

# Community Electricity

*It's not just business; it's personal ☺*

## Maximum Reserve Capacity Price (2017-18)

### Standing

Community Electricity is:

- a a licenced Electricity Retailer and a provider of Electricity Retail Services and Market Consultancy;
- b a member of the Independent Market Operator's Market Advisory Committee;
- c a member of the Economic Regulation Authority's Technical Rules Committee;

Further information is available at: [www.communityelectricity.net.au](http://www.communityelectricity.net.au)

### Submission

Community supports the draft report as being a sound implementation of the corresponding Market Procedure. We have only minor comments as follows:

- i) With regard to the relatively large increase in the Transmission Costs (13.6%), we request clarification of whether the cost reductions associated with runback schemes are being appropriately included. In particular, we understand that there are approximately 30 such arrangements in operation to the extent that Western Power itself acknowledges that the network is “quasi-constrained” rather than the intended unconstrained.
- ii) We note the continued uncertainty in the determination of the Debt Risk Margin and support the continued use of the ERA's Bond Yield Approach.
- iii) We note the curiosity of basing the cost estimate on a standard generator that doesn't exist, necessitating scaling of a 173 MW OCGT to 160MW. We also request reassurance that the manufacturer's quote is an insight drawn from a 'live' application rather than an academic enquiry that won't lead to a sale.

### Contact

For further information or comment, please contact:

Dr Steve Gould  
[steve@communityelectricity.net.au](mailto:steve@communityelectricity.net.au)

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