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## Wholesale Electricity Market – Submission to Procedure Change Proposal

### PC\_2012\_07: Changes to Market Procedure for Certification of Reserve Capacity

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#### Submitted by:

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#### Submission

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

Verve Energy considers that the amended Market Procedure for Certification of Reserve Capacity is a vast improvement in terms of readability and usability.

In reviewing the Procedure Change Proposal, Verve Energy has identified the following minor issues for further consideration by the Independent Market Operator (IMO):

- Step 4.6.1 of the proposed amended Market Procedure has been updated as a result of the discussions held at the 14 August 2012 IMO Procedure Change and Development Working Group meeting. However, Verve Energy considers that this amendment should be replicated in step 5.5.2 of the Market Procedure; and
- Step 6.1.2 of the proposed amended Market Procedure outlines the process for allocation of Facilities to Availability Classes based on hours available. Verve Energy questions whether sub-step 6.1.2(b) needs to be updated to reflect the amendments resulting from RC\_2011\_14: Calculation of Availability Class Quantity Correction. Specifically clause 4.5.12 and appendix 3 of the Market Rules list Availability Class 2 as being available for greater or equal to 72 hours whereas step 6.1.2 of the Market

Procedure has Availability Class 2 as being available for at least 72 hours but less than 96 hours.

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

Verve Energy agrees with the IMO that the amended Market Procedure for Certification of Reserve Capacity, as a whole, is consistent with the Wholesale Market Objectives. Verve Energy considers that the Amended Market Procedure will also better achieve Wholesale Market Objective (b). Verve Energy's assessment is present below:

*(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;*

Verve Energy considers that improvements to the readability and usability contemplated by the Procedure Change Proposal may remove a potential barrier to entry and assist in the facilitation of efficient entry of new competitors.

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**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.**

Verve Energy would not require any changes to its IT or business systems, nor incur any organisation costs as a consequence of adopting the changes (either as proposed by the IMO or amended as suggested by Verve Energy).

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

Verve Energy does not need to undertake any actions to implement this Procedure Change Proposal.

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