



WEM Procedure: Individual Reserve Capacity Requirements

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Version Release History

| Version | Effective Date | Summary of Changes |
|---------|------------------|--|
| 1.0 | 1 December 2011 | First version developed in accordance with clause 4.28.12 |
| 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 |
| 5.0 | 1 October 2019 | Changes resulting from Procedure Change Proposal AEPC_2019_09 related to the Rule Change Proposal RC_2015_03: Formalisation of the Process for Maintenance Applications |
| 6.0 | 1 October 2023 | Replacement Procedure. Amendments resulting from WEM Reform |

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1. Introduction

1.1. Purpose and scope

- 1.1.1. This WEM Procedure: Individual Reserve Capacity Requirements (Procedure) is made in accordance with AEMO's functions under clause 2.1A.2(h) of the Wholesale Electricity Market Rules (WEM Rules).
- 1.1.2. The *Electricity Industry Act 2004*, the WEM Regulations and the WEM Rules prevail over this Procedure to the extent of any inconsistency.
- 1.1.3. In this Procedure, where obligations are conferred on a Rule Participant, that Rule Participant must comply with the relevant obligations in accordance with clause 2.9.7A, 2.9.7D or 2.9.8 of the WEM Rules, as applicable.
- 1.1.4. The purpose of this Procedure is to describe the processes to be followed in calculating Indicative Individual Reserve Capacity Requirements and Individual Reserve Capacity Requirements [clause 4.28.12].
- 1.1.5. Appendix A of this Procedure outlines the head of power clauses that this Procedure is made under, as well as other obligations in the WEM Rules covered by this Procedure.

1.2. Definitions

- 1.2.1. Terms defined in the *Electricity Industry Act 2004*, the WEM Regulations and the WEM Rules have the same meanings in this Procedure unless the context requires otherwise.
- 1.2.2. The following definitions apply in this Procedure unless the context requires otherwise.

Table 1 Definitions

| Term | Definition |
|--|---|
| Facility Code | An alphanumeric code that uniquely identifies a Facility in WEMS. |
| Supervisory Control and Data Acquisition (SCADA) | Supervisory Control and Data Acquisition (SCADA) is a system that is used to monitor and control field device(s) at remote locations. |
| Wholesale Electricity Market System (WEMS) | An interface software system that AEMO uses to administer and operate the Wholesale Electricity Market. |

1.3. Interpretation

- 1.3.1. The following principles of interpretation apply in this Procedure unless the context requires otherwise.
 - (a) Clauses 1.3 to 1.5 of the WEM Rules apply in this Procedure.
 - (b) References to time are references to Australian Western Standard Time.
 - (c) Terms that are capitalised, but not defined in this Procedure, have the meaning given in the WEM Rules.
 - (d) A reference to the WEM Rules or WEM Procedures includes any associated forms required or contemplated by the WEM Rules or WEM Procedures.

- (e) Words expressed in the singular include the plural and vice versa.
- (f) A reference to a paragraph refers to a paragraph of this Procedure.
- (g) A reference to an appendix refers to an appendix of this Procedure.
- (h) A reference to a clause refers to a clause or section of the WEM Rules.
- (i) References to WEM Rules in this Procedure in bold and square brackets **[Clause XXX]** are included for convenience only, and do not form part of this Procedure.
- (j) Text located in boxes and headed as **E[X]** in this Procedure is included by way of explanation only and does not form part of this Procedure. The Procedure prevails to the extent of any inconsistency with the explanatory notes contained within it.
- (k) The body of this Procedure prevails to the extent of any inconsistency with the figures, diagrams, appendices, schedules, annexures or attachments contained within this document.

1.4. Related documents

1.4.1. The documents in Table 2 are associated with this Procedure.

Table 2 Related documents

| Reference | Title | Location |
|---------------|---|-----------------------------|
| WEM Procedure | WEM Procedure: Consumption Deviation Applications | WEM Website |

2. Process

2.1. Transitional provisions

2.1.1. Clause 1.55 applies to this Procedure in regards to the general transitional provisions imposed on Rule Participants to facilitate a transition from the Pre-Amended Rules to the Post-Amended Rules.

2.2. Provision of the Individual Reserve Capacity Requirement

2.2.1. For the purposes of clause 4.28.6, AEMO will provide the Indicative Individual Reserve Capacity Requirements for each Market Participant in WEMS.

2.2.2. For the purposes of clause 4.28.7, AEMO will provide the Individual Reserve Capacity Requirements for each Market Participant in WEMS.

2.2.3. For the purposes of clause 4.28.11A, AEMO will provide the recalculated Individual Reserve Capacity Requirement for each Market Participant in WEMS.

2.3. Publication

2.3.1. In addition to publishing the supporting information in clauses 4.18.13, 4.1.23A and 4.1.23B, AEMO will publish the Total Sent Out Generation on the WEM Website, as soon as practicable.

2.4. Timeline

2.4.1. The timetable for the determination and publication of each Market Participant's Indicative Individual Reserve Capacity Requirement [**clause 4.28.6**] and Individual Reserve Capacity Requirement [**clause 4.28.7**] is outlined in Table 3. The timeline may differ depending on the specific business calendar in any year.

