

Wholesale Electricity Market Rule Change Proposal Submission

RC_2014_06

Removal of Resource Plans and Dispatchable Loads

Submitted by

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Submissions on Rule Change Proposals can be sent by:

Email to: rcp.secretariat@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.

Specific to the removal of resource plans the rule change proposes to remove a redundant (daily) compliance process. In practice the process (of creating resource plans) provides no practically beneficial outcomes however it unnecessarily exposes generators to significant financial penalty in the event a resource plan fails to submit successfully.

Additionally, the current rules require AEMO to maintain rules and systems supporting the process and demand investigation/explanation for compliance failures.

As such, I support the removal of the requirement for resource plans (and dispatchable loads).

I am certain that most generators (and AEMO) will gladly accept the time and cost required to disable the resource plan related functions in order to reduce daily processing and ongoing compliance risk.

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

Removal of Resource Plans will remove multiple cost streams from all generator's business requirements in the form of system and process design and implementation, daily compliance activity and ongoing financial exposure. Removing those requirements from a business' obligations and activities will reduce operating costs.

As such, the rule change will assist in achieving Objective 4 (Reducing the long term cost of supplying energy) to the extent that any systematic reduction in underlying system and processing obligations contributes to a lowering costs that otherwise need to be recovered from customers.

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.

Carnegie Clean Energy will not incur costs to incorporate this rule change. In fact – this rule change may avert the future need to incorporate these requirements into systems and processes (thus a future saving can be expected).

Generically (ie. For generators who must presently schedule resource plans): All generators that have had to schedule resource plans will need to make adjustments to IT systems that schedule resource plans, download related reports as part of daily iterative trading processes, or download related reports as part of their settlements processes (eg. CAPA calculations). Therefore some time will be required to assess and implement changes, and naturally some cost associated with unwinding or disabling the relevant functions.

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

Carnegie Clean Energy: As per above – NO time or costs to implement the rule change.

Depending on the time frame Carnegie may avoid future costs of otherwise having to comply with the Resource Plan requirements .
