
RC_2009_10 Early Certified Reserve Capacity

Submitted by

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Date submitted:	9 June 2009

Submission

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

LGP supports the Rule Change on the grounds that it facilitates the financing of long lead time generation projects.

While LGP welcomes the concept of the early allocation of Capacity Credits to such facilities, we question whether clause 4.28c.1 is self-defeating on the grounds that a facility is unlikely to be committed prior to receipt of certification/credits. We perceive that it would be more constructive to separate capacity certification from the allocation of capacity credits (as at present) and make only the allocation of credits conditional on commitment after certification has been granted. We perceive such an amendment to be minor but to preserve the intent.

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

LGP agrees with the IMO's contention that the proposed changes will allow the Market Rules to better address market objective (b) (encourage competition among generators and retailers, including by facilitating efficient entry of new competitors). We further perceive that it would support objective (a) (to promote the economically efficient, safe and reliable production and supply of Electricity) as the rule favours long lead time generators, which may be expected to have lower production costs.

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

LGP would incur no organisational costs as a consequence of adopting the change.

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

LGP would be able to implement this Rule Change immediately.
