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

**RC_2010_25 Calculation of the Capacity Value of Intermittent
Generation – Methodology 1 (IMO)**

Submitted by

Name:	Alistair Craib
Phone:	0894864152
Fax:	0894861681
Email:	alistair.craib@collgar.com.au
Organisation:	<i>Collgar Wind Farm</i>
Address:	L1, 679 Murray St, West Perth 6005
Date submitted:	03/02/2011

Submission

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

Collgar does not support the Rule Change Proposal RC_2010_25 for two main reasons:

- (a) it does not reflect the recommendations of the external expert McLennan Magasanik Associates (**MMA**) engaged to investigate this issue as part of Work Package 2 of the Renewable Energy Generation Working Group; and
- (b) because it represents a materially different and adverse position than is currently the case for Intermittent Generators (and in particular wind farm generators). This in turn will:
 - o unfairly penalise existing renewable / wind farm generators (such as Collgar) that based their investment decisions on the existing framework; and
 - o will likely reduce the attractiveness of wind farm developments (and other renewable technologies) in the SWIS by the private sector.

The proposed rule change represents a material shift from the existing framework which will result in renewable energy generators (particularly existing generators) experiencing a materially worse commercial position than is currently the case. Alongside the commercial

ramifications, this increases the degree of regulatory uncertainty for proposed renewable energy developers. The net effect is likely to be a reduction the level of private sector investment in the SWIS which may in turn lead to an underinvestment in renewable energy (particularly wind) in the SWIS in future years.

Collgar believes that the methodology that should be adopted (as recommended by MMA) is Proposal 2A/2B of Work Package 2. Based on MMA's findings, this proposal represents the best solution to achieve system reliability while not unduly penalising renewable technologies.

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

Collgar believes that the Rule Change Proposal will not operate to better facilitate the achievement of Market Objective (c). Collgar believes the Rule Change Proposal will discriminate against renewable energy technologies, most particularly wind energy technologies.

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.

NA

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

NA