

Reliability and Emergency Reserve Trader - Summer 2021-22

General Questions	Answers
When does a short notice reserve contract start?	A <i>reserve contract</i> is entered into once the short notice reserve provider has responded to an invitation to tender from AEMO and received confirmation from AEMO that their tender has been accepted. The period covered by the <i>reserve contract</i> is specified in the invitation to tender. This is the ‘period’ referred to in clause 6.2 of the panel agreement.
If a load is already reduced/offline can the load respond to an ITT for short notice RERT to potentially be paid usage charges to remain offline?	<p>If loads have already been reduced and are expected to continue to be reduced during the period set out in an invitation to tender, the reserve provider must not offer the reserve in a tender. Note the obligation in clause 6.4 of the panel agreement to inform AEMO of any unavailability.</p> <p>If the load is reduced, and it is expected that the load will be increased (back online) before or during the period set out in an invitation to tender, then the reserve provider should contact AEMO. AEMO using its absolute discretion may consider whether the reserves may be the subject of a RERT tender with an agreed start time that is later than the start of the period set out in the invitation to tender. Additionally, AEMO may also impose further operational and commercial conditions upon the reserve provider.</p> <p>If loads have been reduced before a pre-activation (if applicable) or activation the pre-activation and usage payments will be affected based on the pre-activation formula and baseline adjustment formula respectively. Measurement, verification and charges are set out in the schedule to the panel agreement.</p>
Are there penalties if a load reduction reserve is completely or partially reduced early (before pre-activation)? For example due to unexpected plant outages.	<p>Pre-activation (if applicable) and usage payments may be affected based on the measurement, verification and adjustment to charges provisions, which are set out in the schedule to the panel agreement.</p> <p>AEMO reserves the right to not pre-activate or activate the reserves.</p>
Are there penalties if a reserve provider supplies less reserves than contracted?	<p>Pre-activation charges could be affected, and usage payments will only reflect the reserves provided. These impacts are set out in the schedule to the panel agreement.</p> <p>In addition, AEMO has termination rights in some situations – see clause 13 of the panel agreement.</p>
Are additional payments made for overperformance of reserves?	No, AEMO will not pay for over performance. This is set out in the measurement and verification section of the schedule to the panel agreement.