

19 October 2023

Energy Policy WA
Level 1, 66 St Georges Terrace
Perth WA 6000



Reserve Capacity Review WEM Amending Rules Exposure Draft

We appreciate the opportunity to provide feedback on the Reserve Capacity Review WEM Amending Rules Exposure Draft.

We would like to affirm our support for the proposed changes, with a specific emphasis on the heightened responsibility assigned to the Australian Energy Market Operator (AEMO) to curtail Capacity Credits for Facilities demonstrating excessive Forced Outage rates. The explicit nature of these proposed amendments is anticipated to yield positive enhancements in market dynamics.

In the spirit of constructive input, we propose the inclusion of a stipulation within the drafted language, mandating AEMO to publicly disclose the rationale behind historically assigning capacity to Facilities exceeding outage rates, where such information is not already publicly available. This additional layer of transparency is expected to empower stakeholders with insights into the decision-making process pertaining to Facilities persistently breaching prescribed thresholds yet continuing to receive certification.

The elucidation on the continued allocation of capacity to non-compliant Facilities assumes particular importance in light of the aging status of certain Facilities, coupled with the declared strategic imperative of decarbonization and the specified decommissioning dates. Understanding the reasoning behind the ongoing certification of these Facilities in the context of evolving technologies and environmental objectives will undoubtedly provide valuable insights.

Furthermore, we express our support for the proposed amendments outlined in Appendix 3 and section 4.14. The provision allowing Transitional Facilities to seek approval for Candidate Fixed Price Components as a Separately Certified Component is commendable, as it paves the way for a smoother transition for carbon-intensive generators toward emerging technologies characterized by zero carbon emissions.

Thank you once again for the opportunity to contribute to this important discourse. We look forward to witnessing the positive impacts of these proposed changes in the energy market.

Yours Sincerely,

Ben Tan
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