

From: Caine, Jill <jill.caine@sandc.com>

Sent: Wednesday, 9 May 2018 9:56 AM

To: Chan, David <david.chan@aer.gov.au>

Subject: RE: S&C submission to the Proposed Amendment to the STPIS

Dear David,

Please see the response from my colleague, Christopher Watts, plus his workbook:

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Hi Jill,

I've gone back to my original analysis and done some further work based on the GB reliability incentives using an additional method. The British interruptions incentives suggests that placing a higher proportion of incentive value on SAIDI than the 60:40 suggested by AER has worked well in driving both down.

I've set out my analysis below together with a workbook which has all the calculations underpinning this.

Note both methods I've used have very similar results although one is based on actual reliability incentives earned and the other is based on the incentive rate values.

