

MARKET PROCEDURE: INDIVIDUAL RESERVE CAPACITY REQUIREMENTS

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VERSION RELEASE HISTORY

Version	Effective Date	Summary of Changes
1.0	1 December 2011	Individual Reserve Capacity Requirements
2.0	30 November 2015	Changes resulting from the transfer of functions from the IMO to AEMO
3.0	3 November 2017	Changes resulting from AEPC_2017_05 relating to Non-Temperature Dependent Loads
4.0	1 June 2019	Changes resulting from Procedure Change Proposal AEPC 2019 03 related to the Rule Change Proposal RC 2017 06: Reduction of the prudential exposure in the Reserve Capacity Mechanism and updates required for AEMO's new Market Procedure template

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1. ~~PROCEDURE OVERVIEW~~INTRODUCTION

1.1. ~~Relationship with the Wholesale Electricity Market Rules~~Purpose and scope

1.1.1. This ~~is the~~ Market Procedure ~~for:~~ Individual Reserve Capacity Requirements (Procedure) ~~made under~~is developed in accordance with clause 4.28.12 of the Wholesale Electricity Market Rules (WEM Rules).

~~1.1.2. This Procedure has effect only for the purposes set out in the WEM Rules and the WEM Rules prevail over these Procedures to the extent of any inconsistency.~~

~~1.1.3. The purpose of this Procedure is to describe the processes to be followed by:~~

~~(a) Market Customers in providing information to AEMO relating to their Loads and Demand Side Management (DSM) arrangements for the determination of their Individual Reserve Capacity Requirement (IRCR) on an annual and/or monthly basis; and~~

~~(b) AEMO in determining and publishing the Indicative IRCR, IRCR and Adjusted IRCRs.~~

~~1.1.4. This procedure applies to:~~

~~(a) a Market Customer who has or is required to have an IRCR under the WEM Rules; and~~

~~(b) AEMO in processing and determining the IRCR.~~

~~1.1.5. In this Procedure where obligations a conferred on a Rule Participant, that Rule Participant must comply with the relevant obligations in accordance with clauses 2.9.7, 2.9.7A, 2.9.7B, 2.9.7C and 2.9.8 of the WEM Rules, as applicable.~~

~~1.1.6. All interactions between AEMO and Market Participants referred to in this Procedure will be conducted through WEMS.~~

~~1.1.2.1.1.7. References to particular WEM Rules within the Procedure, which are in bold and square brackets [Clause XX], are current as of 1 October 2017. These references are included for convenience only and are not part of this Procedure.~~

1.2. ~~Definitions and~~Interpretation

~~Terms defined in the WEM Rules have the same meanings in this Procedure unless otherwise specified in this clause.~~

~~The words, phrases and abbreviations in the table below have the meanings set out opposite them in the table when used in this Procedure.~~

~~1.2.1.1.1. In this Procedure:~~

~~(a) terms that are capitalised but not defined in this Procedure have the meaning given in the WEM Rules;~~

~~(b)(a) to the extent that this procedure is contrary or inconsistent with the WEM Rules, the WEM Rules shall prevail to the extent of the inconsistency;~~

~~(c)(a) a reference to the WEM Rules or Market Procedures includes any associated forms required or contemplated by the WEM Rules or Market Procedures; and~~

~~(d)(a) words expressed in the singular include the plural or vice versa.~~

1.2.2. ~~In addition, the following defined terms have the meaning given.~~

Table 1: Defined terms

Term	Definition
Initial IRCR	Individual Reserve Capacity Requirement published in accordance with clause 4.28.7 of the WEM Rules, annually to apply from the start of the Trading Day commencing on 1 October of Year 3 of a Reserve Capacity Cycle.
Updated Adjusted IRCRs	Individual Reserve Capacity Requirements recalculated when undertaking the Adjustment Process in accordance with clause 4.28.11A of the WEM Rules, Requirement published monthly to apply for each Trading Month from November of Year 3 of a Reserve Capacity Cycle to September of Year 4 of that Reserve Capacity Cycle.
IRCR	Individual Reserve Capacity Requirement published in accordance with clause 4.28.7 of the WEM Rules.
Wholesale Electricity Market System (WEMS)	An interface system that AEMO uses to administer and operate the Wholesale Electricity Market.

