

MARKET PROCEDURE: INDIVIDUAL RESERVE CAPACITY REQUIREMENTS

PREPARED BY: Market Operations (WA)
DOCUMENT REF:
VERSION: ~~23.0~~
EFFECTIVE DATE: ~~30 November 2015~~ 1 October 2017
STATUS: ~~FINAL~~ DRAFT FOR CONSULTATION

Approved for distribution and use by:

APPROVED BY: ~~Martin Maticka~~ Peter Geers
TITLE: ~~Group Executive General~~ Manager, Operations and Technology (WA) 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
<u>3.0</u>	<u>1 October 2017</u>	<u>Changes resulting from AEPC 2017_05 relating to Non-Temperature Dependent Loads</u>

CONTENTS

1	PROCEDURE OVERVIEW	4
1.1	Relationship with the Wholesale Electricity Market Rules	4
1.2	Interpretation	4
1.3	Purpose and application of this Procedure	4
1.4	Timeline for the determination of the Initial IRCR	65
1.5	Timeline for the determination of the Updated IRCR	76
2	INFORMATION FOR THE DETERMINATION OF THE IRCR	86
2.1	Information provision to AEMO	86
2.2	Request for Additional/Clarifying Information from AEMO	118

LIST OF TABLES

Table 1: Defined terms	4
Table 2: Timeline for the determination of the Initial IRCR	65
Table 3: Timeline for the determination of the Updated IRCR	76

1 PROCEDURE OVERVIEW

1.1 Relationship with the Wholesale Electricity Market Rules

~~Individual Reserve Capacity Requirement Procedure outlines the process by which Market Customers and AEMO interact to facilitate the determination of the initial Individual Reserve Capacity Requirement (IRCR).~~

~~1.1.1 This Market Procedure: Individual Reserve Capacity Requirement ~~This procedure~~(Procedure) is ~~made~~developed in accordance with ~~Market Rule~~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, unless the contrary intention is expressed:~~

~~1.2.1 terms used~~In this Procedure:

- ~~(a) terms that are capitalised but not defined in this ~~procedure~~Procedure have the same meaning as those given in the ~~Wholesale Electricity Market~~WEM Rules ~~(made pursuant to Electricity Industry (Wholesale Electricity Market) Regulations 2004);~~~~
- ~~(b) to the extent that this procedure is contrary or inconsistent with the ~~Market~~WEM Rules, the ~~Market~~WEM Rules shall prevail to the extent of the inconsistency;~~
- ~~(c) a reference to the ~~Market~~WEM Rules or Market Procedures includes any associated forms required or contemplated by the ~~Market~~WEM Rules or Market Procedures; and~~
- ~~(d) 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

<u>Term</u>	<u>Definition</u>
<u>Wholesale Electricity Market System (WEMS)</u>	<u>An interface system that AEMO uses to administer and operate the Wholesale Electricity Market.</u>
<u>Initial IRCR</u>	<u>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.</u>
<u>Updated IRCR</u>	<u>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.</u>

1.3 The purposesPurpose and application of this procedure are:Procedure

~~1.3.1~~ The purpose of this Procedure is to describe the processes to be followed by:-

- (a) Market Customers in providing information to AEMO relating to their loads and demand side management arrangements for the determination of their IRCR Individual Reserve Capacity Requirement (IRCR) on an annual ~~basis~~ and/or ~~on a~~ monthly basis; and
- (b) AEMO in ~~requesting information from Market Customers in respect of determination of the yearly IRCR and in calculating~~ determining and publishing the ~~Monthly~~ Initial IRCR and Updated IRCR.

~~1.4~~ **Application**

~~1.4.1~~ 1.3.2 This procedure applies to:

- (a) a Market Customer who has or is required to have an IRCR under the Market WEM Rules; and
- (b) AEMO in ~~the~~ processing and ~~determination of~~ determining the IRCR.

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

~~1.5~~ **Overview of the determination of the IRCR**

~~1.5.1~~ Each Market Customer is assigned an IRCR. The sum of all IRCR's will equal the Reserve Capacity Requirement.

