

12 August 2024

Energy Policy WA
Level 1, 66 St Georges Terrace
Perth WA 6000



WEM Investment Certainty Review Initiatives 1 and 2 Consultation

We appreciate the opportunity to provide feedback on this consultation paper.

Proposal 1: We support this proposal

Proposal 2: We support this proposal with the proposed settings

Proposal 3: We support this proposal

Proposal 4: We support this proposal with a non-zero RCP floor. 50% appears to be a reasonable position as it is symmetrical with the upside but will require review in 3-5 years as the projected BRCP is likely to reduce significantly in that time period.

Proposal 5: We support all three legs of this proposal.

Proposal 6: We do not support this proposal – introducing regular adjustments to curves which are intended to incentivise long term behaviour does not provide long term comfort to financiers reviewing the system. There is already significant variability expected in the BRCP and the incoming capacity therefore adding another scheduled layer of complexity/volatility would not improve the situation

Proposal 7: We support this proposal

Proposal 8: We support this proposal. This particular proposal may also interlink with the forthcoming WICRWG considerations of CO₂ intensity limitations. The WEM's definition of "renewable" should be clearly linked into the NGERs or Renewable Energy Act (2000) classifications to ensure clarity. We understand the intent is to facilitate more renewable sourced projects therefore this is the first leg of the proposed support mechanisms. The second leg will be to clarify and confirm that Carbon Intensity limits and define a renewable source.

Proposal 9: We support this proposal

Proposal 10: We support this proposal with clarification that Committed Facilities that request access to ten-year fixed RCP through this mechanism would be considered equally with other Committed Floating Priced Facilities (similar to Proposed Facilities that request access to ten-year fixed RCP through this mechanism would be considered equally with other Proposed Floating Priced Facilities). There should also be a clarification that per proposal 8, the classification of facilities which request the 10 year fix are considered along with the other Committed or Proposed facilities whether or not they are ESR (as long as they are renewable based). This implementation would then facilitate both Proposal 8 and Proposal 5.

Thank you once again for the opportunity to contribute to this important discourse. We look forward to witnessing the positive impacts of these proposed changes in the energy market.

Yours Sincerely,

Ben Tan
CEO
Tesla Corporation