# RCM 1.18 Release Notes

# Important notice

## PURPOSE

The Australian Energy Market Operator (AEMO) has prepared this document to provide information about changes incorporated in the latest release to the Wholesale Electricity Market System (WEMS) as at the date of publication.

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## VERSION CONTROL

| Version | Release date | Changes |
|---------|--------------|---------|
| 1.0 | 14/09/2020 | Initial publication for RCM 1.18 Market Trial release |
| 1.1 | 28/09/2020 | Update for final Market Trial build number. |

## DOCUMENT APPROVAL

| Name | Position | Date |
|------|----------|------|
| Martin Maticka | Group Manager, WA Markets | 11/09/2020 |

# Contents

# 1. Introduction

## 1.1 Overview

These are the release notes for the Reserve Capacity Mechanism (RCM) portal 1.18 (Build 1.18-2988-1). This release includes the changes to the RCM portal required to ensure AEMO's compliance with the RCM Pricing amendments which commenced in February 2020. Further information about these changes can be found at: https://www.wa.gov.au/government/document-collections/improving-reserve-capacity-pricing-signals.

This release includes:

- New pricing information on the RCM and Facility Management dashboards.

- Changes to the Security tab to reflect the new requirement for Demand Side Programmes (DSP) to provide DSM Reserve Capacity Security annually.

- Amendments to the Trade Declarations tab to allow Market Participants to nominate an eligible Facility as a Candidate Fixed Price Facility.

- Updates to the Capacity Credit assignment algorithm to incorporate changes to Appendix 3 of the Wholesale Electricity Market (WEM) Rules.

The system changes under this release are described in the sections below.

## 1.2 Supporting documentation

The following supporting documentation has been updated as part of this release:

- Wholesale Electricity Market System (WEMS) Market Participant Interface (MPI) User Guide.

- WEMS Submission Specification.

## 1.3 RCM version summary

Table 1 summarises the changes in version post deployment of this release.

**Table 1   RCM version summary**

| Application | Current version | New version |
|---|---|---|
| RCM | 1.17 (Build 1.17-2985-3) | 1.18 (Build 1.18-2988-1) |

To view the current version of the MPI, please navigate to Help > About in the MPI.

## 1.4 Abbreviations

Table 2 outlines the abbreviations used in this document.

**Table 2   Abbreviations**

| Abbreviation | Expanded name |
|---|---|
| AEMO | Australian Energy Market Operator |
| CRC | Certified Reserve Capacity |
| DSM | Demand Side Management |
| DSP | Demand Side Programme |
| MPI | Market Participant Interface |
| RCM | Reserve Capacity Mechanism |
| WEM | Wholesale Electricity Market |
| WEMS | Wholesale Electricity Market System |

# 2. RCM portal changes

## 2.1 RCM and Facility Management dashboards

The RCM dashboard (Figure 1) has been updated to:

- Provide a summary of the number of Capacity Credits assigned for each price category (Reserve Capacity Price, Transitional Reserve Capacity Price, and Fixed Reserve Capacity Price).

- Include price type information for each Facility in the Facility list as follows:
  - T for the Transitional Reserve Capacity Price.
  - F for the Fixed Reserve Capacity Price.
  - Blank for the Reserve Capacity Price.

- Remove the DSM Reserve Capacity Price and associated Capacity Credits.

**Figure 1 RCM dashboard with summary of Capacity Credits by price (Market Participant view)**



The Facility Management dashboard now shows pricing information specific to each Facility, including the price type, duration, and value (Figure 2). Fixed Reserve Capacity Prices for each Facility can only be viewed through the Facility Management dashboard.

**Figure 2  Facility Management dashboard (Market Participant view)**

| Home | CRC Application | Security | Trade Declaration | CDA | NTDL | Capacity Allocation | IRCR | Peak Intervals | |
|------|-----------------|----------|-------------------|-----|------|---------------------|------|----------------|--|
| 2014 - 2015 | 2015 - 2016 | 2016 - 2017 | 2017 - 2018 | 2018 - 2019 | 2019 - 2020 | 2020 - 2021 | **2021 - 2022** | 2022 - 2023 | ⚙ |

| SG | FACILITY 1 |
|----|------------|
| | Commercial Operation (01/07/2003) |
| | Transitional (2021-22 until 2030-31) |

Effective 01/10/2021

| Capacity Credits: | X MW | | EPOH: | - |
| | | | Price: | $114,000.00 |

## 2.2    Security tab

The Security page for DSPs has been reconfigured to incorporate the requirements for DSM Reserve Capacity Security to be provided by all DSPs each Capacity Year. For generation Facilities, the existing field 'Security Required' has been renamed 'Security Calculated' for consistency but has otherwise remained unchanged.

The Security Requirement section for a DSP (Figure 3) assists in implementing the requirements from clauses 4.13A.3 and 4.13A.4 of the WEM Rules as follows:

- Security Required is determined as the maximum amount of DSM Reserve Capacity Security calculated for each active Capacity Year. It may not equal the Security Calculated for the current Capacity Year.

- Security Lodged shows the cumulative amount of DSM Reserve Capacity Security held by AEMO, less any amount retained.

- Security Owed is calculated as Security Lodged less Security Required and represents the amount of DSM Reserve Capacity Security that must be paid by the Market Participant.

The Security Transactions section has not changed with this release, and only shows events and calculations related to the Capacity Year selected on the banner. Security Calculated will automatically update each time a Market Participant performs an action (e.g. when submitting a trade declaration) and when Capacity Credits are assigned.

