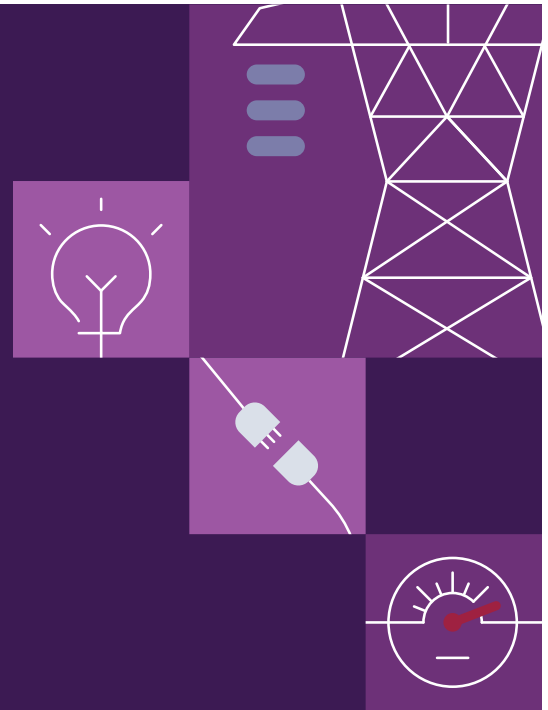




WEM Procedure: Minimum Eligibility Requirements for Flexible Certified Reserve Capacity



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1. Introduction

1.1. Purpose and scope

- 1.1.1. This WEM Procedure: Minimum Eligibility Requirements for Flexible Certified Reserve Capacity (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 outline the processes to be followed by AEMO:
 - (a) for determining the Minimum Eligibility Requirements for receiving Flexible Certified Reserve Capacity under clause 4.10.1A(a) **[clause 4.10.1A(e)(i)]**;
 - (b) to comply with its obligation to consult with Market Participants **[clause 4.10.1A(e)(ii)]**;
 - (c) for publishing the Minimum Eligibility Requirements for receiving Flexible Certified Reserve Capacity **[clause 4.10.1A(e)(iii)]**.
- 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
Minimum Eligibility Requirements	The eligibility requirements for receiving Flexible Certified Reserve Capacity as determined under clause 4.10.1A(a)
Performance Requirements	Has the meaning given in the WEM Procedure: Frequency Co-Optimised Essential System Services Accreditation

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 a clause refers to a clause or section of the WEM Rules.
- (h) 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.
- (i) Text located in boxes and headed as Explanatory Note 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.
- (j) 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	Frequency Co-Optimised Essential System Services Accreditation	WEM Website

2. Modification of timeframes

- 2.1.1. AEMO (in its sole discretion) may modify or extend a date or time in this Procedure as a result of modifying or extending a date or time under clause 4.1.1C or to the extent permitted under the WEM Rules.
- 2.1.2. If AEMO extends a date or time under paragraph 2.1.1, then it will publish on the WEM Website:
 - (a) notice of the modified or extended date or time; and
 - (b) the effective date or time of any modification or extension under paragraph 2.1.1.

3. Review of the Minimum Eligibility Requirements

- 3.1.1. AEMO must review the Minimum Eligibility Requirements published for the previous Reserve Capacity Cycle.
- 3.1.2. The factors that AEMO will consider when reviewing the Minimum Eligibility Requirements include:
 - (a) a change to the Benchmark Flexible Capacity Provider;

- (b) a change to the technical parameters of the Benchmark Flexible Capacity Provider determined under clause 4.16.12(b);
 - (c) a change to the Performance Requirements for any relevant Frequency Co-Optimised Essential System Service as defined in the WEM Procedure: Frequency Co-Optimised Essential System Services Accreditation;
 - (d) a material change to the forecast Four-Hour Demand Increase published in the most recent Statement of Opportunities Report;
 - (e) the highest Four-Hour Demand Increase from the previous Cold Season;
 - (f) whether the existing fleet of Facilities assigned Flexible Capacity Credits is expected to meet the Flexible Reserve Capacity Target published in the most recent Statement of Opportunities Report for the relevant Reserve Capacity Cycle; and
 - (g) any other factors AEMO considers relevant.
- 3.1.3. If the existing fleet of Facilities assigned Flexible Capacity Credits is expected to meet the Flexible Reserve Capacity Target published in the most recent Statement of Opportunities Report for the relevant Reserve Capacity Cycle, AEMO must not adjust the Minimum Eligibility Requirements.
- 3.1.4. If AEMO does not consider the Minimum Eligibility Requirements published for the previous Reserve Capacity Cycle require adjustment, AEMO will publish the Minimum Eligibility Requirements in accordance with paragraph 6.1.1.
- 3.1.5. If AEMO does not adjust the Minimum Eligibility Requirements in accordance with paragraph 3.1.4, AEMO may publish the results of the review completed under paragraph 3.1.2 in the Statement of Opportunities Report.
- 3.1.6. If AEMO intends to change the Minimum Eligibility Requirements published for the previous Reserve Capacity Cycle, AEMO will determine the Minimum Eligibility Requirements in accordance with paragraph 4 and consult with Market Participants in accordance with paragraph 5.

