

MARKET PROCEDURE: CERTIFICATION OF RESERVE CAPACITY

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VERSION RELEASE HISTORY

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1.0	21 Sep <u>September</u> 2006	Market Procedure for Certification of Reserve Capacity
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6.0	30 November 2015	Changes resulting from the transfer of functions from the IMO to AEMO
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1. PROCEDURE OVERVIEW

1.1. Relationship with the Wholesale Electricity Market Rules

1.1.1. This Market Procedure for Certification of Reserve Capacity (Procedure) is made in accordance with clauses 4.9.10 and 4.28C.15 of the Wholesale Electricity Market (~~WEM~~) Rules (~~Market~~WEM Rules).

1.1.2. ~~Reference~~References to particular ~~Market~~WEM Rules within the Procedure, which are in bold and square brackets [**Clause XX**] or [**Section XX**] are current as at 1 May 2014. ~~These references are included for convenience only and are not part of October 2017.~~

1.2. Interpretation

~~4.1.2.1.2.1.~~ In this Procedure:

~~4.1.3.~~ AEMO may modify or extend a date or time set under section 4.1 of the Market Rules (except the dates and times set by clauses 4.1.18, 4.1.26, 4.1.29 and 4.1.30) in accordance with the requirements outlined in clause 4.1.32.

- (a) terms that are capitalised but not defined in this Procedure have the meaning given in the WEM Rules;
- (b) to the extent that this Procedure is inconsistent with the WEM Rules, the WEM Rules prevail to the extent of the inconsistency;
- (c) a reference to the WEM Rules or Market Procedures includes any associated forms required or contemplated by the 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

Term	Definition
DSOC	Declared Sent Out Capacity.
DSOC Owner	In respect of Facilities sharing, or proposing to share, a DSOC the party that holds, or is proposed to hold, the Arrangement for Access to which the DSOC applies. In respect of Facilities sharing, or proposing to share, a Declared Sent Out Capacity (DSOC), the party that holds, or proposes to hold, the access arrangement to which the DSOC applies.
System Capacity (WA)	The group within AEMO responsible for the certification of Reserve Capacity. Contact details for System Capacity (WA) are available on the Market Web Site. ¹
Temperature Dependence Curve	The information provided by a Market Participant under clause 4.10.1(e)(i) of the Market <u>WEM</u> Rules, as detailed in the manufacturer's technical specifications or as determined by an independent engineering firm.
Wholesale Electricity Market System (WEMS)	An interface system that AEMO uses to administer and operate the Wholesale Electricity Market

1.2.1.3. Purpose and application of this Procedure

~~4.2.1.3.1.~~ The Procedure describes the processes that:

¹ Available at <http://aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Reserve-capacity-mechanism>.

- (a) Market Participants must follow when applying for Certified Reserve Capacity [**Clause 4.9.10(a)**] or Early Certified Reserve Capacity [**Clause 4.28C.15**];
- (b) AEMO must follow in processing an application for Certified Reserve Capacity, including how:
 - (i) Certified Reserve Capacity is assigned; and
 - (ii) Reserve Capacity Obligation Quantities are set [**Clause 4.9.10(b)**]; and
- (c) AEMO must follow in approving Capacity Credits associated with Early Certified Reserve Capacity [**Clause 4.28C.15**].

~~4.2.2.1.3.2.~~ This Procedure also specifies the format of data required to be submitted by a Market Participant applying for ~~certification of~~Certified Reserve Capacity [**Clause 4.9.3(a)**].

~~1.3.~~ Application of this Procedure

~~4.3.1.1.3.3.~~ In this Procedure, where obligations are conferred on a Rule Participant, that Rule Participant must comply with the relevant obligations in accordance with clauses 2.9.6, 2.9.7, 2.9.7A and 2.9.8 of the MarketWEM Rules, as applicable.

1.4. Associated documents

~~4.3.2.1.4.1.~~ The following Market Procedures (available on the Market Web-site²) provide background information to this Procedure:

- (a) Declaration of Bilateral Trades and the Reserve Capacity Auction;
- (b) Reserve Capacity Security;
- (c) Reserve Capacity Testing;
- (d) Reserve Capacity Performance Monitoring;
- (e) Facility Registration, De-Registration and Transfer;
- (f) Rule Participant Registration and De-Registration;
- (g) Balancing Facility Requirements; and
- (h) Notices and Communications.

~~4.3.3.1.4.2.~~ The following Power System Operation ~~Procedures³ are associated with~~Procedure (available on the Market Web-site⁴) provides background information to this Procedure:

- (a) Facility Outages.

~~4.3.4.1.4.3.~~ The following market documents ~~are associated with~~provide background information to this Procedure:

- ~~(b) Information for Applicants for Certified Reserve Capacity⁵~~
- (a) WEMS User Guide; and⁶;
- (b) Load for Scheduled Generation – help guide⁷.

² Available at <http://aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Procedures>.

³ Available at wa.aemo.com.au/power-system-operation-procedures.

⁴ Available at <http://aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Procedures>.

⁵ Available at wa.aemo.com.au/crc/.

