
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2010_22 Partial Commissioning of Intermittent Generators – Second Submission Period

Submitted by

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Submission

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

Rule Change Proposal RC_2010_22 acts to amend the Market Rules to recognise that Intermittent Generators may be considered to be in Commercial Operation but not fully operational and that capacity refunds apply only to that component or share of capacity assessed as falling short of the Intermittent Generator's Required Level. The underlying rationale appears to be that Intermittent Generators not yet operating at the level on which their capacity credits were certified, as represented by their Required Level, should not be penalised for capacity that was made available to the market, but rather for that which was not, as measured through the Facility Forced Outage Refund.

Synergy supports the proposed amendments as recognising one of the distinct characteristics of Intermittent Generators - that new capacity may be progressively brought on line over what can be an extended period of time - and defining capacity refunds to apply to the non-operational component. In Synergy's view, these amendments represent a good balance between the complexity inherent in defining the Required Level (the key component allowing Intermittent Generator performance assessment, which is linked to the basis on which capacity certification was sought) and recognition that the market benefits from that portion of operational capacity considered to be in Commercial Operation.

Synergy fully supports the provision for an Intermittent Generator to have the discretion to seek to have its performance assessed on the basis of an expert report submitted under clause 4.13.10C. Synergy considers this to be an important provision as it recognises that, typically, the underlying energy source is uncontrollable and circumstances could arise where Meter Data Submissions (as contemplated by clause 4.26.1A(a)ivA) would not be representative of the level at which an Intermittent Generator considered to be in Commercial Operation can operate.

In regard to the proposed amendments to clause 4.26.1, Synergy's view is that reference to Intermittent Generators in the last paragraph, which defines Y to be non-zero, is unnecessary and potentially confusing. This paragraph is clearly designed to be a residual catch-all; it applies to all Facilities not described in the immediately preceding paragraph where Y is set to zero. Separating out one specific type of Facility with a particular status i.e. an Intermittent Generator considered by the IMO to be in Commercial Operation, can give rise to misinterpretations and misunderstandings as to whether Y is defined to be other than zero and hence whether refunds apply. A simple restructuring of the paragraph would remove this risk. Synergy suggests the IMO consider amending the paragraph along the following lines:

"For all other Facilities, Y is determined by dividing the Monthly Reserve Capacity Price (calculated in accordance with clause 4.29.1) by the number of Trading Intervals in the relevant Trading Month."

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

Synergy believes that providing investors in intermittent generation projects with clear market investment signals will address a fundamental value that underwrites the market.

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.

Should this Rule Change Proposal be accepted, 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.

Should this Rule Change Proposal be accepted, Synergy would be able to implement this rule change immediately.