~~Interpretation~~

1.2.1. ~~In this Procedure: The following principles of interpretation apply to this Procedure unless otherwise expressly indicated:~~

~~(a) references to time are references to Australian Western Standard Time;~~

~~(b) terms that are capitalised, but not defined in this Procedure, have the meaning given in the WEM Rules;~~

~~(c) to the extent that this procedure is contrary or inconsistent with the WEM Rules, the WEM Rules shall prevail to the extent of the inconsistency;~~

~~(d) a reference to the WEM Rules or Market Procedures includes any associated forms required or contemplated by the WEM Rules or Market Procedures; and~~

~~(e) words expressed in the singular include the plural and/or vice versa.~~

1.3. Related documents

1.3.1. ~~The following Market Procedures (available on the Market Web Site¹) provides background information to this Procedure:~~

~~(a) Market Procedure: Notices and Communications; and~~

~~(b) Information Confidentiality.~~

1.3. Purpose and application of this Procedure

1.3.1. ~~The purpose of this Procedure is to describe the processes to be followed by:~~

~~(a) Market Customers in providing information to AEMO relating to their Loads and Demand Side Management (DSM) arrangements for the determination of their Individual Reserve Capacity Requirement (IRCR) on an annual and/or monthly basis; and~~

¹ Available at <http://aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Procedures.> -

~~(b) — AEMO in determining and publishing the Initial Indicative IRCR, IRCR and Updated Adjusted IRCRs.~~

~~1.3.2. — This procedure applies to:~~

~~(a) — a Market Customer who has or is required to have an IRCR under the WEM Rules; and~~

~~(b) — AEMO in processing and determining the IRCR.~~

~~1.3.3. — All interactions between AEMO and Market Participants referred to in this Procedure will be conducted through WEMS.~~

1.4. Timeline for the determination and publication of the Indicative IRCR, IRCR and Adjusted IRCRs~~Initial IRCR~~

1.4.1. ~~Table 1~~~~Table 1~~~~Table 2~~ outlines the timetable for the determination and publication of the ~~Initial Indicative IRCR [cClause 4.28.68]~~, ~~IRCR [cClause 4.28.7]~~ and ~~Adjusted IRCR [cClause 4.28.11A]~~. The timeline may differ depending on the specific business calendar in any year.

Table 112: Timeline for the determination of the Indicative IRCR, IRCR and Adjusted IRCRs for October and all other Trading Months~~Initial IRCR~~

Number	Event	Due Date <u>for October Trading Month</u>	Due Date <u>for other Trading Months</u>
1.	Market Customer must provides information (steps 2.1.1, 2.1.32-1.32.1.2 and 2.1.42-1.42.1.3 step 2.1.1)	<u>For Non-Temperature Dependent Loads (NTDLs), DSM measures & Intermittent Loads (ILs)²:</u> 5:00 PM pm on the last Business Day falling on or before 20 August of Year 3 of the relevant Reserve Capacity Cycle <u>[cClauses 4.1.23(b) and 4.28.8]</u>	<u>For NTDLs & DSM measures:</u> 5:00 PM on the Business Day that is 25 Business Days prior to the start of the relevant Trading Month <u>[cClause 4.28.8C]</u> <u>For new ILs³:</u> 5:00 PM on the Business Day that is 15 Business Days prior to the start of the relevant Trading Month <u>[cClause 4.28.8A]</u>
2.	AEMO confirms receipt of information	Within 1 Business Day	
3.	AEMO determines adequacy of information provided and may request additional or clarifying Information from a Market Participant (step 2.2.1)	As required	
4.	Market Participant must provide any requested information to AEMO (step 2.2.2)	Within 3 Business Days	

² This applies for ILs that were registered prior to the date and time specified in clause 4.1.23.

³ This only applies for ILs that were not registered prior to the date and time specified in clause 4.1.23.

Number	Event	Due Date for October Trading Month	Due Date for other Trading Months
5.	AEMO assesses relevant Loads as Non-Temperature Dependent Loads and advises Market Participants of results	Prior to the determination and publication of Initial <u>Indicative</u> IRCR [cClause 4.28.9 and Appendix 5A]	
6.	AEMO determines and publishes <u>Indicative</u> Initial IRCR	5:00 PM on the last Business Day that is falling on or before 10 September <u>10 Business Days prior to the start of the relevant Trading Month of Year 3 of a Reserve Capacity Cycle</u> [cClause 4.1.23] Clauses 4.1.24(b), 4.28.7A and 4.28.7]	
7.	Initial <u>AEMO determines and publishes Adjusted</u> IRCRs applies	<u>5:00 PM on the Business Day that is 5 Business Days prior to the Interval Meter Deadline for the relevant Trading Month</u> The start of the Trading Day commencing on 1 October of Year 3 of a Reserve Capacity Cycle [cClauses 4.1.25(b) and 4.28.7A24]	
<u>8.</u>	<u>AEMO determines and publishes Adjusted</u> IRCRs	<u>The date by which adjusted Non-STEM Settlement Statements will be released</u> [cClauses 9.16.4(c) and 4.28.11A]	

