potential and unintended losses to market participants.

While supporting the intent, Griffin believes that the current RC\_2009\_08 proposal is flawed. It introduces a new concept through the addition of clause 4.26.1A(a)v, where it appears that late commissioning facilities are deemed to not provide any capacity to the market throughout their Commissioning Test. The term Commissioning Test is ambiguous in that it might refer to a specific event within the commissioning process (e.g. a load rejection test, or a sculptured event); or it may

refer to the complete commissioning plan agreed with System Management (a block event), lasting up to several months, where individual tests and performance monitoring activities will vary daily from the initial schedule. From discussions with System Management, it is Griffin's understanding that the latter is the more correct interpretation. This means that clause 4.26.1A(a)v has the effect of applying a total forced outage to a facility for the duration of its commissioning, even if the facility is able to provide a proportion (or indeed all) of its capacity to the market. And given when late commissioning of facilities is likely to occur (in the hot season) and the associated capacity refunds, it is likely that any benefit of this rule change will be offset by higher capacity refund costs.

Griffin sees no reason to insert clause 4.26.1A(a)v. Facilities that are not commissioned by 30 November are repaying capacity refunds as they are deemed to be in a forced outage from this time. Once the facility begins commissioning (and begins making its capacity available to the market), it is (at least partially) meeting its capacity obligations. Its Forced Outage Shortfall should be calculated as other scheduled facilities, with capacity unavailable to the market being deemed a forced outage for that interval. It should not be penalised when it is making capacity available to the market.

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

Griffin suggests the impacts of RC\_2009\_08 on the Market Objectives are:

- (a) No material impact
- (b) Promotes efficient new entry by removing potential entry costs that do not bring any corresponding benefit to the market.
- (c) Removes discrimination against any technologies that are more likely to suffer construction delays and be commissioned late (and hence incur the costs).
- (d) Slight reduction of cost risk to new entrant generators should result in lower wholesale electricity prices.
- (e) Not applicable.

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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.**

No organisational changes required to implement this rule change.

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

Not applicable.