⁶ Available from the help section of the WEMS Market Participant Interface (MPI): <https://wa.aemo.com.au/mpi/>-<https://wems.aemo.com.au/mpi/>.

⁷ Available at wa.aemo.com.au/crc/ Available at <https://aemo.com.au/Electricity/Wholesale-Electricity-Market-WEM/Reserve-capacity-mechanism/Certification-of-reserve-capacity>.

2. MODIFICATION OF TIMEFRAMES

~~2.1.1. AEMO may modify or extend the dates or times specified in this Procedure. If AEMO extends a date or time, then it must publish a notice of the modified or extended time or date on the Market Web Site, which must include when the modified or extended date or time takes effect [Clause 4.1.32]~~

~~1.3.5. the conventions specified in clauses 1.3 – 1.5 of the Market Rules apply.~~

1.4. Terminologies and Definitions

~~1.4.1. A word or phrase defined in the Market Rules, the Electricity Industry Act or the Regulations has the same meaning when used in this Procedure.~~

3. APPLICATIONS FOR CERTIFICATION OF RESERVE CAPACITY

1.5.3.1. Submission of Applications

~~1.5.1.3.1.1. A Market Participant may lodge an application for Certified Reserve Capacity (including all supporting documentation) in respect of a Reserve Capacity Cycle between:~~

- ~~(a) 9:00 AM on the first Business Day falling on or following 1 May of Year 1 of the Reserve Capacity Cycle; or and~~
- ~~(b) 5:00 PM on the last Business Day falling on or before 1 July of Year 1 of the Reserve Capacity Cycle [Clauses 4.1.7, 4.1.11 and 4.9.1(a)].~~

~~1.5.2.3.1.2. A Market Participant may lodge an application for Conditional Certified Reserve Capacity for a future Reserve Capacity Cycle at any time prior to 9:00 AM on the first Business Day falling on or following 1 May of Year 1 of the Reserve Capacity Cycle to which the application relates [Clauses 4.1.7 and 4.9.1(b)]. A Market Participant must provide to AEMO an Application Fee to cover the cost of processing applications for Conditional Certified Reserve Capacity for a Facility [Clause 4.9.3(c)]. The relevant fees are available on the Market Web Site.~~

~~1.5.3.3.1.3. A Market Participant with a Facility that meets the criteria outlined in clause 4.28C.1 of the MarketWEM Rules may lodge an application for Early Certified Reserve Capacity at any time before 1 January of Year 1 of the Reserve Capacity Cycle to which the application relates [Clause ~~4.28C.2~~]. Each application for Early Certified Reserve Capacity must relate to a single future Reserve Capacity Cycle [Clause 4.28C.3]. A Market Participant must provide to AEMO an Application Fee to cover the cost of subsequent processing applications for Early Certified Reserve Capacity for a Facility [Clause 4.9.3(c)].~~

~~1.5.4.3.1.4. Before submitting an application for a Facility under step 3.1.12.1.1, 3.1.22.1.2 or 3.1.32.1.4, an applicant must ensure that:~~

- ~~(a) it is registered as a Market Participant; and~~
- ~~(b) the Facility name is registered in the WEMS for the purposes of Certified Reserve Capacity in accordance with the Market Procedure for Facility Registration, De-Registration and Transfer. Note that this is not the same as being a Registered Facility under the MarketWEM Rules.~~

~~4.5.5.3.1.5.~~ A Market Participant may apply for certification of ~~the quantity of~~ Reserve Capacity ~~which can be provided by a Facility~~ if the Facility meets the requirements outlined in clause 4.8.1 of the ~~MarketWEM~~ Rules.

~~4.5.6.3.1.6.~~ A Market Participant who lodges an application for ~~certification of Certified~~ Reserve Capacity for a Facility must provide ~~to AEMO~~ the information specified in clause 4.9.3 of the ~~MarketWEM~~ Rules. ~~to AEMO. The format for the data in clause 4.10.1 that must be provided, is set out in step 3.1.7 below.~~ The information provided ~~for each Facility~~ must be ~~consistent with valid for the relevant~~ Reserve Capacity Cycle ~~for which the application is being made and must be provided for each Facility.~~ Further details ~~of the data and on supporting~~ information required ~~to be submitted in support of an application is provided in the 'Information for Applicants requirements are indicated by 'mandatory' and 'optional' submission fields for Certified Reserve Capacity' document on the Market Web Site Capacity in WEMS.~~

~~4.5.7.3.1.7.~~ A Market Participant must lodge an application for ~~certification of Certified~~ Reserve Capacity ~~through the WEMS. Any, including any~~ supporting documentation, ~~through WEMS. Participants must include documentation for an application required under clause 4.9.3 of the Market Rules all mandatory submission fields, and may be delivered to AEMO in hard copy or emailed in any include documentation for the optional submission fields where appropriate. Supporting documentation may be submitted in any~~ of the following formats:

- (a) compressed ZIP files (where the files in the archive must be in any of the formats listed below);
- (b) MS Office (.xlsx, .xls, .docx, doc, pptx or .ppt); ~~or~~
- (c) Adobe PDF;ⁱ
- (d) .txt or .csv; or
- (e) common image formats (.jpg, .png, .gif, .bmp).

