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Rule Change Panel  
Attn: Executive Officer  
c/o Economic Regulation Authority  
PO Box 8469  
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By email: [rcp.secretariat@rcpwa.com.au](mailto:rcp.secretariat@rcpwa.com.au)

Dear Mr Sarawat

**Bluewaters submission - Implementation of 30-Minute Balancing Gate Closure (RC 2017 02)**

Bluewaters Power welcomes the opportunity to provide comments on the Rule Change Proposal entitled "Implementation of 30-Minute Balancing Gate Closure" (RC\_2017\_02).

Bluewaters is supportive of reducing the Balancing Gate Closure to 30 minutes. Bluewaters agrees that moving the Balancing Gate Closure to 30 minutes before a Trading Interval will provide Market Participants greater opportunity to respond to forecast changes and enable making of more accurate trading decisions. Bluewaters considers more accurate trading decisions are likely to promote economic efficiency of the Wholesale Electricity Market.

However, Bluewaters considers, even with the shorter 30 minutes Balancing Gate Closure, accuracy of trading decisions may still be compromised due to the potential volatility and unpredictability of intermittent generators' outputs. Bluewaters also notes that the current market arrangement does not provide accurate forecasts of intermittent generators' outputs. Bluewaters considers publishing the intermittent generators' actual outputs information on a timely basis will assist addressing this issue and further enhance the effectiveness of the shortened gate closure in achieving more accurate trading decisions.

As such, Bluewaters proposes that the Rules Change Panel make Rules to require AEMO to publish this information on a timely basis (in real time if possible) as part of this Rules determination.

Bluewaters also considers the implication of reducing the Balancing Gate Closure on Synergy's market power needs to be assessed. It is proposed that the Rule Change Panel makes this assessment and gives due consideration as to whether this reduced gate closure should also be applied to Synergy.

Bluewaters notes that the proposed reduction of Balancing Gate Closure down to 30 minutes is intended to be an ongoing interim measure while the sub-30 minutes gate closure arrangement is being considered as part of the market reform. Bluewaters will welcome an opportunity to comment on this matter at the appropriate time.

For similar reasons discussed above, Bluewaters also considers a shorter LFAS gate closure will promote economic efficiency in the WEM.

Should you have any questions regarding this submission please contact Ignatius Chin on 08 9261 2890 or [ignatius.Chin@bluewatersps.com.au](mailto:ignatius.Chin@bluewatersps.com.au).

Yours sincerely,

Andrew Sutherland  
Chief Executive Officer