

Reliability and Emergency Reserve Trader – Summer 2019-20

General Questions and Answers

<p>#</p>	<p>Is the reserve minimum eligible for the EOI 5MW or 10MW?</p> <ul style="list-style-type: none"> - Section A.4 Eligible Reserve of the EOI form notes that the reserve minimum is 5MW for both Load Reduction and Generation Increase. - Schedule 2, section 4.3 (refer pg. 22) asks “can the reserve be dispatched as a block of not less than 10MW”. This 10MW block requirement is repeated in Schedule 2, 5.1 (pg. 26), Schedule 2, 6.3 (pg. 34) and Schedule 2, 7.1 (pg. 37). <p>We would appreciate your advice on this.</p>	<p>The correct eligible minimum reserve is 5MW. An addendum will be issued shortly to fix the anomaly.</p>
	<p>I am considering submitting a response to the RERT Panel EOI that was recently released. The document provides a guideline that a minimum 5MW capacity is required to be considered. My organisation has 2MW generation capacity that can be made available on short notice if required, can you please advise if 2MW is too low to be a member of the RERT panel.</p>	<p>We are prepared to consider reserves of less than 5MW for good quality solutions that will help AEMO meet its RERT requirements. We look forward to hearing from you should you wish to lodge an EOI.</p>
	<p>The excel sheet does not cover all of the questions listed in the word document. Is that intentional? One example would be the request to state the relevant LNSP</p>	<p>The differences in the responses requested in the Word document and Excel spreadsheet is intentional. The spreadsheet contains a subset of information that is used for specific internal use which makes it more efficient if provided in a spreadsheet format.</p> <p>Please ensure that all information requested in either format is provided</p>
	<p>C.4 No Anti-Competitive Conduct - Recipients must not:</p> <ul style="list-style-type: none"> • discuss this RFEOI with any other provider or potential provider of Reserve; or • engage in any conduct that is designed to, or might have the effect of, lessening competition in the supply to AEMO of the Reserve. <p>Recipients who wish to engage in legitimate teaming or sub-contracting discussions with persons who might deliver the Reserve must obtain AEMO’s prior approval to do so.</p>	<p>Thank you for letting us know about [Third Party’s] request. We refer you to the cartel provisions of the Competition and Consumer Act and suggest that you ensure that any arrangements you enter into with [Third Party] do not contravene that Act. We look forward to receiving your EOI.</p>

<p>[Third party] have requested that [Recipient] provide them with pricing for a project that we believe will likely be used as part of a RERT bid. Separately, [Recipient] intend to offer a bid under our own name offering some of the same turbines. Our understanding of the EOI's section C.4 is that it is intended to guard against collusion. Clearly there is no collusion occurring with this effort though we understand it could cause confusion on the AEMO end. In an effort to avoid this, we intend to explain in our EOI reply which turbines are offered for both bids. This will deliver AEMO with more options which we believe can only be better for AEMO. Please confirm AEMO is happy with this approach.</p>	
<p>Clause C.9 - Can AEMO please provide the documents listed in this section Procedure for the Exercise of RERT, the RERT Principles, RERT Guidelines and the Rules.</p>	<p>Rules (National Electricity Rules (NER)): https://www.aemc.gov.au/regulation/energy-rules/national-electricity-rules/current</p> <p>RERT Guidelines and Procedure for Exercise of Reliability and Emergency Reserve Trader: https://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Emergency-Management/RERT</p> <p>The RERT principles are contained in clause 3.20.2(b) of the National Electricity Rules</p>
<p>Document Difference What is the difference between the two EOI documents? One is in pdf and one is in Word form. Is there a difference between the two other than this and should we be addressing both documents?</p>	<p>There should be no difference between the PDF and Word formats of the EOI documents.</p>
<p>Pre-Activation Charge - Initially we thought this was a fee associated with each start of the turbine/engine. Is this correct? We are wondering whether it would also be associated with a Full Speed No Load scenario</p>	<p>Clause D.4(b) of the EOI states: “A pre-activation charge applies where significant additional operating costs are incurred in making Reserve comprised of unscheduled reserve</p>

<p>that is currently used at our Adelaide plant in order to reach full load even quicker than from cold.</p>	<p>available for activation. It will apply to unscheduled reserve that can be activated quickly if pre-activated. ... It will be paid only if AEMO issues a “pre-activation instruction” in accordance with the proposed reserve contract to alert a provider to be ready to respond to a possible activation instruction, regardless of whether the unscheduled reserve is activated.”</p> <p>Please let us know if you require further clarification.</p>
<p>In Clause 2.1 f – Is the Recipient able to submit the scheduled generating unit to testing by [insert]? If not, why not?</p> <p>It doesn’t appear as if we are supposed to be inserting anything into the “[insert]” section because there is the follow up question of “If not, why not?”.</p> <p>Should AEMO be filling in those square brackets instead?</p>	<p>You are correct, it is for AEMO to complete the “[insert]” section. This should read: “prior to commencement of the reserve period should a RERT contract be entered into.” In place of “by [insert]”</p>
<p>We are seeking clarification on eligibility for RERT participation.</p> <p>We have been engaged by a C&I site who has expressed interest in participating in RERT this summer.</p> <p>They are currently on a dynamic pricing (non-fixed pricing) arrangement with their retailer, whereby they would normally reduce consumption in response to high spot prices (e.g. \$14,500 MWh prices observed on 24th/25th January 2019). This is their preferred retail supply arrangement, that is to have their load spot-exposed.</p> <p>Are you able to confirm they would be able to participate in either SN RERT or LN RERT?</p>	<p>We refer you to the provisions of AEMO’s relevant request for expressions of interest, and in the case of short and medium notice reserve, to the template agreement as well as to section 7 of the RERT Guidelines (effective from 13 July 2018) issued by the AEMC’s Reliability Panel. This sets out the steps to be taken by AEMO to inform itself that a potential reserve is not available to the market. AEMO must make the assessment on a case-by-case basis having regard to the information provided by the respondent to the EOI and through other sources.</p> <p>We would encourage you to provide us with a copy of any arrangement your client has with its retailer as part of any EOI submitted so that an assessment can be made in this case.</p>
<p>We have several customer sites in Victoria who have expressed interest in participating in RERT this summer. We note last Friday 16 August</p>	<p>C.3 of the SN/MN RFEOI and D.4(a) of the LN RFEOI provide that for Medium Notice situations/Long Notice situations, an availability charge</p>

<p>AEMO put out a request for expression of interest for Long Notice RERT in Victoria for summer 2019/20, which is in addition to the request for Short Notice and Medium Notice RERT (for all states) published on the previous Friday.</p> <p>Are you able to clarify whether we can submit these sites (on aggregate > 5 MW) for both LN RERT and SN RERT? The reason being, our customers would prefer to participate in LN RERT (which includes availability payments), rather than being on the SN RERT panel (where there are no availability payments). However, we note from previous experience AEMO may prefer to award SN RERT contracts over LN RERT, and we do not want these customers to miss out on participating in RERT.</p> <p>Therefore our preference is to enrol these customers for LN RERT, but failing this (if AEMO does not award us with a contract) we would like to enrol them for the SN RERT panel.</p>	<p>may apply where significant overheads are incurred in making the Reserve available.</p> <p>You may respond to both for the same reserve (i.e. same NMIs) but if you are unable to show that the reserve can meet this requirement, it may not qualify for an availability payment under a MN or LN RERT contract.</p>