~~1.5.2~~ The Market Customer may submit certain information in order to reduce their IRCR in any one year. A component of this information is used in the determination of Non-Temperature Dependent Loads (NTDL's). Market Customers may submit information about individually metered loads, that meet the requirements of being Non-Temperature Dependent Loads, which are loads that contribute less to the total IRCR than Temperature Dependent Loads (TDL's). They may submit this information to AEMO on both a yearly and/or monthly basis.

~~1.5.3~~ A load may be determined to be an NTDL by the process detailed in Appendix 5A of the Market Rules. Loads must satisfy any one of three steps in Appendix 5A in order to satisfy the requirements of an NTDL. These steps cover the scenarios that may be presented when a load is applying for NTDL status.

- (a) Step 1: A load may be determined to be an NTDL for the whole of the Reserve Capacity Year if they have, for the previous Reserve Capacity Year, been classified as an NTDL, and; it satisfies the technical conditions for being an NTDL. Market Customers do not have to re-apply for the load to be classified as an NTDL for the rest of the Capacity Year.
- (b) Step 2: If a load had not been an NTDL for the whole of the previous Reserve Capacity Year, or for any month in the current Reserve Capacity Year, then it may be determined to be an NTDL if it satisfies the remaining technical conditions under Step 2. Market Customers may apply any time during the current Reserve Capacity Year to be assessed under Step 2, and provided they have not previously applied in the current Reserve Capacity Year.
- (c) Step 3: If a load had not satisfied the conditions of Step 1, but had previously been classified as an NTDL under Step 2 or Step 3 then Step 3 allows a load to remain an NTDL provided it satisfies the technical conditions associated with Step 3. AEMO will re-assess any NTDLs determined to be an NTDL under Step 2 or Step 3 in the previous month within a Reserve Capacity Year.

Market Customers may only apply for NTDL status once for each load they consider to be an NTDL, each capacity year. A load will be reassessed each month by AEMO by for the remainder of that Reserve Capacity Year.

~~4.5.4—In principle the technical conditions applied assess the variability in the consumption patterns of the load to determine if it is a Non Temperature Dependent Load or not.~~

~~4.5.5—This procedure details the processes by which the Market Customer may make their submissions, and the process by which AEMO will consider submissions that are made. Under the Market Rules, there is a separate process by which AEMO adjusts the IRCR, which is completed on a monthly basis.~~

1.61.4 Timeline for the determination of the Initial IRCR

~~4.6.11.4.1~~ The timeline shows the Table 2 outlines the timetable for the calculation schedule of the Initial IRCR [Clause 4.28.8]. The timeline may differ depending on the specific business calendar in any year.

Timeline for the determination of the initial IRCR

Table 2: Timeline for the determination of the Initial IRCR

Number	Event	Due Date	Market Rule/s Applicable
1.	Request for information from AEMO	15 Business Days before the last Business Day falling on or before 20 August of Year 3 of a Reserve Capacity Cycle	
2.1.	Market Customer must provide information <u>-(step 2.1.1) requested</u>	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]	4.1.23
3.2.	AEMO confirms receipt of information	Within 1 Business Day	
4.3.	AEMO determines <u>if adequate information is provided by Market Customer adequacy of information provided and may request additional or clarifying Information from a Market Participant (step 2.2.1).</u>	As required Within 3 Business Day	
5.4.	Request for Additional/Clarifying Information from AEMO Market Participant must provide any requested information to AEMO (step 2.2.2).	Within 4-3 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 <u>published initial publishes Initial IRCR</u>	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)]	4.1.24(b)

Number	Event	Due Date	Market Rule/s Applicable
7.	New initial <u>Initial</u> IRCR <u>applies</u>	The start of the Trading Day commencing on 1 October of Year 3 of that <u>Reserve Capacity</u> Cycle <u>[Clause 4.1.25 (b)]</u>	4.1.25 (b)

Information

4.71.5 Timeline for the determination of the monthly Updated IRCR

1.5.1 For each month between ~~the~~ 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].

4.7.41.5.2 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.

