

## Wholesale Electricity Market Rule Change Proposal Submission

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

#### Submitted by

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<b>Date submitted:</b>	9 June 2020

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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

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

Synergy appreciates the opportunity to provide feedback in response to the call for submissions: Estimates for GIA Facilities RC\_2020\_03.

Synergy agrees that it was not the intention of Market Rule 3.21.2A to allow a Constrained Access Facility's Certification of Reserve Capacity to be adversely impacted by a Western Power Outage and acknowledges the existence of a manifest error.

Unlike existing GIA facilities that already have operating history, which includes curtailment, new GIA facilities are reliant on independent expert reports, which assume no constraints, to determine estimates. Unless this issue is rectified, existing facilities under the GIA solution will continue to be disadvantaged and receive lower Capacity Credits in comparison to new GIA facilities.

Preliminary assessment by the Rule Change Panel has highlighted two potential solutions to manage this issue:

- a) Limit the provision of estimates to network outage intervals only; or
- b) Require estimates for all Network Service Contract (NCS) intervals.

The agreed solution will only be required for the 2020 and 2021 Reserve Capacity Cycle<sup>1</sup>, after which the methodology for receiving estimates under the Relevant Methodology is likely to be revised by the Energy Transformation Implementation Unit (ETIU). Option a) listed above would unnecessarily create operational complexity for AEMO and correspondingly, increase implementation costs. In light of the limited duration for which the solution will be required, preference should be afforded to the solution which minimises costs, which is option b).

Further, it would be more appropriate to allow estimates for all NCS intervals, including during system normal intervals, as these estimates are still subject to the Constrained Access Entitlement process whereby the Network Operator examines these inputs to account for further constraints.

For these reasons, Synergy supports the requirement for estimates for all NCS intervals for GIA Facilities.

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

Remediation of this manifest error will support the enhancement of Wholesale Market Objectives (a), optimising the economic efficiency of the Wholesale Electricity Market through the maximisation of Capacity Credits, leading to lower Reserve Capacity Price.

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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.**

The proposed changes have no foreseeable impacts on Synergy IT and business systems.

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

Synergy is able to implement the proposed changes immediately.

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<sup>1</sup> Although the recommended solution will be applied for actual capacity years until 1 October 2022, it will impact the 5 year history for Reserve Capacity Certification until the oldest year in the 5 year history reaches the 2021/22 Capacity year, that is, until the 2027 Capacity Cycle (certifying for 1 October 2029).