
**Wholesale Electricity Market
Rule Change Proposal Submission Form**

**Calculation of the Capacity Value of Intermittent Generation -
Methodology 1 (IMO) and Methodology 2 (Griffin Energy)**

RC_2010_25 & RC_2010_37

Submitted by

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Submission

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

Collgar appreciates the IMO's decision to extend the consultation period for RC_2010_25 & RC_2010_37 to address issues raised subsequent to the second round of submissions

However the unusual third round of consultation does ask the question whether the modified version of RC_2010_25 should be treated as a new rule change entirely and not as a modified version of an existing proposal. This view was stated by System Management in their second round submission.

"System Management is concerned that this sets a precedent for using the IMO's draft report as a mechanism to introduce major changes to an original rule change proposal. System Management believes major changes should only be made as a new rule change submission."

Collgar supports this view.

Collgar does not support RC_2010_25 as modified for reasons previously iterated. As per previous submissions, Collgar believes the implementation of RC_2010_25 to be discriminatory to renewable generators in the SWIS and in particular wind farm generators.

In respect of the various issues raised by the IMO in this third round of consultation, Collgar comments below.

Issue (1) U-factor Adjustment

Collgar does not support use of a U-factor as it is currently presented and used irrespective of the modifications proposed by the IMO.

The U-factor still appears to be an arbitrary value used to cater for a one in ten year event on the SWIS. The fact that the U-factor increases by 100% from the 2012 -2013 Reserve Capacity Cycle and then again by 50% for the 2013 – 2014 cycles appears to highlight the high degree of potential uncertainty in determining this factor which has wider ramifications to generators (particularly IGFs) on the SWIS. The introduction of a “cap” to the U-factor does nothing to lessen our concerns. Collgar therefore still questions the validity of the U-factor in its entirety and whether this value should be included at all as it represents a “fudge-factor” that is still yet to be explained completely or back solved with transparency.

Issue (3) Impact of Existing Facilities on New Facilities through use of LSG

The proposed new division of Load for Scheduled Generation trading intervals for existing and new intermittent generators is still dependent on a LSG calculation, whether a facility is “new” or “existing”. Even with this differentiation, Collgar does not support the use of LSG in the calculation of a capacity value for intermittent generators.

The use of LSG could potentially create a situation where actual meter data for a facility would be used to calculate LSG intervals, however this actual meter data may only be representative of an intermittent generator during their commissioning phase. Therefore the LSG intervals would not accurately reflect full operations of an intermittent generator at that point in time. LSG would need to be differentiated between the two; a) actual meter data and b) actual meter data during commissioning and hence would be open to further interpretation and complexity.

Collgar would like to reiterate it is still not supportive of the use of LSG because this methodology fails to accurately recognise the contribution made by renewable energy generators on the SWIS to overall generation supply and capacity.

Collgar notes that System Management proposed that the selection criteria for trading intervals on which a facility’s capacity contribution be measured be based on trading intervals during the last 3 years between 11am and 7pm on days where the Perth peak daily temperature is greater than or equal to 40 deg Celsius. While we understand the reasoning behind this approach, Collgar notes that this may be highly discriminatory to wind farm generators if indeed these high temperature days coincide with low wind days and recommends that this be taken into consideration and investigated further before a ruling is passed. To not do so would seem contrary to Market Objective (c).

Capacity should be measured on a facility’s overall contribution to generation. To use only a small selection of trading intervals over a 3 year period runs the significant risk of completely ignoring an IGF’s overall contribution to capacity and system stability.