Request for Information from AEMO

Table 3: Timeline for the determination of the Updated IRCR

Number	Event	Due Date	Market Rule/s Applicable
1.	Market Customer must provide updated information in respect of Market Rule 4.28.8 (step 2.1.3 <u>2.1.3</u>)	5:00pm on the Business Day being 25 Business Days prior to the start of the Trading Month for which the IRCR will apply: <u>[Clauses 4.28.8 and 4.1.28(b)]</u>	4.28.8
2.	AEMO confirms receipt of information	Within 1 Business Day	
3.	AEMO determines if adequate information is provided by Market Customer <u>adequacy of information provided and may request additional or clarifying information from a Market Participant (step 2.2.1).</u>	As required <u>Within 3 Business Day</u>	
4.	Request for Additional/Clarifying Information from AEMO	Within 1 Business Day	
4.	<u>Market Participant must provide any requested information to AEMO (step 2.2.2).</u>	<u>Within 3 Business Days</u>	
5.	<u>AEMO assesses relevant loads as Non-Temperature Dependent Loads and advises Market Participants of results.</u>	<u>Prior to the calculation of Updated IRCR [Clause 4.28.9 and Appendix 5A]</u>	
6.	AEMO determines and publishes ed <u>Updated initial</u> IRCR	5:00pm on the Business Day, <u>being 5 Business Days</u> Prior prior to the <u>Trading</u> Month for which the Updated IRCR will apply <u>[Clause 4.1.28(b)].</u>	4.1.28(a)

Number	Event	Due Date	Market Rule/s Applicable
<u>7.</u>	<u>New monthly IRCR applied</u> <u>Updated IRCR applies</u>	The start of the Trading Day commencing on the first day of the first Trading Month commencing after the date of publication of for which the Updated IRCR will apply [Clause 4.28.11(b)] .	4.1.28(b)

2 INFORMATION FOR THE DETERMINATION OF THE IRCR

2.1 Information provision to AEMO

~~4.7.2~~ Each year, Market Customers have the opportunity to apply to AEMO to reduce their share of the IRCR. A Market Customer may apply for a reduction to its IRCR by indicating to AEMO:

- ~~(a)~~ which of its interval meters should be considered to be Non-Temperature Dependent Loads; and/or
- ~~(b)~~ details of any Demand Side Management measures it had implemented; and/or
- ~~(c)~~ which loads it wishes to be considered as Intermittent Loads.

~~4.7.3~~ If a Market Customer does not make a submission each year, AEMO may reset information relating to each Market Customer. That is:

- ~~(d)~~ all Non-Temperature Dependent Loads will be considered as Temperature Dependent Loads;
- ~~(e)~~ no provision will be allowed for Demand Side Management measures they have implemented; and
- ~~(f)~~ AEMO may, at its discretion, require the registration status of an Intermittent Load to be changed.

Market Customer must provide information requested

~~4.7.4~~ Each year the Market Customer is required to submit information to AEMO in accordance with Market Rule 4.28.8. Failure to submit this information will result in AEMO resetting the Market Customer's IRCR.

~~NOTE: AEMO will provide details on the AEMO website as to the nature and format of the data that must be submitted. These details may change from time to time.~~

~~4.7.52.1.1~~ Each year in the case of Initial IRCR, ~~The~~ Market Customers s must provide the following information to AEMO **[Clause (MR 4.28.8)]**:

- ~~(g)~~(a) a list of interval meters associated with that Market Customer that the Market Customer considers AEMO should treat as Non-Temperature Dependent Loads;
- ~~(h)~~(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
- ~~(i)~~(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 ~~Where for each Capacity Year~~ A Market Customer may only provide AEMO with the information specified in ~~this clause step 2.1.1~~ once ~~for each Capacity Year for with respect to~~ 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]**:

- ~~(j)~~(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;
- ~~(k)~~(b) ~~add or remove~~ 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 application~~; and
- ~~(l)~~(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 ~~Where for each Capacity Year~~ ~~In respect of Non-Temperature Dependent Loads,~~ a Market Customer may ~~only~~ provide ~~evidence to AEMO~~ ~~with the~~ ~~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 this clause once with respect to each 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.~~

~~4.7.62.1.6~~ 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.

