

---

---

## Wholesale Electricity Market – Submission to Procedure Change Proposal

Procedure Change: PC\_2011\_06

### 5-yearly Review of the Methodology and Process for Determining the Maximum Reserve Capacity Price

---

---

#### Submitted by

<b>Name:</b>	Graeme Alford
<b>Phone:</b>	08 9475 0144
<b>Fax:</b>	08 9475 0173
<b>Email:</b>	<a href="mailto:graeme.alford@landfillgas.com.au">graeme.alford@landfillgas.com.au</a>
<b>Organisation:</b>	Landfill Gas and Power
<b>Address:</b>	
<b>Date submitted:</b>	4.10.11

---

---

#### Submission

Clause 2.10.7 of the Wholesale Electricity Market Amending Rules provides that any person may make a submission for a Procedure Change Proposal by filling in this Procedure Change Submission form.

Submissions for Procedure Changes that relate to the Power System Operation Procedures should be submitted to:

**Western Power Networks - System Management Division**

Attn: Alistair Butcher, Market Strategic Development Manager

GPO Box L921

Perth WA 6842

Fax: (08) 9427 4228

Email: [market.development@westernpower.com.au](mailto:market.development@westernpower.com.au)

Submissions for Procedure Changes that relate to IMO Market Procedures should be submitted to:

**Independent Market Operator**

Attn: Manager Market Administration

PO Box 7096

Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4399

Email: [marketadmin@imowa.com.au](mailto:marketadmin@imowa.com.au)

---

---

---

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

LGP is a member of the IMO Maximum Reserve Capacity Price Working Group and supports the Amended Market Procedure as a conclusion of that group's deliberations.

In particular, we note that the purpose of the Procedure is to determine a reasonable maximum permitted offer price in the event of a Reserve Capacity Auction being held. While the Maximum Reserve Capacity Price is also a key determinant of other matters such as the default Reserve Capacity Price and Capacity Refunds, these matters are outside the scope of both this procedure change and the terms of reference of the working group. Furthermore, these matters are subject to a separate review being conducted in parallel. While we welcome inclusion of the analysis of the impact of the proposed changes, we submit that those impacts are not of themselves open to comment or discussion as part of the present public consultation and, consequently, we confine our comments to appropriateness of the proposed changes. On this basis, we wish to emphasise our full support for the revised Transmission Connection Method, the inclusion of Inlet Cooling, the 6 month WACC cash-flow period, and the intention to harmonise the WACC calculation with the prevailing regulatory environment.

---

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

LGP considers that the Amended Market Procedure is consistent with all the Market objectives.

---

**3. 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.**

The procedure change will not impact adversely on LGP.

---

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

LGP could implement the changes immediately.