~~1.5. Timeline for the determination and publication of the Updated IRCR~~

~~1.5.1. For each Trading Month from November of Year 3 of a Reserve Capacity Cycle to September of Year 4 of that Reserve Capacity Cycle, AEMO will determine and publish an Updated IRCR. [Clause 4.28.11].~~

~~1.5.2. Table 3 outlines the timetable for the determination and publication of the Updated IRCR. The timeline may differ depending on the specific business calendar in any year.~~

~~Table 3: Timeline for the determination of the Updated IRCR~~

Number	Event	Due Date
1.	Market Customer must provide updated information (step 2.1.3)	5:00pm on the Business Day that is 25 Business Days prior to the start of the Trading Month for which the Updated IRCR will apply [Clauses 4.1.28(b) and 4.28.8]
2.	AEMO confirms receipt of information	Within 1 Business Day
3.	AEMO determines adequacy of information provided and may request additional or clarifying information from a Market Participant (step 2.2.1)	As required
4.	Market Participant must provide any requested information to AEMO (step 2.2.2)	Within 3 Business Days
5.	AEMO assesses relevant loads as Non-Temperature Dependent Loads and advises Market Participants of results	Prior to the determination and publication of Updated IRCR [Clause 4.28.9 and Appendix 5A]
6.	AEMO determines and publishes Updated IRCR	5:00pm on the Business Day that is 5 Business Days prior to the Trading Month for which the Updated IRCR will apply [Clause 4.1.28(b)]
7.	Updated IRCR applies	The start of the Trading Day commencing on the first day of the first Trading Month commencing after the date of publication of the Updated IRCR [Clause 4.28.11(b)]

2. INFORMATION FOR THE DETERMINATION OF THE IRCR

2.1. Information provision to AEMO

2.1.1. ~~For the first Trading Month (October) in each Capacity Year, Each year in the case of Initial IRCR,~~ Market Customers must provide the following information to AEMO by the relevant date and time specified in ~~Table 1~~~~Table 1~~~~Table 2~~ **[Clause 4.28.8]**:

- (a) ~~a list the identity of all~~ interval meters associated with that Market Customer that the Market Customer wants AEMO to treat as Non-Temperature Dependent Loads;
- (b) details of any Demand Side Management measures that the Market Customer has implemented since the previous Hot Season, including the expected MW reduction in peak consumption resulting from those measures; and
- (c) nominations of capacity requirements for Intermittent Loads, expressed in MW, where the nominated quantity cannot exceed the greater of:
 - (i) the maximum allowed level of Intermittent Load specified in Standing Data for that Intermittent Load at the time of providing the data; and
 - (ii) the maximum Contractual Maximum Demand expected to be associated with that Intermittent Load during the Capacity Year to which the nomination relates. The Market Customer must provide evidence to AEMO of this Contractual Maximum Demand level unless AEMO has previously been provided with that evidence.

~~(ii)~~2.1.2. If the Market Customer reasonably expects that the Contractual Maximum Demand will increase from the current level during the Capacity Year, then the maximum Contractual Maximum Demand is that increased level.

~~2.1.2. A Market Customer may only provide AEMO with the information specified in step 2.1.1 once for each Capacity Year for each load [Clause 4.28.8].~~

2.1.3. ~~In the case of Updated IRCR~~For Trading Months other than October, Market Customers may update the following information ~~provided in step 2.1.1~~ by the relevant date and time specified in ~~Table 23~~ **[Clause 4.28.8C]**:

- (a) ~~the identity of additional~~~~add or remove~~ interval meters ~~(to those provided under clause 4.28.8 of the WEM Rules)~~ associated with that Market Customer that the Market Customer wants AEMO to treat as Non-Temperature Dependent Loads for the remainder of the Capacity Year; and;
- (b) ~~add or remove~~ details of any additional Demand Side Management measures that the Market Customer has implemented since the previous Hot Season, including the expected MW reduction in peak consumption resulting from those measures; ~~and~~

