

---

---

## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2012\_20 Consideration of network constraints for Certified Reserve Capacity

---

---

#### Submitted by

<b>Name:</b>	John Rhodes
<b>Phone:</b>	6212 1138
<b>Fax:</b>	
<b>Email:</b>	John.Rhodes@synergy.net.au
<b>Organisation:</b>	Synergy
<b>Address:</b>	228 Adelaide Terrace Perth 6000
<b>Date submitted:</b>	6 March 2013

---

---

#### Submission

---

---

#### 1. Please provide your views on the draft report, including any objections or suggested revisions.

This rule change proposal states that in respect of the 2014/15 Capacity Year the IMO was required to assign Certified Reserve Capacity to two Facilities, the sum of which exceeded the DSOC for the associated shared connection point. The IMO considers that assigning Certified Reserve Capacity across Facilities for a shared connection point that exceeds the connection point's DSOC (i.e. that level of capacity transfer into the network that Western Power guarantees) may pose a risk to system reliability and security. Accordingly, the IMO proposes that the rules should be amended to disallow assigned Certified Reserve Capacity in respect of a connection point from exceeding the DSOC of that connection point.

Synergy supports this proposed rule change as a satisfactory and necessary response to circumstances where the IMO is required, by the application of the rules as they stand, to assign a quantum of Certified Reserve Capacity to Facilities sharing connection point that exceeds the DSOC of that connection point. Clearly, in circumstances where system conditions dictate that Facilities deliver their maximum certified capacity, it would be untenable that a particular Facility was unable to meet its reserve capacity obligations due to a shared connection point with another Facility. To allow such circumstances to prevail weakens the Reserve Capacity Mechanism's fundamental value proposition to customers that capacity providers are rewarded for making their full capacity available which in turn underpins the reliability and security of the system.

Synergy notes that the proposed rule change provides no guidance to the IMO in responding to the range of circumstances that it may face in assigning Certified Reserve Capacity to

Facilities sharing a connection point. Synergy suggests, in order to provide a measure of transparency to capacity providers electing to share a connection point, that the IMO develops and includes procedural steps, in the Market Procedure: Certification of Reserve Capacity, that it must follow when assigning Certified Reserve Capacity to two or more Facilities sharing a connection point. Synergy envisages that if this process were undertaken then the IMO would proceed to consult with market participants providing them with a formal opportunity to communicate their views and suggestions as to what factors should be considered by the IMO in determining the Certified Reserve Capacity to be assigned to Facilities sharing a connection point.

---

---

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

Synergy's view is that the proposed rule change is not inconsistent with any of the market objectives listed in clause 1.2.1 of the rules and agrees with the IMO's view that the proposed changes will promote Wholesale Market Objective (a). The proposed changes will promote the economically efficient, safe and reliable production and supply of electricity as they will ensure that Facilities assigned Certified Reserve Capacity will not, in the ordinary course of events, be subject to network constraints that prevent such Facilities from fully complying with their reserve capacity obligations to the detriment to safe and reliable operation of the 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.**

These changes will not give rise to any implications for Synergy or the operations of its business and IT systems.

---

---

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

NA.