

## Wholesale Electricity Market Rule Change Proposal Submission

### RC\_2020\_03: Estimates for GIA Facilities

#### Submitted by

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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.

Alinta Energy thanks the Rule Change Panel for progressing RC\_2020\_03: Estimates for GIA Facilities which seeks to correct a manifest error in the WEM Rules.

Alinta Energy notes that the Rule Change Panel has requested feedback on “the relative costs and benefits of providing estimates for all NCS intervals or providing estimates only for network outage intervals”.

Alinta Energy supports the Rule Change Panel’s preliminary view that “requiring estimates for all NCS intervals may be the most efficient way to address the manifest error.”<sup>1</sup> The alternative – requiring estimates only for network outage intervals – would potentially create additional administrative complexity without providing additional benefits. A potentially complex method would be required to identify the constraints not caused by network outages; and this would be redundant considering the Constrained Access Entitlement determination already provides a more rigorous method of accounting for constraints. In contrast, requiring estimates for all NCS intervals would minimise the administrative costs of correcting the manifest error and avoid the potential for constraints to be double counted.

If the WEM Rules required estimates only for network outage intervals, AEMO would be required

<sup>1</sup> The manifest error being that the rules do not provide GIA facilities with estimates for network outage intervals.

to implement criteria that distinguish constraints caused by network outages from other constraints. To correct the manifest error, AEMO would not only apply these criteria to all future intervals where constraints occur but also to a backlog of intervals where Consequential Outages were not issued due to the manifest error. Alinta Energy suggests this would be complex and cumbersome given the frequency of network outages and the various extents to which constraints can be attributed to network outages.

Alinta Energy considers that the additional complexity of incorporating constraints that were not caused by network outages in the RLM would not deliver benefits as the Constrained Access Entitlement determination already provides a more rigorous method of accounting constraints. Whereas the RLM can only account constraints that have occurred in the past 5 years during peak LSG periods; the CAE determination accounts potential constraints across ~100,000 dispatch scenarios that may occur to meet forecast peak demand.<sup>2</sup> Consequently, it would be redundant to require AEMO to identify constraints that were not caused by network outages and incorporate them in the RLM. As concluded by the ERA's 2018 review of the Relevant Level Method, the RLM should instead exclude all constraints to avoid double counting.<sup>3</sup>

In contrast to requiring estimates only for network outage intervals, Alinta Energy considers that requiring estimates for all NCS intervals would minimise the potential for administrative complexity. There would be no need for AEMO to implement criteria to distinguish the causes for constraints, nor for AEMO to apply these criteria retrospectively. Instead, AEMO would only apply its existing estimation process for all NCS intervals.

Requiring estimates for all NCS intervals would also ensure that the correct unconstrained relevant level is inputted into the Constrained Access Entitlement determination, avoiding the potential for constraints to be double counted.

On this basis, Alinta Energy agrees that requiring estimates for all NCS intervals would be the most efficient way to address the manifest error.

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<sup>2</sup> Western Power AEMO Generator Interim Access Information Session 9 June 2017

<sup>3</sup> See pages 66-67 of [Relevant level method review 2018: Capacity valuation for intermittent generators: Final report](#), available on the Economic Regulation Authority's website.