

Wholesale Electricity Market Rule Change Proposal Submission

RC_2018_06

Full Runway Allocation of Spinning Reserve Costs

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.

Community Electricity supports the rule change proposal on the grounds that it is a quick, simple, cost-effective and broadly supported solution to a long-standing inefficiency in the Wholesale Electricity Market.

We agree that as general principles spinning reserve charges should be based on causer-pays and that the granularity should be as small as practicable.

We support the Submitter's contention that the existing charging structure is economically inefficient because it distorts bidding strategies and dispatch outcomes, and also new entrant plant configuration design and timing of market entry.

Based on comments made at MAC meetings over the years, we anticipate that this change will unlock at least 2 x 20MW tranches of baseload energy from the Bluewaters power stations by removing a de-facto dispatch cap of 200MW, being the bottom level of the top

range band in the current structure. This capacity would also be able to contribute to the evening ramping problem that is being created by the penetration of rooftop PV.

We note that there might also be equivalent benefits arising from the Newgen-Kwinana baseload facility.

We support the Submitter's proposal that the Rule Change should be processed with High urgency.

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

We support the Submitter's contentions as stated in the Rule Change Notice.

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.

We agree with the Submitter's contention that the costs to Market Customers will be reduced.

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

Not applicable
