



SUPPORT FOR 5 MINUTE SETTLEMENT RULE CHANGE REQUEST SUBMITTED BY SUN METALS CORPORATION PTY LTD

Genex Power Limited (Genex) would like to add its support to a request by Sun Metals Corporation Pty Ltd for a rule change to reduce the time interval for settlement in the wholesale electricity market from 30 minutes to 5 minutes - **for the case of generator settlement only.**

Genex maintains that, under the current settlement system, a situation may arise where a generator bidding into a settlement interval may be settled at a price below the price at which that generator bids. This price may in fact be well below the generators “cost of generation”, resulting in significant consequential losses.

For example, as illustrated in the case below, if a generator had a **total generation running cost of say \$180/MWh** and bid into the 30 minute settlement interval at a price of \$200/MWh, under the current system the generator would only have been dispatched for trading intervals 5 and 6, and **settled at a price of \$110/MWh**, well below its \$180/MWh running cost.

	5-minute Trading Interval						Settlement price
	1	2	3	4	5	6	
5-minute price	\$35	\$40	\$45	\$40	\$250	\$250	\$110
Dispatch							

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