

WHOLESALE ELECTRICITY MARKET

Submission to Procedure Change Proposal

AEPC_2024_02

Certification of Reserve Capacity

Submitted by	
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Submission

Clause 2.10.7 of the Wholesale Electricity Market Rules provides that any person may make a submission for a Procedure Change Proposal (including proposals developed by AEMO, the Economic Regulation Authority, the Coordinator of Energy or a Network Operator) by completing this Procedure Change Submission form.

Submissions should be provided by email to the nominated contact in the call for submissions published with the Procedure Change Proposal.

Please provide your views on the Procedure Change Proposal, including any objections or suggested revisions

Proposed paragraph 4.4.1

The proposed paragraph 4.4.1 updates the Forced Outage Rate calculation (**Calculation**) to use Capacity Adjusted Forced Outage (**CAPO**) data from 1 October 2023 and treat Charge Level shortfalls for Electric Storage Resources (**ESR**) as Forced Outages.

Synergy suggests that the Calculation should be revised on the basis that there are difficulties in applying the same calculation to a Facility and to Separately Certified Components as proposed. Synergy is of the view that, given a Separately Certified Component is a subset of a Facility, a separate calculation should be applied at the Separately Certified Component level and then at the Facility Level.

To give effect to the above, Synergy notes that the definitions of the variables within the two separate calculations needs to account for the following:

- Variable $CAFO(t)$ should specify if it is referring to that of Separately Certified Component, c , or a Facility, f . The term will need to reference to clause 3.21.7B or clause 3.21.7A of the WEM Rules for a Separately Certified Component or for a Facility respectively.
- Variable $CC(t)$ should specify if it is referring to that of Separately Certified Component, c , or a Facility, f . Also note that the definition for $CC(c,t)$ would be 'the quantity of Capacity Credits held for Trading Interval t that are associated with Separately Certified Component c .'
- Variable $ESRCLS(t)$ should be amended to $ESRCLS(f,t)$ with reference to clause 4.26.1E of the WEM Rules and a variable $ESRCLS(c,t)$ that has reference to clause 4.26.1F of the WEM Rules for Separately Certified Components, noting that clause 4.26.1F refers to Dispatch Intervals.
- Variable $FO(t)$ should specify that the new WEM Rules (as of 1 October 2023) apply to CAPOs that occurred before 1 October 2023. This would remove any ambiguity as to whether the old WEM rules (for example, clause 3.21.6 of the WEM Rules prior to 1 October 2023) would be applied by AEMO to CAPO data occurring prior to 1 October 2023.

Synergy notes that revising paragraph 4.4.1 to address the above issues is necessary because the Calculation proposed is incorrect and cannot be applied by AEMO. Separating the Calculation into two separate calculations, as Synergy suggests, would give better effect to clause 4.11.1A of the WEM Rules.

Please provide an assessment whether the Procedure Change Proposal is consistent with the Market Objectives and the Wholesale Electricity Market Rules.

The Procedure Change Proposal is inconsistent with the WEM Objectives and Market Rules insofar as the Calculation proposed is incorrect and accordingly, AEMO would not be able to apply it.

Please indicate if the Procedure Change Proposal will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

Synergy notes that if AEMO applies the Calculation as proposed, it may incorrectly inflate the Forced Outage Rate of the Facility or Separately Certified Component it is applied to. This would have implications for Certified Reserve Capacity standing and lead to our organisation incurring material costs.

Please indicate the time required for your organisation to implement the changes, should they be accepted as proposed.

Should the changes be accepted as proposed, Synergy foresees no time delay in implementing the changes and will ensure compliance in our next Peak Certified Reserve Capacity application.