

## Wholesale Electricity Market Rule Change Proposal Submission

### Implementation of 30-Minute Balancing Gate Closure (RC\_2017\_02)

#### Submitted by

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<b>Date submitted:</b>	29-MAY-2017

Submissions on Rule Change Proposals can be sent by:

Email to: [rcp.secretariat@rcpwa.com.au](mailto: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

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

Community Electricity supports the Rule Change Proposal inclusive of System Management's advice that the gate closure must be at least 30 minutes ahead of real time to accommodate existing processes and requires conducive changes to the rules governing generator ramping.

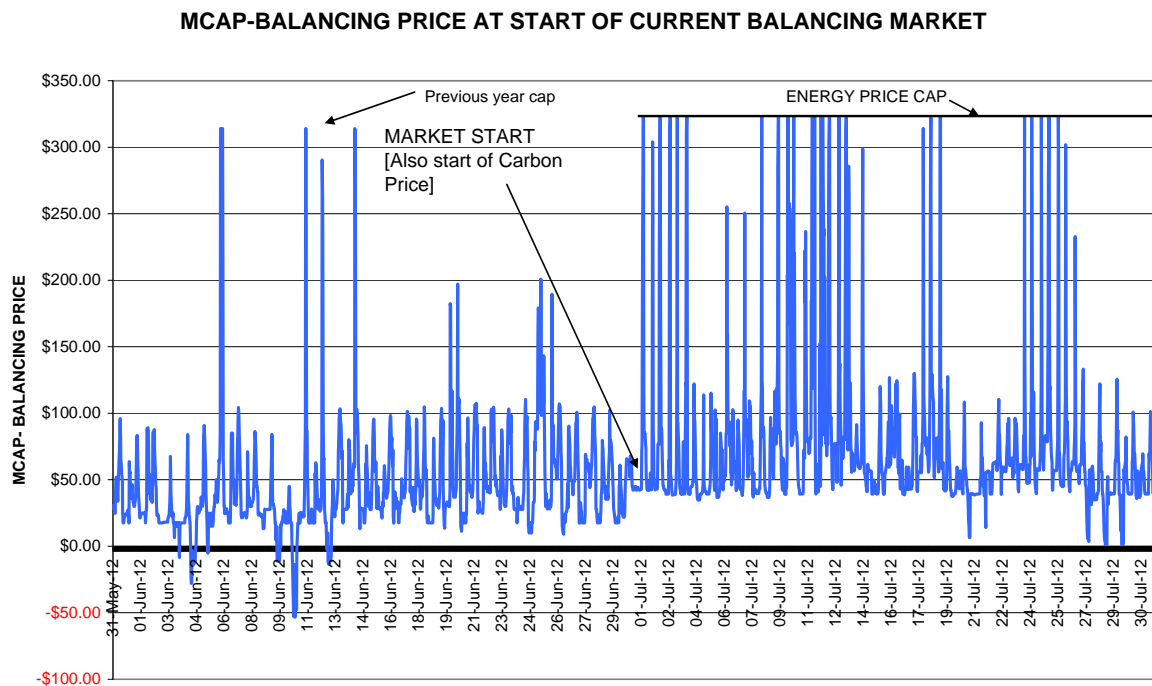
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**2. Please provide an assessment whether the change will better facilitate the achievement of the Wholesale Market Objectives.**

An efficient energy market (gross dispatch pool) depends on sufficient transparency and forecast accuracy. It is a matter of record that the 2-hour ahead load forecasts in combination with 2 hour ahead gate closure for IPPs (and 6 hours for Synergy) are dysfunctional; fast-response units either miss opportunities to run (elevating prices and missing revenue) or run when not needed (depressing prices and under-recovering costs).

The situation can be greatly alleviated by enabling generators to delay their dispatch decision as late as practicable, thereby improving the accuracy of expected outcomes.

Historically, this phenomenon was emphatically demonstrated on commencement of the Balancing Market, at which time gate closure was 6 hours. In combination with a 30 minute systematic error in the load forecast (referencing EOI instead of SOI), prices systematically blew out every weekday evening as shown in the following chart.



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- 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.**

Not Applicable - Community Electricity is a pure retailer

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

Not Applicable - Community Electricity is a pure retailer