
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2010_33 Cost_LR

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_33, which acts to amend the settlement equations to remove the anomaly of Verve Energy paying third party suppliers for System Restart.

Under the current settlement rules, third party suppliers of System Restart are paid as set out in their contracts. These payments are then deducted from the total System Restart value determined by the ERA. If the ERA sets this value to zero, a negative amount is paid to Verve Energy i.e. Verve Energy will pay third party suppliers to provide the System Restart service.

Synergy believes that any System Restart cost should fall on customers, as they are the ultimate beneficiaries of the network having access to a System Restart capability. Synergy agrees that payment to third party suppliers should therefore be recovered from Market Customers through the Reconciliation Settlement amount.

Synergy notes that whilst the current System Restart value is zero, Verve Energy is the only provider of System Restart under a contractual arrangement put in place prior to market start. However, this arrangement will expire on 30 June 2011.

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

Synergy agrees with Verve Energy that the proposed amendments are consistent with the Market Objectives and 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.

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.