~~2.1.4.~~ 2.1.4. ~~add or remove~~ For Trading Months other than October, a Market Customer with an Intermittent Load that was not registered by the date and time specified in clause 4.1.23 must provide the following information described in clause 4.28.8(c) of the WEM Rules by the relevant date and time specified in ~~Table 1~~ ~~Table 2~~ Table 2 [cClause 4.28.8A]:

~~(e)~~ (a) nominations of capacity requirements for Intermittent Loads, expressed in MW, where the nominated quantity cannot exceed the greater of:

(i) the maximum allowed level of Intermittent Load specified in Standing Data for that Intermittent Load at the time of providing the data; and

(ii) the maximum Contractual Maximum Demand expected to be associated with that Intermittent Load during the Capacity Year to which the nomination relates. The Market Customer must provide evidence to AEMO of this Contractual Maximum Demand level unless AEMO has previously been provided with that evidence.

~~(iii)~~ If the Market Customer reasonably expects that the Contractual Maximum Demand will increase from the current level during the Capacity Year, then the maximum Contractual Maximum Demand is that increased level.

~~2.1.4.2.1.5.~~ 2.1.4.2.1.5. In respect of Non-Temperature Dependent Loads, a Market Customer may provide evidence to AEMO that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia **[Appendix 5A]**.

~~2.1.5.2.1.6.~~ 2.1.5.2.1.6. The evidence must accompany the information provided by a Market Customer in step 2.1.1(a) or ~~2.1.32.1.32(a)(a)(a)~~ and the Market Customer must:

~~(d)~~ (a) include a list of intervals where the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia; and

~~(e)~~ (b) include documentation from the owner and/or operator of the load as evidence that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.

~~2.1.6.2.1.7.~~ 2.1.6.2.1.7. The evidence provided by the Market Customer in step ~~2.1.62.1.62.1.5~~ may be in the form of an email or signed letter from the owner and/or operator of the load.

~~2.1.7.2.1.8.~~ 2.1.7.2.1.8. AEMO must only accept loads as Non-Temperature Dependent Loads if they satisfy the requirements of Appendix 5A of the WEM Rules **[cClause 4.28.9]**. AEMO must only accept individually metered loads as Non-Temperature Dependent Loads.

~~2.1.8.2.1.9.~~ 2.1.8.2.1.9. In respect of details of Demand Side Management measures that the Market Customer has implemented in step 2.1.1(b) or step ~~2.1.32.1.32(b)(b)(b)~~, a Market Customer must:

~~(f)~~ (a) include the expected MW reduction in peak consumption resulting from those measures;

~~(g)~~ (b) provide evidence of capability of the Market Customer and the relevant loads to exercise the Demand Side Management measures; and

~~(h)~~ (c) confirm that the Demand Side Management measures are being implemented irrespective of the obligations imposed on a Demand Side Programme which has been -assigned Certified Reserve Capacity under the WEM Rules.

~~2.1.10.~~ In respect of nominations of capacity requirements for Intermittent Loads in step ~~2.1.12.1.12.1.1(c)(c)(c), or step 2.1.3(c),~~ a Market Customer must provide the maximum allowed level of Intermittent Load and the maximum Contractual Maximum Demand expected to be associated with that Intermittent Load. If a Market Customer provides this information it must be provided via the WEMS.

~~2.1.9.2.1.11.~~ During a Capacity Year, where a Load assessed as a Non-Temperature Dependent Load is transferred from one Market Customer to another, the load will retain Non-Temperature Dependent Load status for the relevant period (that is, until the end of the Capacity Year if Step 1 of Appendix 5A of the WEM Rules is applicable, or until the end of the relevant Trading Month if Step 2 or Step 3 of Appendix 5A of the WEM Rules is applicable) and the receiving Market Customer is responsible for providing the information required in step 2.1.1 or ~~2.1.32.1.32~~ as applicable.

2.2. Request from AEMO for ~~a~~Additional/~~c~~Clarifying ~~I~~Information

2.2.1. If AEMO determines that any information provided in steps 2.1.1 and ~~2.1.322.1.3~~ is insufficient, then AEMO will issue a request for additional or clarifying information.

2.2.2. Market Participants are required to provide the information requested within the timeframe specified in ~~Table 1Table 1Table 2 or Table 3 (as applicable).~~

2.2.3. If AEMO and the Market Customer are unable to resolve the request for additional or clarifying information before the publication deadline for the ~~IndicativeInitial~~ IRCR ~~or the Updated IRCR (as applicable),~~ then AEMO must determine and publish ~~the Initialthe Indicative~~ IRCR ~~or the Updated IRCR (as applicable)~~ as if the requested information had not been provided.