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Energy Policy Western Australia

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RECOMMENDED AMENDMENTS TO THE TRANCHE 4B RULES

Alinta Energy appreciates the opportunity to provide feedback on the fourth tranche of draft amending rules required to implement the Energy Transformation Strategy. Alinta Energy raises the following issues and recommended solutions for the EPWA's consideration



Clauses

Issues

Recommendations

Clauses	Issues	Recommendations
<p>2.4.3B</p>	<p>Clause 2.4.3B, requires the Coordinator to consult Western Power "and/or" AEMO "as applicable" for any rules affecting the "WEM Technical Standards" that is:</p> <ul style="list-style-type: none"> (a) section 3.1; (b) clause 3.2.5; (c) clauses 3.3.3 and 3.4.3. (d) section 3.6; (e) section 3.7; (f) chapter 3A and appendix 12; and (g) chapter 3B. <p>Alinta Energy suggest the use of "and/or" and "as applicable" causes uncertainty. It is not clear where Western Power, AEMO, or both AEMO and Western Power are required to be consulted. This could cause issues as there appear to be rules in the "WEM Technical Standards" where Western Power's or AEMO's input would be no more relevant than that of other rule participants. In these instances, it would be inappropriate to give Western Power and AEMO a privileged position in the consultation process.</p> <p>Additionally, the "WEM Technical Standards" include rules that impose service standards and obligations on Western Power and AEMO. Unduly requiring Western Power or AEMO to be consulted separately from other rule participants on these rules may put them in a conflicted position.</p> <p>Finally, although Alinta Energy understands that the intent of 2.4.3B is to only capture Amending Rules that would directly amend the WEM Technical Standards, it notes that 2.4.3B could be interpreted as also capturing rules that indirectly affect these standards, broadening its scope.</p>	<p>To avoid doubt and unduly requiring the Coordinator to consult Western Power or AEMO on Amending Rules where their input would be no more relevant than that of other rule participants, or where they may be in a conflicted position, Alinta Energy recommends that draft clause 2.4.3B be amended to clearly distinguish where consultation with both Western Power and AEMO is required, where only AEMO's input is required, and where only Western Power's input is required.</p> <p>To avoid doubt, Alinta Energy recommends that 2.4.3B be limited to any rules <u>directly</u> affecting a WEM Technical Standard.</p> <p>Considering that the GPS rules in appendix 12 were recently imported from the Technical Rules, it may be more appropriate to require that the Technical Rules Committee be consulted where there are proposals to amend them, rather than Western Power and/or AEMO.</p>

7.13.1I.
4.26.1D.

Clause 7.13.1I requires participants to show their capacity as "In Service" if their unit is predicted to be in merit based on the pre-dispatch schedule and it is past the facility's "Start Decision Cutoff". Clause 4.26.1D imposes a refund penalty where a participant fails to do so.

Alinta Energy considers that the refund regime already penalises participants where they fail to make their capacity available, and they experience forced outages. Penalising participants where they also fail to update their submissions based on AEMO's PDS appears duplicative and unnecessary. There has been no indication in the reform process that market incentives and the existing refunds regime fails to provide adequate incentive for participants make their capacity available. Consequently, clause 7.13.1I may be introducing additional compliance risk while not providing any benefit.

Further, there may be reasons why AEMO's PDS is not an accurate prediction of whether a facility will be in merit. Clause 7.13.1I would penalise participants where they identify that AEMO's PDS does not provide an accurate forecast and change their behaviour accordingly. The PDS is more likely to be less accurate the further it is from the relevant interval, potentially penalising generators with longer start up times compared to facilities with relatively shorter start up times.

Thirdly, under the current arrangements, AEMO trusts that participants will plan appropriately to ensure that capacity that is forecast to be cleared will synchronise in time for dispatch. If these arrangements do not currently present issues, there may be no benefit in requiring that participants confirm they can make their capacity synchronise in time by updating their balancing submissions as the PDS changes. Consequently, the requirement to update submissions with "in-service" capacity may impose an onerous obligation for potentially little to no practical benefit.

Finally, to avoid compliance risk, market participants may simply specify their capacity as in-service, regardless of the PDS, removing

Alinta Energy recommends that EPWA reconsider whether penalising participants for not updating their Balancing Submissions as "in service" is necessary, and whether the distinction is likely to lead to any practical benefit in general.

Clauses	Issues	Recommendations
	any benefit from the market rules requiring participants to distinguish between capacity that is available but not expected to be synchronised and capacity that is expected to be synchronised.	
4.26.1E	<p>Alinta Energy is concerned that clause 4.26.1E may impose discriminatory reporting requirements and penalties on storage resources. Unlike other technologies, storage resources would be required to report their real time 'fuel' availability and be penalised where it is considered insufficient to meet their RCOQ.</p> <p>Additionally, considering that storage resources would already be required to pay refunds where they fail to make their capacity available, imposing another obligation where they fail to report a sufficient charge level appears duplicative and unnecessary – Alinta Energy suggests that storage asset owners, like other generators would already have adequate incentives to make their capacity available. Consequently 4.26.1E may be imposing more risk and compliance cost on generators for potentially no gain in terms of available capacity.</p>	Alinta Energy recommends that EPWA reconsider whether storage resources should be required to continuously report their charge level and be penalised where it is deemed insufficient to meet their RCOQ.
Appendix 12	Appendix 12 and the Technical Rules contain common defined terms. In some parts, the WEM Rules will defer to the definition in the Technical Rules; in others, the WEM Rules will use its own definition that differs slightly from that in the Technical Rules (for example, see the A12 definitions for Credible Contingency, and Connection Point compared with the definitions in the Technical Rules). Alinta Energy considers that this may cause confusion as to why the definitions differ and what implications it has for the interpretations for both sets of rules. It also creates a need for needless cross referencing between both sets of rules.	For defined terms that the Technical Rules and the WEM Rules have in common, Alinta Energy suggests that either the WEM Rules contain its own definition, or the WEM rules defer to the Technical Rules, rather than having a mixture of both.

Thank you for your consideration of Alinta Energy's submission. If you would like to discuss this further, please contact Oscar Carlberg at oscar.carlberg@alintaenergy.com.au or on 0409 501 570.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Oscar Carlberg', written in a cursive style.

Oscar Carlberg

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