Table 3 Timeline for the determination of the Indicative Individual Reserve Capacity Requirements, Individual Reserve Capacity Requirements, and adjusted Individual Reserve Capacity Requirements

| Event number | Event | Deadline for October Trading Month | Deadline for other Trading Months |
|--------------|---|---|--|
| 1 | Market Participant provides information (paragraphs 3.1.1 and 3.1.2) [clause 4.28.8] | For Non-Temperature Dependent Loads and Intermittent Loads deemed to be Intermittent Loads under clause 1.48.2: 5:00 PM on the last Business Day falling on or before 20 August of Year 3 of the relevant Reserve Capacity Cycle [clause 4.1.23] | For Non-Temperature Dependent Loads: 5:00 PM on the Business Day that is 25 Business Days prior to the start of the relevant Trading Month [clause 4.28.8C] |
| 2 | AEMO confirms receipt of information | Within 1 Business Day of receipt of information in event number 1 | |
| 3 | AEMO determines adequacy of information provided and may request additional or clarifying information from a Market Participant (paragraph 3.3.1) | As required | |

| Event number | Event | Deadline for October Trading Month | Deadline for other Trading Months |
|--------------|---|---|-----------------------------------|
| 4 | Market Participant must provide any requested information to AEMO (paragraph 3.3.2) | Within 3 Business Days of request for information in event number 3 | |
| 5 | AEMO determines whether or not to accept relevant Loads as Non-Temperature Dependent Loads [clause 4.28.9 and Appendix 5A] and provides results to Market Participants | Prior to the determination of Indicative Individual Reserve Capacity Requirement | |
| 6 | AEMO determines Indicative Individual Reserve Capacity Requirements and provides results to Market Participants | 5:00 PM on the Business Day that is 10 Business Days prior to the start of the relevant Trading Month [clause 4.1.23C] | |
| 7 | AEMO determines Individual Reserve Capacity Requirements and provides results to Market Participants | 5:00 PM on the Settlement Statement Date for the Trading Week containing the first Trading Day in the relevant Trading Month [clause 4.1.24] | |
| 8 | AEMO determines adjusted Individual Reserve Capacity Requirements and provides results to Market Participants | The date by which adjusted Settlement Statements will be released [clause 4.28.11A] | |

3. Information requirements

3.1. Information provision to AEMO

- 3.1.1. For the first Trading Month (October) in each Capacity Year, each Market Participant must provide the following information to AEMO by the relevant date and time specified in Table 3 Event Number 1 **[clause 4.28.8]**:
- (a) the identity of all interval meters associated with that Market Participant which measure Loads that it nominates as Non-Temperature Dependent Loads; and
 - (b) nominations of capacity requirements for each Intermittent Load deemed to be an Intermittent Load under clause 1.48.2, 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 Contract Maximum Demand expected to be associated with that Intermittent Load during the Capacity Year to which the nomination relates. The Market Participant must provide evidence to AEMO of this Contract Maximum Demand level, unless AEMO has previously been provided with that evidence.
- 3.1.2. For Trading Months other than October, a Market Participant may provide to AEMO the identity of additional interval meters (to those provided under paragraph 3.1.1) associated with the Market Participant which measure Loads that it nominates as Non-Temperature Dependent Loads for the remainder of the Capacity Year by the relevant date and time specified in Table 3 Number 1 **[clause 4.28.8C]**.
- 3.1.3. If a Market Participant reasonably expects that the Contract Maximum Demand will increase from the current level during the Capacity Year, then the maximum Contract Maximum Demand is that increased level.
- 3.1.4. Each interval meter provided under paragraphs 3.1.1(a) and 3.1.2 must only relate to one single NMI or one single SCADA-only Facility Code.
- 3.1.5. To submit the information in paragraphs 3.1.1 and 3.1.2, the Market Participant must use WEMS.
- 3.1.6. Where a Market Participant submits a Consumption Deviation Application to AEMO, in accordance with clause 4.28.9A, in respect of a Load that it has nominated as a Non-Temperature Dependent Load, the Market Participant must comply with the WEM Procedure: Consumption Deviation Applications.

3.2. Assessment of information by AEMO

- 3.2.1. AEMO must only accept a load as a Non-Temperature Dependent Load if it satisfies the requirements of Appendix 5A of the WEM Rules **[clause 4.28.9]**.
- 3.2.2. AEMO must only accept an individually metered load as a Non-Temperature Dependent Load.

3.2.3. During a Capacity Year, where a Load assessed as a Non-Temperature Dependent Load is transferred from one Market Participant 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 recipient Market Participant is responsible for providing the information required in paragraph 3.1.1 or 3.1.2, as applicable, to AEMO.

3.3. Request from AEMO for additional or clarifying information

3.3.1. If AEMO determines that any information provided in paragraphs 3.1.1 and 3.1.2 is insufficient, then AEMO will issue a request, in WEMS, for additional or clarifying information.

3.3.2. A Market Participant must provide the information requested, in WEMS, within the timeframe specified in Table 3 Event Number 4.

3.3.3. If AEMO and the Market Participant are unable to resolve the request for additional or clarifying information before the publication deadline for the Indicative Individual Reserve Capacity Requirement, then AEMO must determine and publish the Indicative Individual Reserve Capacity Requirement as if the requested information had not been provided.

Appendix A. Relevant clauses of the WEM Rules

Table 4 details:

- (a) the head of power clauses in the WEM Rules under which the Procedure has been developed; and
- (b) each clause in the WEM Rules requiring an obligation, process, or requirement be documented in a WEM Procedure, where the obligation, process, or requirement has been documented in this Procedure.

Table 4 Relevant clauses of the WEM Rules

| Clause |
|---------|
| 4.28.12 |