
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2010_11 Removal of Network Control Services expression of interest and tender process from the Market Rules

Submitted by

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Submission

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

Synergy supports Rule Change Proposal RC_2010_11, including the additional amendment proposed by the IMO in the Draft Rule Change Report, which acts to, firstly, remove the Network Control Service (NCS) expression of interest, tender and contracting processes from the Market Rules and, secondly, to ensure that the energy price paid is the Marginal Cost Administered Price (MCAP) for NCS provided through generation and zero for NCS provided through Demand Side Management (DSM).

Synergy understands that its earlier suggestion of extending the concept of a zero payment for DSM dispatched via an NCS to a zero payment for all DSM dispatched under the Market Rules is outside the scope of this proposal. However, Synergy is pleased to note that this subject matter will be addressed as part of the IMO's broader Reserve Capacity Mechanism (RCM) review.

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

Synergy agrees with the IMO that the proposed amendments allow a Network Operator to more effectively manage its risk in contracting for NCS and remove the potential for energy payment cross subsidy from Market Participants to users benefitting from an NCS.

Synergy agrees with the IMO that the proposed changes will better facilitate the achievement of Market Objective (a):

(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system.

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 would not require any changes to IT or business systems, nor incur any organisational costs as a consequence of adopting the proposed change.

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

Synergy would be able to implement this rule change immediately.
