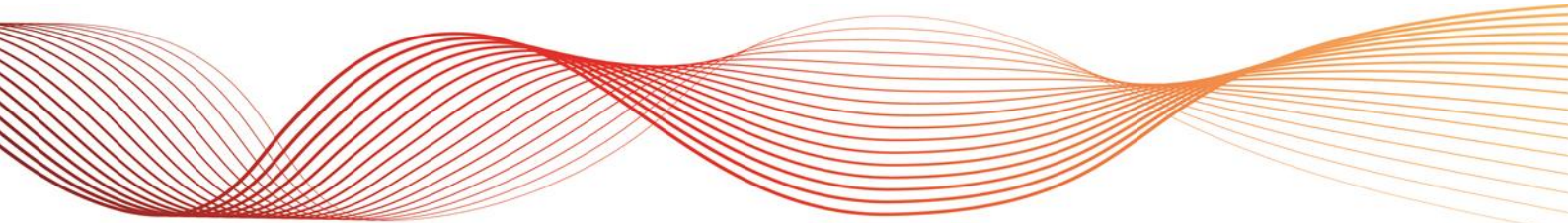




# 2016 AND 2017 RESERVE CAPACITY INFORMATION PACK

FOR THE WHOLESALE ELECTRICITY MARKET

Published: June 2017





# IMPORTANT NOTICE

## **Purpose**

AEMO has prepared this document to provide information about the Western Australian Wholesale Electricity Market, as at the date of publication.

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## Background

Each year, AEMO must publish the Reserve Capacity Information Pack under clause 4.7.2 of the Western Australian (WA) Wholesale Electricity Market (WEM) Rules.

This Reserve Capacity Information Pack relates to the 2016 and 2017 Reserve Capacity Cycles and sets the Reserve Capacity Target<sup>1</sup> (RCT) for the 2018-19 and 2019-20 Capacity Years, as published in the 2017 Wholesale Electricity Market Electricity Statement of Opportunities (WEM ESOP). It provides information on the Expressions of Interest process completed in May 2017 and the Availability Curves determined for the 2017–18, 2018–19 and 2019–20 Capacity Years.

A more detailed discussion of the information below is provided in the 2017 WEM ESOP.<sup>2</sup>

Any questions about the information provided here can be directed to AEMO's System Capacity (WA) team on (08) 9254 4300 or [wa.capacity@aemo.com.au](mailto:wa.capacity@aemo.com.au).

## Deferred 2016 Reserve Capacity Cycle, and 2017 Reserve Capacity Cycle

In March 2016, at the WA Public Utilities Office's request, AEMO deferred the 2016 Reserve Capacity Cycle<sup>3</sup> (including the requirement to publish a Reserve Capacity Information Pack) for a period of 12 months, to allow for new market arrangements to be finalised.<sup>4</sup>

AEMO is not deferring any cycles this year, and is running the 2016 and 2017 Reserve Capacity Cycles concurrently to bring the cycles back to normal. As such, this Reserve Capacity Information Pack addresses both the deferred 2016 Reserve Capacity Cycle (for the 2018–19 Capacity Year), and the 2017 Reserve Capacity Cycle (for the 2019–20 Capacity Year).

## Reserve Capacity Target

The RCTs for the 2018–19 and 2019-20 Capacity Years are **4,620 MW** and **4,660MW**, respectively.

## Availability Curve

Under the WEM Rules, two Availability Classes are defined as follows:

- Availability Class 1 relates to generation capacity, and any other capacity that is expected to be available to be dispatched for all trading intervals in a capacity year.
- Availability Class 2 relates to capacity that is not expected to be available to be dispatched for all trading intervals in a capacity year.

Capacity from Availability Class 1 can be used to meet the requirement for Availability Class 2.

Assuming the RCT is just met, the Availability Curve indicates the minimum amount of capacity that must be provided by generation capacity to ensure the energy requirements of users are met.

The Availability Curves for the 2017–18, 2018–19 and 2019–20, Capacity Years are shown in Table 1.

<sup>1</sup> The Reserve Capacity Targets for the relevant Capacity Years are the Reserve Capacity Targets published in the ESOP report for the Reserve Capacity Cycle (clause 4.6.1 of the WEM Rules).

<sup>2</sup> Available at <http://wa.aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Planning-and-forecasting/WEM-Electricity-Statement-of-Opportunities>.

<sup>3</sup> Specifically, AEMO deferred the remaining events in Year 1 of the 2016 Reserve Capacity Cycle (which had not occurred as at 1 May 2016) for a period of 12 months, but did not defer Years 2 to 4 of the 2016 Reserve Capacity Cycle.

<sup>4</sup> AEMO's deferral notice is available at: <http://aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Reserve-capacity-mechanism/Reserve-capacity-timetable>.

**Table 1 Availability Curves**

	2017–18 (MW)	2018–19 (MW)	2019–20 (MW)
Capacity associated with Availability Class 1	3,701	3,955	3,823
Capacity associated with Availability Class 2	875	665	837

Source: Robinson Bowmaker Paul (RBP)

## Expressions of Interest process

The 2016 and 2017 Request for Expressions of Interest and the corresponding summary reports are available on AEMO's website.<sup>5</sup>

<sup>5</sup> Available at <http://wa.aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Reserve-capacity-mechanism/Expressions-of-interest>.