

2012 Call for Expressions of Interest for New Capacity

Summary of Results

The IMO operates a Reserve Capacity Mechanism to ensure that an appropriate level of capacity is maintained within the South West Interconnected System.

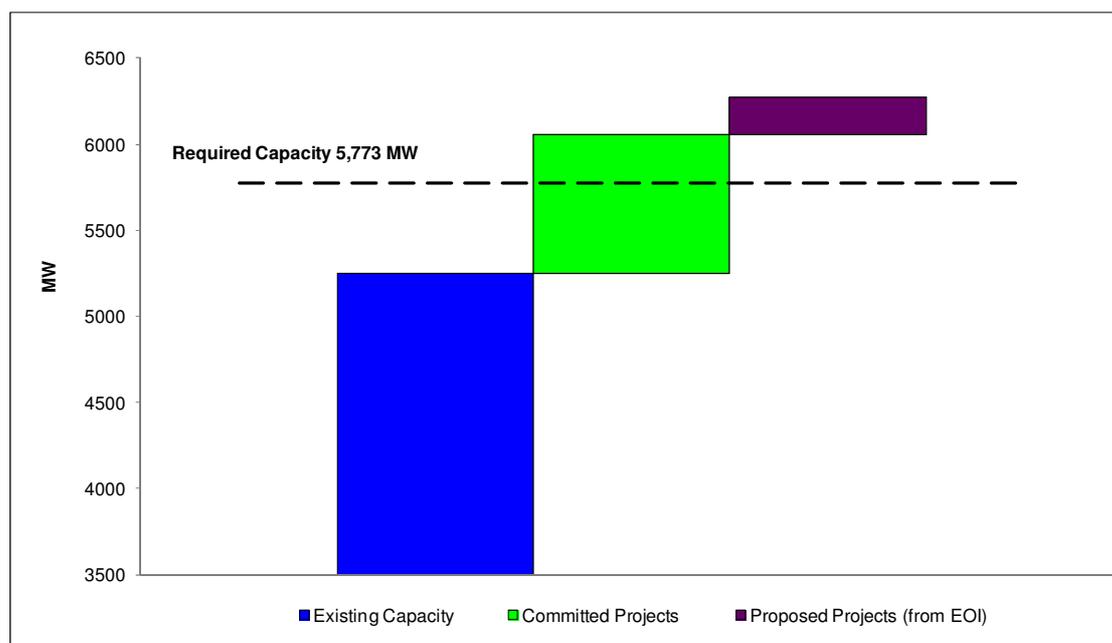
On 29 February 2012, the IMO issued a Request for Expressions of Interest for new generation and demand side management capacity to be available for service during the period October 2014 through to October 2015.

The preliminary estimate for the Reserve Capacity Requirement in the 2014/15 Capacity Year is 5,773 MW. The IMO estimates that approximately 6,057 MW of Capacity Credits will be assigned to existing or committed facilities for 2014/15, based on the number of Capacity Credits assigned for the 2013/14 Capacity Year¹.

A total of 17 Expressions of Interest were received for the 2014/15 Reserve Capacity Year, totalling 213.724 MW of new capacity potential.

The diagram below shows how these facilities will contribute towards meeting the forecast system reliability target. It should be noted that the forecast is based on figures provided in the 2011 Statement of Opportunities Report. The 2012 Statement of Opportunities Report, which is scheduled to be published on 18 June 2012, will update the demand forecasts for the 2014/15 Capacity Year and set the Reserve Capacity Requirement. The level of Capacity Credits assigned to both new and existing facilities may also alter the preliminary supply/demand balance for this Reserve Capacity Cycle.

Figure 1 Preliminary Capacity Outlook 2014/15



¹ This estimate has been calculated from the Capacity Credits assigned to generation facilities for the 2013/14 Capacity Year minus an estimate of the likely reduction in Capacity Credits for Intermittent Generators following the implementation of Rule Change RC_2010_25. See http://www.imowa.com.au/RC_2010_25 for more information on the new methodology. No plant closures are expected for 2014/15.

Details of the capacity offered through the Expressions of Interest are set out below in accordance with Market Rule 4.2.7.

2012 Summary of Expressions of Interest	2014/15
Number of Eols Received	17
Facility registration status	
Committed Facilities (in place or under construction)	0.000
Facilities that are not yet committed	213.724
Total	213.724
Approvals for Facilities that are not yet committed	
Environmental Approvals	
Facilities with environmental approval, or not requiring environmental approval	59.524
Facilities with environmental applications made	0.000
Facilities yet to submit some or all environmental applications	154.200
Total	213.724
Access offers	
Facilities with network access approval, or not requiring a network access offer	19.524
Facilities with network access application made	124.800
Facilities yet to commence approval process	69.400
Total	213.724
Clause 4.2.7 (b) (ii) Requirements	
Facilities with environmental approval and network access offer, or not requiring approvals	19.524
Facilities with both applications lodged, one or both pending approval	30.000
Facilities with one approval underway	104.800
Facilities yet to commence approval processes	59.400
Total	213.724
Categorisation in Terms of Plant Type	
Intermittent generators	80.324
Non-intermittent generators	114.200
Demand side management	19.200
Total	213.724
Categorisation in Terms of Primary Fuel Source	
Diesel	114.200
Renewable Energy	80.324
Demand Management	19.200
Total	213.724
Categorisation in Terms of Backup Fuel Source	
None or Not Applicable	213.724
Total	213.724
Reserve Capacity Potential	
Capacity offered through EOIs	213.724
Estimate of existing capacity eligible to be assigned Certified Reserve Capacity	6,057.000
Preliminary estimate of Reserve Capacity Requirement	5,773.000