

6 June 2023

Our Ref: CWF-20230606

Ms Dora Guzeleva
Director Wholesale Markets
Energy Policy WA

Via email: energymarkets@dmirs.wa.gov.au

Dear Ms Guzeleva

Reserve Capacity Mechanism Review

Collgar Renewables welcomes the opportunity to respond to Energy Policy Western Australia's (EPWA) review of the Reserve Capacity Mechanism.

Collgar is generally supportive of the review but has several comments as outlined below:

Consultation Question	Comments
<p>Proposal B. Question (2)</p> <p>Do stakeholders support the proposed interval selection methodology?</p>	<p>Collgar supports the proposed approach of retaining intervals used in the hot season until market data demonstrates that there is sufficient justification to review this approach.</p>
<p>Proposal T. Question (27)</p> <p>Do Stakeholders agree with the proposed change to a 0.0002% EUE target in the Planning Criterion?</p>	<p>Collgar does not support a change to a EUE target of 0.0002% and is concerned that a target of 0.0002% will have a material impact on volatility.</p> <p>Collgar supports retaining the existing 0.002% EUE.</p>
<p>Proposal U. Question (29):</p> <p>Do stakeholders agree that the potential adoption of a net CONE approach should be considered with the reference technology?</p>	<p>Collgar does not support the potential adoption of a net CONE and supports retaining a gross CONE.</p> <p>A net cone will likely result in additional complexity will likely result in revenue insufficiency for generators. A net CONE approach would likely result in a requirement for an additional mechanism to compensate for this missing revenue.</p> <p>A gross CONE will likely have an adverse impact on new entrance to the WEM.</p>

Thank you for considering this submission. Collgar would be happy to discuss these comments with you should you require further information.

Yours sincerely



Jake Flynn

Regulatory and Trading Specialist