

MARKET PROCEDURE: INDIVIDUAL RESERVE CAPACITY REQUIREMENTS

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Approved for distribution and use by:

APPROVED BY: Peter Geers
TITLE: Executive General Manager, Markets

VERSION RELEASE HISTORY

Version	Effective Date	Summary of Changes
1.0	1 December 2011	Individual Reserve Capacity Requirements
2.0	30 November 2015	Changes resulting from the transfer of functions from the IMO to AEMO
3.0	1 October 2017	Changes resulting from AEPC_2017_05 relating to Non-Temperature Dependent Loads

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1 PROCEDURE OVERVIEW

1.1 Relationship with the Wholesale Electricity Market Rules

- 1.1.1 This Market Procedure: Individual Reserve Capacity Requirement (Procedure) is developed in accordance with clause 4.28.12 of the Wholesale Electricity Market Rules (WEM Rules).
- 1.1.2 Reference to particular WEM Rules within the Procedure, which are in bold and square brackets [**Clause XX**], are current as of 1 October 2017. These references are included for convenience only and are not part of this Procedure.

1.2 Interpretation

- 1.2.1 In this Procedure:
- terms that are capitalised but not defined in this Procedure have the meaning given in the WEM Rules;
 - to the extent that this procedure is contrary or inconsistent with the WEM Rules, the WEM Rules shall prevail to the extent of the inconsistency;
 - a reference to the WEM Rules or Market Procedures includes any associated forms required or contemplated by the WEM Rules or Market Procedures; and
 - words expressed in the singular include the plural or vice versa.
- 1.2.2 In addition the following defined terms have the meaning given.

Table 1: Defined terms

Term	Definition
Wholesale Electricity Market System (WEMS)	An interface system that AEMO uses to administer and operate the Wholesale Electricity Market.
Initial IRCR	Individual Reserve Capacity Requirement published annually to apply from the start of the Trading Day commencing on 1 October of Year 3 of the relevant Reserve Capacity Cycle.
Updated IRCR	Individual Reserve Capacity Requirement published monthly to apply for each month from the start of the Trading Day commencing on 1 November of Year 3 to 30 September of Year 4 of the relevant Reserve Capacity Cycle.

1.3 Purpose and application of this Procedure

- 1.3.1 The purpose of this Procedure is to describe the processes to be followed by:
- Market Customers in providing information to AEMO relating to their loads and demand side management arrangements for the determination of their Individual Reserve Capacity Requirement (IRCR) on an annual and/or monthly basis; and
 - AEMO in determining and publishing the Initial IRCR and Updated IRCR.
- 1.3.2 This procedure applies to:
- a Market Customer who has or is required to have an IRCR under the WEM Rules; and
 - AEMO in processing and determining the IRCR.

1.3.3 All interactions between AEMO and Market Participants referred to in this Procedure will be conducted through WEMS.

1.4 Timeline for the determination of the Initial IRCR

1.4.1 Table 2 outlines the timetable for the calculation of the Initial IRCR [Clause 4.28.8]. The timeline may differ depending on the specific business calendar in any year.

Table 2: Timeline for the determination of the Initial IRCR

Number	Event	Due Date	
1.	Market Customer must provide information (step 2.1.1)	5:00pm on the last Business Day falling on or before 20 August of Year 3 of a Reserve Capacity Cycle [Clauses 4.1.23 and 4.28.8]	
2.	AEMO confirms receipt of information	Within 1 Business Day	
3.	AEMO determines adequacy of information provided and may request additional or clarifying Information from a Market Participant (step 2.2.1).	As required	
4.	Market Participant must provide any requested information to AEMO (step 2.2.2).	Within 3 Business Days	
5.	AEMO assesses relevant Loads as Non-Temperature Dependent Loads and advises Market Participants of results.	Prior to the calculation of Initial IRCR [Clause 4.28.9 and Appendix 5A]	
6.	AEMO determines and publishes Initial IRCR	5:00pm on the last Business Day falling on or before 10 September of Year 3 of a Reserve Capacity Cycle [Clause 4.1.24(b)]	
7.	Initial IRCR applies	The start of the Trading Day commencing on 1 October of Year 3 of that Reserve Capacity Cycle [Clause 4.1.25 (b)]	

1.5 Timeline for the determination of the Updated IRCR

- 1.5.1 For each month between 1 November of Year 3 of a Reserve Capacity Cycle and 30 September of Year 4 of a Reserve Capacity Cycle, AEMO will update the Initial IRCR. **[Clause 4.28.11]**.
- 1.5.2 Table 3 outlines the timetable for the calculation of the Updated IRCR. The timeline may differ depending on the specific business day calendar in any year.

