

## Reliability and Emergency Reserve Trader

### General Questions and Answers

#	Question	Answer
1	Is it possible to participate in both Long Notice RERT and proposed ARENA-AEMO Demand Response Project?	<p>You can participate in both programs if different reserve equipment or plant is used for each program.</p> <p>To participate in the Long Notice RERT you will need to submit a tender to the long notice RERT as described on the AEMO website at: <a href="http://www.aemo.com/au/rert">www.aemo.com/au/rert</a></p> <p>Applications to participate in the ARENA-AEMO Demand Response Project have now closed. Further information can be found on the ARENA website at: <a href="https://arena.gov.au/funding/programs/advancing-renewables-program/demandresponse/">https://arena.gov.au/funding/programs/advancing-renewables-program/demandresponse/</a></p>
2	What version of the RERT Dispatch Procedures apply?	<p>Prior to 1 November 2017, AEMO will contract and operate RERT under the RERT Dispatch Procedure version 3.1.</p> <p>From 1 November 2017, AEMO will contract and operate RERT under the RERT Dispatch Procedure version 4.0.</p>
3	What is the timeline for the Long Notice RERT Tender process?	<p>Tenders for Long Notice RERT opened on 12 July 2017 and will close on 12 August 2017.</p> <p>Should AEMO need to revise the quantity or type of reserve procured, additional Short Notice and Medium notice tendering rounds may be opened. Following a rule change, AEMO is not permitted to enter into Long Notice RERT Contracts after 1 November 2017 and it is therefore highly unlikely that a further round of tenders for Long Notice RERT will be conducted.</p>
4	Is unscheduled reserve eligible for RERT if it is (or has recently been) actively participating in the contingency FCAS markets, but is not participating in the contingency FCAS markets in the <i>trading intervals</i> during which the <i>reserve</i> is required?	<p>Ancillary service loads can be eligible for RERT, however the reserve cannot be offered to the ancillary services market during the period for which the reserve is contracted under a reserve contract.</p> <p>The period for which the reserve is contracted under a reserve contract is the period during which AEMO may issue an activation instruction, not just the period of activation.</p>

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		<p>For example if reserve was contracted for trading intervals 10am-10pm in the period 1 January 2018 to 8 January 2018 (known as the “reserve period”), the reserve cannot be bid into the ancillary services market between 10.00 am -10.00 pm in the period 1 January 2018 to 8 January 2018, even if AEMO does not activate the reserve.</p> <p>Please note that the term of a long notice reserve contract or a panel agreement for medium notice or short notice reserve is not the same as the “reserve period”. As an example only, a long notice reserve contract or panel agreement may be in place from 1 November 2017 to 30 April 2018. However, the “reserve period” during which AEMO may issue an activation instruction may only be for trading intervals 10.00 am -10.00 pm in the period 1 January 2018 to 8 January 2018.</p>
5	<p>If a potential reserve provider will be providing blocks of reserve through aggregating multiple loads, will AEMO have any flexibility to consider an offer for a reserve contract if the respondent is unable to “demonstrate the existence of a contractual relationship with the owner” of each facility listed in table F.7.3 of the EOI? Could a letter of intent sufficiently satisfy this clause, such that AEMO is able to consider an EOI? Or, can AEMO consider an EOI with a blank table F.7.3, with an understanding that facility owner contracts will be provided by the respondent (and validated by AEMO) closer to the RERT contract start date?</p>	<p>At the tender stage AEMO will not require you to “demonstrate the existence of a contractual relationship with the owner”.</p> <p>However, if AEMO enters into a reserve contract in such circumstances, the contract will be subject to a condition precedent requiring the provider to provide proof of the contractual relationship to AEMO’s satisfaction.</p>
6	<p>Regarding section C17 - <i>No Collusion or Dealings with Competitors</i>.</p> <p>It is difficult for potential RFEOI respondents to know which C&amp;I energy users “<i>might reasonably be expected to have received this Request for Expressions of Interest</i>”. In practice, there will be unavoidable overlap. For example, following AEMO’s announcement on 19 May that an RFEOI for Long Notice RERT would be issued (at the AEMO/ARENA workshop in Melbourne, RFEOI subsequently issued 25 May), we contacted many of our existing customers to discuss expanding their current capabilities to potentially provide <i>reserve</i> this upcoming summer. Then, some of those same customers received a direct email solicitation from AEMO the afternoon of 26 May.</p>	<p>If you are aware that a customer has received a RFEOI or might reasonably expect a customer to have received the RFEOI, then you should not discuss the RFEOI with them and you should not submit a tender which utilises that customer’s capacity for the provision of reserve. It is the responsibility of the respondent to ensure that it is not discussing this matter with customers or other parties that have received the RFEOI or might reasonably be expected to have received the RFEOI or engage in any conduct that is designed to, or might have the effect of, lessening competition in the supply to AEMO of reserve.</p>

