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Sent: Wednesday, 24 October 2012 3:39 PM

To: Market Admin

Cc: Stephen Maclean (Synergy)

Subject: Comment on Reserve Capacity Procedure: Declaration of Bilateral Trades and the Reserve Capacity Auction

Good afternoon

We've reviewed the revised procedure and support the inclusion of A1.1.3(a) which in circumstances where a Market Participant requests a change of status for a Facility from Proposed to Committed that the supporting evidence that the Market Participant must supply be extended to evidence of a generation licence as required under the Electricity Industry Act 2007, section 7(1).

We support this inclusion in the list of supporting information as we take the view that evidence of the generation licence is a necessary condition for the IMO to consider when making a decision to approve the application status change.

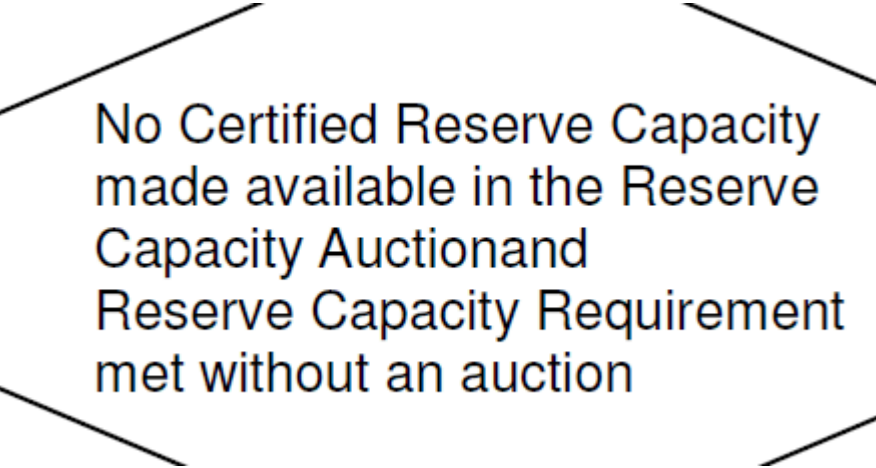
Given that a Generation Facility can neither be constructed nor operated without a generation licence we conclude that it is a critical part of the evidence supplied by a Market Participant that the status of the Facility can be considered to have changed from Proposed to Committed.

We have no other material comments other than to note minor typos as follows:

(i) - the "0" at the end of the paragraph appears to be an incorrect reference

2.1.7 For the purpose of accepting Bilateral Trade Declarations, the IMO must use the Reserve Capacity Facility Status for a Facility that is recorded in the Registration system at the time that the Bilateral Trade Declaration is submitted. Further information on the Reserve Capacity Facility Status and the process for applying for 'Committed' status is included within 0.

(ii) - missing a space between "Actionand"



No Certified Reserve Capacity
made available in the Reserve
Capacity Auctionand
Reserve Capacity Requirement
met without an auction

(iii) - incorrect reference; not 3.1.12; suggest it is 3.1.2

3.1.3 Where the IMO determines under step 3.1.12 that a Reserve Capacity Auction is not required for a Reserve Capacity Cycle, the IMO must, by the date and time specified in clause 4.1.16 of the Market Rules, publish a notice containing the information required under clause 4.15.1 of the Market Rules.

(iv) - incorrect formatting in A1.1.3(a); consistency indicates start with lower case, not capitals i.e. "evidence" not "Evidence" and missing semi colon at paragraph end

A1.1.3 Following submission of an application under step A1.1.1, a Market Participant must submit supporting information to the IMO, in writing or by email to system.capacity@imowa.com.au, demonstrating that the Facility is 'Committed'. Supporting information will vary for each Facility but may include

- (a) Evidence of a generation licence as required under the Electricity Industry Act 2004- Sect 7 (1)¹

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