**Figure 3  Security page for a DSP**

| Home | CRC Application | **Security** | Trade Declaration | CDA | NTDL | Capacity Allocation | IRCR | Peak Intervals |
|---|---|---|---|---|---|---|---|---|
| 2014 - 2015 | 2015 - 2016 | 2016 - 2017 | 2017 - 2018 | 2018 - 2019 | 2019 - 2020 | 2020 - 2021 | **2021 - 2022** | 2022 - 2023 | ⚙ |

## Security Requirement as at  dd/mm/yyyy

| Security Required: | Security Lodged: | Security Owed: | Details |
|---|---|---|---|
| $X | $X | $X | |

## Security Transactions

| Participant: | Participant name | Capacity Year: | 2021 - 2022 |
|---|---|---|---|
| Facility Name: | FACILITY 1 | Security Category: | Existing Facility |
| Facility Type: | DSP | | |
| Facility Status: | Commercial Operation (22/07/2011) | | |

| Security Lodged: | $X | Assigned Credits: | X MW |
|---|---|---|---|
| Security Returned: | $X | Security Calculated: | $X |
| Security Retained: | $X | | |

Clicking on the 'Details' button in the Security Requirement section (shown in Figure 3) will open a window that displays all security transactions made for the DSP by the Market Participant (Figure 4).

A new Security Transaction type (Exempt) has been added to allow AEMO to exempt a DSP from providing DSM Reserve Capacity Security in accordance with clause 4.13A.18(b) of the WEM Rules. Exempt transactions will always have an associated value of $0 (Figure 4).

**Figure 4  'Details' window showing all security transactions for a DSP**

**Security Requirement Details**                                                                        ✕

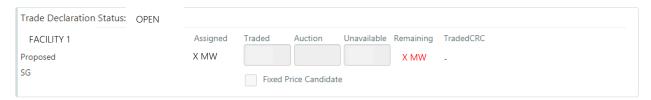| Effective From ⇕ | Action ⇕ | Amount ⇕ | Balance ⇕ | Security Details ⇕ | Capacity Year ⇕ |
|---|---|---|---|---|---|
| Date | EXEMPT | $0.00 | $0.00 | Exemption on first year of WEM Rules (22 February 2020) | 2021 |
| Date | LODGE | $X | $X | Description | 2022 |
| Date | LODGE | $X | $X | Description | 2023 |
| Date | RETURN | $X | $X | Description | 2023 |
| Date | EXEMPT | $0.00 | $0.00 | Description | 2023 |
| Date | LODGE | $X | $X | Description | 2023 |

## 2.3    Trade Declaration tab

Trade declarations have been updated to allow a DSP to offer capacity for bilateral trade or into the Reserve Capacity Auction (Figure 5).

**Figure 5  Trade declaration for DSP**



A Fixed Price Candidate checkbox has been added to allow a Market Participant with an eligible Facility to choose the Fixed Reserve Capacity Price (Figure 6). This checkbox is only available to Facilities that meet the conditions in clause 4.14.1C of the WEM Rules.

**Figure 6  Fixed Price Candidate checkbox in trade declaration**



## 2.4    Capacity Credit assignment and price calculations

The changes to the Capacity Credit assignment process and price calculations can be summarised as follows:

- The Capacity Credit assignment algorithm has been updated to reflect the changes made to Appendix 3 of the WEM Rules, including the different scenarios around Candidate Fixed Price Facilities.

- Reserve Capacity Obligation commencement dates will be automatically set to 1 October of Year 3 of the relevant Reserve Capacity Cycle for new Facilities if the requirements in clause 4.1.26(e)(i) of the WEM Rules are met.

- The system calculates and automatically publishes up to seven prices for each Capacity Year (the Transitional Reserve Capacity Price, the Reserve Capacity Price, and up to five Fixed Reserve Capacity Prices).

- AEMO is required to input the Benchmark Reserve Capacity Price and annual Consumer Price Index figures for the system to calculate the various prices.

## 2.5    Market data page

The Capacity Credits and related prices (including the floor and ceiling prices used to determine the Transitional Reserve Capacity Price) in the RCM portal are automatically published to the market data page on AEMO's website.

## 2.6    AEMO changes

New AEMO functionality has been introduced to complement the changes seen by Market Participants. Some examples of these changes include:

- Automatic publication of price information on the RCM portal dashboard.

- Ability to exempt a DSP from providing DSM Reserve Capacity Security.

- Reminders for AEMO to check price calculation input parameters before prices are published.

# 3.    Market trial

Market trial for this release commences on 23 September 2020. Market Participants can provide any feedback on this trial to wa.capacity@aemo.com.au.

## 3.1    Market trial period

The following table summarises the actions that AEMO will take during the market trial period to support Market Participant testing.

| Date | AEMO action | Market Participant action |
| --- | --- | --- |
| **23 September 2020** | Open CRC application window | Submit CRC applications to be used for testing trade declaration and security functionality |
| **28 September 2020** | Close CRC application window | |
| **29 September 2020** | Open trade declaration and security windows | • Submit trade declarations<br>• View security requirements |
| **2 October 2020** | Close trade declaration and security windows | |
| **6 October 2020** | • Assign Capacity Credits<br>• Calculate and publish price information | View new layouts for RCM portal and Facility Management dashboards |

## 3.2    Suggested testing activities for Market Participants

AEMO recommends that Market Participants perform the following testing as a minimum:

- Submit trade declarations for DSPs.
- View the new Security tab for DSPs.
- View the new layouts for the RCM portal and Facility Management dashboards.