

Wholesale Electricity Market Rule Change Proposal Submission

RC_2014_06: Removal of Resource Plans and Dispatchable Loads (Draft Rule Change Report)

Submitted by:

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Submissions on Rule Change Proposals can be sent by:

Email to: rcp.secretariat@rcpwa.com.au

Post to: Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

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

Alinta Energy (**Alinta**) welcomes the opportunity to provide a submission to the Rule Change Panel on its *Draft Rule Change Report* for the Rule Change Proposal: *Removal of Resource Plans and Dispatchable Loads (RC_2014_06)*.

Alinta Energy supports the changes being progressed by RC_2014_06 and is particularly supportive of removing the requirement to submit Resource Plans and the one-hour extension of the Short-Term Energy Market (**STEM**) Submission Window. The proposed amendments will reduce participant risk and administrative burden which will improve the efficiency of the operation of the market and contribute to achieving the market objectives.

Alinta understands that there are consequential amendments to the Market Rules due to removing the obligation to submit Resource Plans such as changing the time of the Balancing Horizon Extension from 6:00 PM to 1:00 PM. Alinta supports these amendments.

While supportive of the Draft Rule Change Proposal, Alinta has some comments on the drafting:

- **Proposed Clause 7A.2.4A:** Alinta is concerned that the drafting, which requires the quantities in the Balancing Price-Quantity Pairs and any unavailable capacity to equal the Scheduled Generator's Sent Out Capacity, will limit a generator's ability to bid higher than its Sent Out Capacity (for example for a Reserve Capacity Test).

Alinta understands that the intention of this clause is to clarify the quantities which must be included in a Balancing Submission. However, this clause should not limit a participant bidding above its Sent Out Capacity. Given this, Alinta considers the reference to "equal to" in part (d) of the clause should be replaced with "not less than" or "at least".

- **Proposed Clause 7A.2.4B:** Alinta notes that Non-Scheduled Generator forecasts may include high, medium or low scenarios. Alinta is concerned that the use of the term "best estimate of a Facility's output" may be taken to read that the highest forecast should be used (i.e. high scenario) rather than a participant's best estimate of its output, which may overstate expected production. Alinta considers that the term "most accurate" could be more appropriate.

Further, Alinta considers that the information included in the brackets is somewhat confusing and the clause may be better without it.

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

Alinta considers that the proposed amendments will better achieve Wholesale Market Objectives (a) and (d) and are consistent with the other Wholesale Market Objectives. Specifically:

- The proposed removal of Resource Plans will promote economic efficiency (Wholesale Market Objective (a)) and contribute to minimising the long-term cost of electricity (Wholesale Market Objective (d)) by eliminating unnecessary processes from the Market Rules; and
- The proposed extension of the STEM Submission window will promote economic efficiency (Wholesale Market Objective (a)) by reducing the risks for Market Participants of not meeting the deadline for making a valid STEM Submission.

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.

The rule change proposal will have both IT and business system implications for Alinta. However, Alinta considers that these changes can largely be progressed within its current IT change program and does not represent significant additional cost or require additional resources to complete.

Further to this, the rule change proposal will require Alinta to update its internal procedures and its training documentation. As above, Alinta expects that these amendments will be incorporated into its business as usual activities.

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

Alinta expects the changes to be reasonable simple to implement from a participant perspective and will be able to implement the change within the time that AEMO requires.