

2020 Review of incentives to improve generator availability

Overview

5 May 2020

DMS# D214105



Economic Regulation Authority

WESTERN AUSTRALIA

Agenda

01

Review requirements under the Market Rules

02

Discussion

03

Publication details

Review requirements under the Market Rules

Clause 4.11.1E

- Review the mechanism that allows AEMO to reduce a Facility's Certified Reserve Capacity if outage rates exceed the thresholds in clause 4.11.1D (clause 4.11.1(h))
 - Comparisons with other markets
 - Occurrence in the WEM and associated decisions
- Review of the outage rate thresholds in clause 4.11.1D.
 - Two thresholds: Forced Outage rate and Combined Planned and Forced Outage rate

Review requirements under the Market Rules

Clause 4.26.1D

- Review of the limit for the Refund Exempt Planned Outage Count in clause 4.26.1C.
 - Determines whether a Scheduled Generator's Planned Outage is refund exempt or refund payable
 - Applies to Scheduled Generators only
 - Operation since Oct 2017. Effect on Scheduled Generator fleet?

Discussion

Review will look at:

- What effect are they having on the market / participant behaviour?
- Are they needed / can they be improved?

Objective

- Incentivise the availability of capacity
- Discourage generators from taking excessive amounts of planned outages without capacity payment consequences.

Publication details

- Issues paper published Friday 24 April 2020
- Submissions close Monday 8 June 2020
 - 6 week consultation period
- Seeking Market Participants' experiences with these clauses:
 - Do they affect operational decisions?
 - Do these clauses incentivise generators to raise their level of availability?

- ERA must publish a final report by 31 December 2020
- A rule change proposal must be submitted for any recommended changes

Thank you

Ask any questions



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