

WHOLESALE ELECTRICITY MARKET

Submission to Procedure Change Proposal

AEPC_2020_06

Capacity Credit Allocation

Prudential Requirements

Submitted by	
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Submission

Clause 2.10.7 of the Wholesale Electricity Market (WEM) Rules provides that any person may make a submission for a Procedure Change Proposal (including proposals developed by AEMO, the Economic Regulation Authority or the Rule Change Panel) by completing this Procedure Change Submission form.

Submissions should be provided by email to the nominated contact in the call for submissions published with the Procedure Change Proposal.

Please provide your views on the Procedure Change Proposal, including any objections or suggested revisions

Perth Energy supports the majority of the changes to the Market Procedure: Capacity Credit Allocation and Market Procedure: Prudential Requirements proposed by AEMO as they are either administrative, or necessary to align the procedure with the current version of the WEM Rules.

We do, however, request additional information in relation to the Estimation Methodology for the Purpose of Determining the Outstanding Amount¹.

Specifically, we are concerned about:

- **how the Balancing Price is estimated using the Forecast BMO** which is now required to calculate the estimated Outstanding Amount. How does the methodology take into consideration Intermittent Generation and Peaking Power Station which can change generation output on any given interval on any given day, which would have implications on Balancing Price, which acts as a signal in the Balancing Market?

Please provide an assessment whether the Procedure Change Proposal is consistent with the Wholesale Market Objectives and the Wholesale Electricity Market Rules.

Perth Energy considers the Market Procedure: Capacity Credit Allocation and Market Procedure: Prudential Requirements, is consistent with the Wholesale Market Objectives and the Wholesale Electricity Market Rules.

Please indicate if the Procedure Change Proposal will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

n/a

Please indicate the time required for your organisation to implement the changes, should they be accepted as proposed.

n/a

¹ Page 25, Procedure Change Proposal No: AEPC_2020_06, AEMO, 10 June 2020.