

Wholesale Electricity Market Rule Change Proposal Submission

RC_2018_06: Full Runway Allocation of Spinning Reserve Costs

Submitted by

Name:	Martin Maticka
Phone:	(08) 9469 9800
Email:	Martin.Maticka@aemo.com.au
Organisation:	AEMO
Address:	GPO Box 2008, Melbourne VIC, 3001
Date submitted:	28 March 2019

Submissions on Rule Change Proposals can be sent by:

Email to: support@rcpwa.com.au

Post to: Rule Change Panel
Attn: Executive Officer
C/o Economic Regulation Authority
PO Box 8469
PERTH BC WA 6849

1. Please provide your views on the proposal, including any objections or suggested revisions.

The Australian Energy Market Operator (**AEMO**) appreciates the opportunity to provide this submission to the Rule Change Panel in response to the Draft Rule Change Report: Full Runway Allocation of Spinning Reserve Costs (RC_2018_06) (**Draft Rule Change Report**).

AEMO supports the proposed Spinning Reserve Cost Allocation methodology described in the Draft Rule Change Report and at this stage has not identified any issues with the proposed amending rules.

2. Please provide an assessment whether the change will better facilitate the achievement of the Wholesale Market Objectives.

AEMO agrees with the assessment detailed in Section 5.4 of the Draft Rule Change Report.

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

AEMO notes the Rule Change Panel's preference to deliver these changes as soon as practicable as such will require AEMO to modify its existing settlement system. AEMO's revised cost estimate to deliver the system changes required by this rule change is \$215,000.

AEMO notes that it has included this rule change in its Allowable Revenue 5 submission for the three years commencing 1 July 2019.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.

AEMO can confirm that the proposed commencement date allows for sufficient time for AEMO to implement the necessary system changes required by the amending rules in the Draft Rule Change Report.

Should there be any material changes introduced in the Final Rule Change Report, AEMO will need to assess the implications and feasibility of the 1 September 2019 proposed commencement date.