Table 3: Timeline for the determination of the Updated IRCR

Number	Event	Due Date	
1.	Market Customer must provide updated information (step 2.1.3)	5:00pm on the Business Day being 25 Business Days prior to the start of the Trading Month for which the IRCR will apply [Clauses 4.28.8 and 4.1.28(b)]	
2.	AEMO confirms receipt of information	Within 1 Business Day	
3.	AEMO determines adequacy of information provided and may request additional or clarifying information from a Market Participant (step 2.2.1).	As required	
4.	Market Participant must provide any requested information to AEMO (step 2.2.2).	Within 3 Business Days	
5.	AEMO assesses relevant loads as Non-Temperature Dependent Loads and advises Market Participants of results.	Prior to the calculation of Updated IRCR [Clause 4.28.9 and Appendix 5A]	
6.	AEMO determines and publishes Updated IRCR	5:00pm on the Business Day, being 5 Business Days prior to the Trading Month for which the Updated IRCR will apply [Clause 4.1.28(b)] .	
7.	Updated IRCR applies	The start of the Trading Day commencing on the first day of the first Trading Month commencing after the date of publication of the Updated IRCR [Clause 4.28.11(b)] .	

2 INFORMATION FOR THE DETERMINATION OF THE IRCR

2.1 Information provision to AEMO

- 2.1.1 Each year in the case of Initial IRCR, Market Customers must provide the following information to AEMO **[Clause 4.28.8]**:
- (a) a list of interval meters associated with that Market Customer that the Market Customer considers AEMO should treat as Non-Temperature Dependent Loads;

- (b) details of any Demand Side Management measures that the Market Customer has implemented since the previous Hot Season, including the expected MW reduction in peak consumption resulting from those measures; and
 - (c) nominations of capacity requirements for Intermittent Loads, 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 Contractual Maximum Demand expected to be associated with that Intermittent Load during the Capacity Year to which the nomination relates. The Market Customer must provide evidence to AEMO of this Contractual Maximum Demand level unless AEMO has previously been provided with that evidence. The maximum Contractual Maximum Demand is required to cover the case that the Contractual Maximum Demand is reasonably expected to increase through the year.
- 2.1.2 A Market Customer may only provide AEMO with the information specified in step 2.1.1 once for each Capacity Year for each load **[Clause 4.28.8]**.
- 2.1.3 In the case of Updated IRCR, Market Customers may update the following information provided in step 2.1.2 **[Clause 4.28.8]**:
- (a) add or remove interval meters associated with that Market Customer that the Market Customer considers that AEMO should treat as Non-Temperature Dependent Loads;
 - (b) add or remove details of any Demand Side Management measures that the Market Customer has implemented since the previous application; and
 - (c) add or remove nominations of capacity requirements for Intermittent Loads, 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 Contractual Maximum Demand expected to be associated with that Intermittent Load during the Capacity Year to which the nomination relates. The Market Customer must provide evidence to AEMO of this Contractual Maximum Demand level unless AEMO has previously been provided with that evidence. The maximum Contractual Maximum Demand is required to cover the case that the Contractual Maximum Demand is reasonably expected to increase through the year.
- 2.1.4 In respect of Non-Temperature Dependent Loads, a Market Customer may provide evidence to AEMO that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia **[Appendix 5A]**.
- 2.1.5 The evidence must accompany the information provided by a Market Customer in step 2.1.1(a) or 2.1.3(a) and the Market Customer must:
- (a) include a list of intervals where the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia; and
 - (b) include documentation from the owner and/or operator to evidence that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.

- 2.1.6 The evidence provided by the Market Customer in step 2.1.5 may be in the form of an email or signed letter from the owner and/or operator of the load.
- 2.1.7 AEMO must only accept individually metered loads as Non-Temperature dependent and only if they satisfy the requirements of Appendix 5A of the WEM Rules.
- 2.1.8 In respect of details of Demand Side Management measures that the Market Customer has implemented in step 2.1.1(b) or step 2.1.3(b), a Market Customer must:
- (a) provide this information by the relevant date and time specified in Table 2 and Table 3 (as applicable);
 - (b) include the expected MW reduction in peak consumption resulting from those measures;
 - (c) provide evidence of capability of the Market Customer and the relevant loads to exercise the Demand Side Management measures; and
 - (d) confirm that the Demand Side Management measures have not received Certified Reserve Capacity or have not been assigned Capacity Credits.
- 2.1.9 In respect of nominations of capacity requirements for Intermittent Loads in step 2.1.1(c) or step 2.1.3(c), a Market Customer must provide the maximum allowed level of Intermittent Load and the maximum Contractual Maximum Demand expected to be associated with that Intermittent Load. If a Market Customer provides this information it must:
- (a) be provided by the relevant date and time specified in Table 2 and Table 3; and
 - (b) be provided via the WEMS.

2.2 Request for Additional/Clarifying Information from AEMO

- 2.2.1 If AEMO determines that any information provided in steps 2.1.1 and 2.1.3 is insufficient, then AEMO will issue a request for additional or clarifying information.
- 2.2.2 Market Participants are required to provide the information requested within the timeframe specified.
- 2.2.3 If AEMO and the Market Customer are unable to resolve the request for more information before the publication deadline of the IRCR, AEMO may proceed with the calculations as if the requested information had not been provided.