

## Wholesale Electricity Market Rule Change Proposal Submission

**RC\_2018\_06**

### FULL RUNWAY ALLOCATION OF SPINNING RESERVE COSTS

**Submitted by**

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<b>Date submitted:</b>	<i>28 March 2019</i>

Submissions on Rule Change Proposals can be sent by:

Email to: [support@rcpwa.com.au](mailto:support@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.**

Bluewaters welcomes the RCP's Draft Rule Change Report issued on 27 February 2019. As detailed in the report, the proposed rule change has broad support, including that of Bluewaters, through recognition of the alignment to the Market Objectives.

Bluewaters notes that the analysis conducted by the RCP has indicated a net benefit to the market of 4.5% reduction in average Balancing Price<sup>1</sup> when modelling 17MW per Facility which is in line with Bluewaters own analysis as indicated in the first submission.

The benefit which has been modelled<sup>2</sup> outweighs the expedited implementation cost identified by the AEMO in their submission. For this reason, Bluewaters support the RCP recommendation to implement the rule changes from the 1 September 2019<sup>3</sup>. If there is an ability for the implementation date to be brought forward to realise even more of the benefit from the rule change, Bluewaters would also be in support of this.

<sup>1</sup> Draft Rule Change Report – page 16

<sup>2</sup> Both on the “Analysis MW” of 4MW and 17MW

<sup>3</sup> Proposal per 6.2 of the Report

Bluewaters also notes the amendments to the Proposed Amending Rules as detailed in Appendix A of the Report to accommodate changes as suggested by AEMO to address the Equation Syntax in Step 3 along with amendments to provide clarity and terminology consistency. Bluewaters has reviewed the Proposed Amending Rules and has no further suggested amendments.

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

Bluewaters supports the assessment of the Market Rule Objectives that (a), (b) and (d) are better met through the proposal.

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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.**

Bluewaters will be required to make minor system changes to incorporate the Proposed Rule Amendments however these costs are considered immaterial when compared to the direct impact that the previous cost allocation method had by economically capping both Bluewaters Facilities output as detailed in the first submission.

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

System changes are anticipated to be achieved within a week of the Final Rule Change Report being published.

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