Notes:

~~4.7.72.1.7~~ ~~4.28.8(a):~~ AEMO must only accept individually metered loads as Non-Temperature dependent and only if they satisfy the requirements of Appendix 5A. ~~In accordance with Appendix 5A, detailed evidence should accompany an application for a metered load to be determined to be an NTDL 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
- ~~(m)(d)~~ confirm that the Demand Side Management measures have not received Certified Reserve Capacity or have not been assigned Capacity Credits; ~~or,~~

- ~~• intends to register as a Curtailable Load.~~

~~4.28.8(c)(i):~~ The information provided in respect of Market Rule 4.28.8(c)(i) by a Market Customer should provide enough evidence and supporting information to allow AEMO to make a determination as to the capacity of the Intermittent Load for the purposes of inclusion in the IRCR calculations.

~~4.28.8(c)(ii):~~ In respect of the information provided under Market Rule 4.28.8(c)(ii) the Market Customer may provide extracts from contracts, or may remove commercially sensitive information within any contractual information provided to AEMO.

~~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.

1.82.2 Request for Additional/Clarifying Information from AEMO

~~1.8.12.2.1~~ If AEMO determines that ~~the any~~ information provided in ~~respect of Market Rule 4.28.8 steps 2.1.1 and 2.1.3~~ is insufficient, then AEMO will issue a request for additional or clarifying information ~~within two Business Days~~.

~~2.2.2~~ Market Participants are required to provide ~~this the~~ information ~~if requested~~ within ~~two business days~~ 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.

~~1.8.2~~ ~~AEMO determines and publishes initial IRCR~~

~~1.8.3~~ ~~AEMO is required to determine and publish an initial IRCR for each Market Customer:~~

~~1.8.4~~ ~~in accordance with Appendix 5 and Clause 4.28.7A; and~~

~~1.8.5~~ ~~which is calculated using data that may be modified in accordance with clause 4.28.11A~~

~~1.8.6~~ ~~Notification of the initial IRCR will be via the WEMS.~~

~~1.8.7~~

~~1.8.8~~ ~~Timeline for the determination of the monthly IRCR~~

~~1.8.9~~ ~~For each month between the 1 October of Year 3 of a Capacity Cycle and 30 September of Year 4 of a Capacity Cycle, AEMO will update the initial IRCR in accordance with Market Rule 4.28.11.~~

~~The timeline shows the monthly IRCR calculation schedule. Information for the determination of the monthly IRCR~~

Market Customer must provide information requested

~~**NOTE: AEMO will provide details on the AEMO website as to the nature and format of the data that must be submitted. These details may change from time to time.**~~

~~The Market Customer must provide the following information to AEMO (MR 4.28.8):~~

~~a list of interval meters associated with that Market Customer that the Market Customer considers that AEMO should treat as Non-Temperature Dependent Loads;~~

~~Where for each Capacity Year a Market Customer may only provide AEMO with the information specified in this clause once with respect to each load.~~

~~Notes:~~

~~4.28.8(a): AEMO must only accept individually metered loads as Non-Temperature dependent, if they satisfy the requirements of Appendix 5A. In accordance with Appendix 5A, detailed evidence should accompany an application for a metered load to be determined to be an NTDL~~

~~4.28.8(b): The information provided in respect of Market Rule 4.28.8(b) by a Market Customer must not include any capacity that:~~

~~has received Certified Reserve Capacity;~~

~~has been assigned Capacity Credits; or~~

~~intends to register as a Curtailable Load.~~

~~4.28.8(c)(i): — The information provided in respect of Market Rule 4.28.8(c)(i) by a Market Customer should provide enough evidence and supporting information to allow AEMO to make a determination as to the capacity of the Intermittent Load for the purposes of inclusion in the IRCR calculations.~~