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7	<p>What is the difference between long-notice RERT and short-notice RERT?</p> <p>[To understand a little more the difference between long term and short term RERT, my understanding is long term provides more than 10 weeks' notice of when we would need to provide the DSR, and short term is between 3hours and 10 weeks' notice? It appears that availability charge is only provided for long term RERT and not for short term RERT, so in the case of short term RERT you would only be paid if it was dispatched, is this correct? IF possible can you explain a little more the differences in payment between short term and long term RERT? ].</p>	<p>There are three types of RERT: long-notice, medium-notice, and short-notice. The notice lengths refer to the amount of time prior to a the need for reserve being forecast that AEMO requires before entering to reserve contract:</p> <ul style="list-style-type: none"> <li>• AEMO can enter into long-notice RERT contracts if the requirement for reserve is forecast to be between 9months and 10 weeks in the future.</li> <li>• AEMO can enter into medium-notice RERT contracts if the requirement for reserve is forecast to be between 10 weeks and 7 days in the future.</li> <li>• AEMO can enter into short-notice RERT contracts if the requirement for reserve is forecast to be between 7 days and 3 hours in the future.</li> </ul>
8	<p>Can you explain a little more the differences in payment between short term and long term RERT?</p>	<p>Contracts for long-notice and medium-notice RERT include payments for availability, activation/dispatch, and early termination.</p> <p>Contracts for long-notice and medium-notice non-scheduled reserve may additionally include pre-activation payments.</p> <p>Contracts for long-notice reserve may also include amounts payable by the reserve provider if reserve is not provided to the level required by an activation/dispatch instruction.</p> <p>Contracts for short-notice RERT only include payment for activation/dispatch.</p>
10	<p>Can loads be aggregated into one block (e.g. loads from multiple NMIs offered up for the RERT as a single aggregated block managed by [the provider])? And if so is it necessary for us to provide details of all the loads/NMIs that would likely participate in the RERT? Could the response be provided as a block or by customer (entity), where a customers may have multiple NMIs with us that are participating in the RERT?</p>	<p>A provider is permitted to aggregate services provided under multiple NMIs as one block. Details of NMIs will be required for AEMO to enter into a reserve contract.</p>
11	<p>What is the proposed "Lead Activation Time"?</p>	<p>Activation lead time means the maximum period required by the Reserve Provider to activate reserve in response to an activation instruction including synchronising the relevant non-scheduled generating unit and, if required, increasing its output to the firm capacity.</p>

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12	Will AEMO consider blocks <10MW, or is the preference to keep the minimum dispatch size to 10MW?	AEMO's preference is for the minimum dispatch block size to be at least 10 MW. However, AEMO will consider smaller block sizes on a case-by-case basis at our discretion.
13	What are the metering technical requirements? Can a standard type 4 revenue meter be used that would be recording in 15 min intervals or do we require more granular data for measurement and verification? Is there a technical reference I can refer to on this?	A type 1, 2, 3 or 4 metering installation or Vic AMI meter will be appropriate for metering and verification. If you need further guidance on the capabilities of the various types of meters, please contact us.
14	How would I get an idea of what periods of load interruption are generally required, are these hours, days etc.? Gaining some understanding of this will allow me to assess which customers can participate in the RERT.	AEMO is not able to provide a forecast periods of load interruption likely to be required.
15	How would you suggest I assess the potential value of this to our customers? Is there historical information such as bids dispatch prices that I can look at that would provide some guidance as to what this dispatchable load might be worth to the customer?	AEMO is not able to provide guidance on what potential reserve providers should price their reserves.  There are a number of economic consultants who can be engaged to assist.
16	Would you be able to give more information on what enablement lead time refers to? Does the enablement lead time refer to the time it takes to ramp up to minimum load after synchronising? This is variable depending on whether the unit is a cold, warm or hot start as the ramp times are different. Or do you want enablement time for a full load?	For reserve provided by scheduled generation, enablement lead time means the maximum period required from the time the enablement instruction received until the reserve equipment is: <ul style="list-style-type: none"> <li>• Synchronised and its loading level becomes equal to the minimum operating level for slow start plant</li> <li>• Ready for synchronisation for fast start plant</li> <li>• Ready to be dispatched above its market capacity (if reserve is supplied by plant operating above market capacity)</li> </ul> For reserve provided by reduction of scheduled load, enablement lead time means the maximum period required by the Reserve Provider to prepare the reserve for dispatch in response to an enablement instruction.
17	Is the disablement lead time the time to ramp down from full load to de-sync?	For reserve provided by scheduled generation, disablement lead time is the maximum time required to reduce the output of the equipment to the network as quickly until it is below its market capacity or is de-synchronised  For reserve provided by reduction of scheduled load, disablement lead time is the maximum time required to cease of the provision of reserve and resuming the taking of electricity supply.

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18	AEMO is seeking 600W of RERT in Vic and 100MW in SA, is this written anywhere as I cannot see it in your EOIs etc.	At the time of issuing the ITT, AEMO's forecasts were indicating a reserve requirement of 670 MW across the SA and VIC regions combined. However, as noted in AEMO's presentations, these are amounts are indicative only and are not a fixed or final numbers. Before contracting for reserve, AEMO would re-run its models to determine what is reasonably needed to meet the reliability standard.