4. Determination of the Minimum Eligibility Requirements

- 4.1.1. If AEMO intends to change the Minimum Eligibility Requirements published for the previous Reserve Capacity Cycle under paragraph 6, AEMO must propose Minimum Eligibility Requirements in accordance with paragraphs 4.1.3 and 4.1.4 and consult with Market Participants under paragraph 5.1.1 **[clause 4.10.1A(c)]**.
- 4.1.2. Following completion of the consultation under paragraph 5.1.1, AEMO must **[clause 4.10.1A(c)]**:
- (a) determine whether the Minimum Eligibility Requirements published for the previous Reserve Capacity Cycle require changing, and if so, determine the Minimum Eligibility Requirements in accordance with paragraphs 4.1.3 and 4.1.4; and
 - (b) publish the Minimum Eligibility Requirements in accordance with paragraph 6.1.1.

- 4.1.3. AEMO must propose and determine the Minimum Eligibility Requirements [clause 4.10.1A(b)]:
- (a) taking into account the technical parameters of the Benchmark Flexible Capacity Provider determined under clause 4.16.12(b);
 - (b) such that each Facility holding Flexible Certified Reserve Capacity will be capable of providing all of its capacity promptly and flexibly in the four-hour period ending in the Trading Interval used to determine the expected highest forecast Four-Hour Demand Increase under clause 4.5.10(bA)(ii); and
 - (c) so as to minimise costs while maintaining Power System Security and Power System Reliability.
- 4.1.4. AEMO may consider the following factors in proposing and determining the Minimum Eligibility Requirements:
- (a) the requirements of a Dispatch Inflexibility Profile for a Fast Start Facility in accordance with clause 7.4.45;
 - (b) the forecast Four-Hour Demand Increase published in the most recent Statement of Opportunities Report for the relevant Reserve Capacity Cycle;
 - (c) the capabilities of the current fleet of Fast Start Facilities; and
 - (d) any submissions received from Market Participants during the consultation under paragraph 5.1.1.

5. Consultation process

- 5.1.1. Where AEMO proposes Minimum Eligibility Requirements under paragraph 4.1.1, AEMO must publish the following information on the WEM Website at least 35 Business Days prior to the date and time specified in clause 4.1.4 for the relevant Reserve Capacity Cycle:
- (a) the proposed Minimum Eligibility Requirements determined under paragraph 4;
 - (b) the reason for any adjustments to the Minimum Eligibility Requirements published for the previous Reserve Capacity Cycle;
 - (c) a statement of how the Minimum Eligibility Requirements meet the Wholesale Market Objectives;
 - (d) the technical parameters associated with the Benchmark Flexible Capacity Provider used in the determination of the proposed Minimum Eligibility Requirements;
 - (e) a call for submissions from Market Participants on the proposed Minimum Eligibility Requirements, and the due date for submissions which must not be less than 15 Business Days from the date of publication; and
 - (f) any other information AEMO considers relevant in the determination of the proposed Minimum Eligibility Requirements.

6. Publication

6.1.1. AEMO will publish the following information on the WEM Website by the date and time specified in clause 4.1.4 for the relevant Reserve Capacity Cycle:

- (a) the final Minimum Eligibility Requirements determined under paragraph 4 **[clause 4.10.1A(d)]**;
- (b) Where AEMO has undertaken consultation in accordance with paragraph 5.1.1:
 - (i) a statement of how the Minimum Eligibility Requirements meet the Wholesale Market Objectives **[clause 4.10.1A(c)]**;
 - (ii) the technical parameters associated with the Benchmark Flexible Capacity Provider used in the determination of the proposed Minimum Eligibility Requirements;
 - (iii) the reason for any changes from the proposed Minimum Eligibility Requirements published under paragraph 4.1.1;
 - (iv) the reason for any changes to the Minimum Eligibility Requirements published for the previous Reserve Capacity Cycle;
 - (v) a summary of the submissions received and a response to the issues raised in those submissions **[clause 4.10.1A(c)]**; and
 - (vi) any other information AEMO considers relevant in the determination of the final Minimum Eligibility Requirements.

Appendix A. Relevant clauses of the WEM Rules

Table 3 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 3 Relevant clauses of the WEM Rules

Clause
4.10.1A(e)(i)
4.10.1A(e)(ii)
4.10.1A(e)(iii)

Appendix B. Minimum Eligibility Requirements

AEMO will determine the Minimum Eligibility Requirements in Table 4 for a Demand Side Programme and each Facility Technology Type in accordance with clause 4.10.1A(a)

Table 4 Minimum Eligibility Requirements in clause 4.10.1A(a)

Requirement	Non-Intermittent Generating System	Intermittent Generating System	Electric Storage Resource	Demand Side Programme	Relevant sub-clause of 4.10.1A(a)
Maximum allowed minimum stable loading level expressed as a percentage of nameplate capacity	Y	Y	N/A	N/A	(i)1, (ii)1
Minimum allowed ramp up rate expressed in percent of nameplate capacity per minute	Y	Y	Y	Y	(i)2, (ii)2, (iii)3, (iv)1
Minimum allowed ramp down rate expressed in percent of nameplate capacity per minute	Y	Y	Y	Y	(i)3, (ii)3, (iii)4, (iv)2
Maximum time (in minutes) allowed between receiving a Dispatch Instruction when in a particular state and operating in a specific way	From cold state to the minimum stable loading level	From being fully curtailed to the minimum stable loading level	N/A	From receiving a Dispatch Instruction to changing outout	(i)4, (ii)4, (iv)3
Capable from switching from charging to discharging (and vice versa) in a single Dispatch Interval	N/A	N/A	Y	N/A	(iii)1, (iii)2
Fast Start Facility	Y	N/A	N/A	N/A	(i)5