1.6.3.2. Specific Requirements~~requirements~~ for Early Certified Reserve Capacity

~~4.6.1.3.2.1.~~ In addition to the requirements of step ~~2.1.63.1.6,~~ an application for Early Certified Reserve Capacity must:

- (a) relate to a single future Reserve Capacity Cycle **[Clause 4.28C.3]**; and
- (b) state that the applicant intends to trade all assigned Certified Reserve Capacity bilaterally ~~as defined in clause 4.14.2 of the WEM Rules~~ **[Clause 4.28C.4]**.

~~4.6.2.3.2.2.~~ An applicant for Early Certified Reserve Capacity must, ~~within 30 Business Days of receiving the notification under step 4.9.3,~~ ensure that AEMO holds the benefit of a Reserve Capacity Security equal to ~~the 25 percent of the Benchmark Reserve Capacity Price included in the most recent Request for Expressions of Interest, multiplied by an amount specified in clause 4.28C.9 of the Market Rules, within 30 Business Days of receiving notification of equal to~~ the amount of Early Certified Reserve Capacity assigned to the Facility under step ~~3.9.34.9.3⁸~~ **[Clause 4.28C.8]**. For further details of the process ~~for providing a Reserve Capacity Security~~ refer to the Market Procedure for Reserve Capacity Security.

2.4. PROCESSING OF APPLICATIONS FOR APPLICATIONS FOR CERTIFICATION OF RESERVE CAPACITY

⁸ See clause 4.28C.9 of the WEM Rules.

2.1.4.1. Acknowledgement of ~~Application~~ application

~~2.1.1.4.1.1.~~ AEMO must notify each applicant for ~~certification of~~ Certified Reserve Capacity that its application has been received within one Business Day [Clause 4.9.6]. This notification ~~may be automated and~~ provided through ~~the~~ WEMS.

~~2.1.2.4.1.2.~~ An applicant must contact AEMO and arrange to resubmit its application for ~~certification of~~ Certified Reserve Capacity where it has not received a notification of receipt of the application within the ~~timeframes outlined in step 3.1.1.~~ timeframe in step 4.1.1. The resubmission of an application must be made during the applicable lodgement period specified in ~~step 2.1.1, 2.1.2 or 2.1.3~~ steps 3.1.1, 3.1.2, 3.1.3 or as modified by AEMO under step **Error! Reference source not found.** [Clause 4.9.7].

2.2.4.2. Data ~~Accuracy~~ accuracy and Sufficiency Assessments ~~sufficiency~~ assessment

~~2.2.1.4.2.1.~~ AEMO must check ~~all data provided in the application to check whether that:~~

- (a) all required information has been provided;
- (b) the information provided is of sufficient detail; and
- (c) ~~supporting~~ information has been ~~specifically~~ provided ~~to support the applicant's claims in respect to~~ of the capacity of the Facility.

~~4.2.2.~~ A complete application with all supporting documentation for a submission must be provided prior to the close of the certification window specified in step 3.1.1(b) [Clause 4.1.11]. Supporting information required is described under clause 4.10 of the WEM Rules.

~~4.2.3.~~ Where AEMO, following its assessment in step 4.2.1, requires clarification of the information provided originally and / or further information to process the application:

- (a) AEMO must as soon as practicable request clarification or further information; and
- (b) the applicant must respond to the request as soon as practicable.

~~2.2.2.~~ Where the information provided by the applicant is considered by AEMO to be insufficient or incomplete following its assessment in step 3.2.1:

- (d) AEMO must as soon as practicable request:

i. a clarification of the information provided originally; and/or

ii. further information to be provided to assist AEMO in processing the application; and

~~the applicant must respond to the request as soon as practicable.~~

2.3.4.3. ~~Assessment~~ Assignment of Application ~~application~~ where Facility has ~~Previously Been Assigned~~ previously been assigned Conditional Certified Reserve Capacity

~~2.3.1.4.3.1.~~ Where a Market Participant is re-lodging an application for Certified Reserve Capacity for a Facility that has already been assigned Conditional Certified Reserve Capacity, AEMO must check ~~whether the~~:

- (a) ~~whether the~~ application is consistent with the information ~~upon which used to assign~~ the Conditional Certified Reserve Capacity ~~was assigned~~; and

- (b) ~~whether the information has remained~~remains correct as at 5:00 pm on the last Business Day falling on or before 1 July of Year 1 for that future Reserve Capacity Cycle. **[Clause 4.9.5].**

~~2.3.2.4.3.2.~~ A re-lodged application for Certified Reserve Capacity must include evidence of an Arrangement ~~effor~~ Access or evidence that the Market Participant has accepted an Access Proposal from the relevant Network Operator made in respect of the Facility, and that the Facility will be entitled to have access from a specified date⁹, including the level of unconstrained access and details of any constraints that apply **[Clause 4.10.1(bA)].**

~~4.3.3.~~ Where a re-lodged application does not include details of network access as required under step 4.3.2, AEMO must reject the application on the basis that the Market Participant has not provided all the information required under clause 4.10.1(bA) of the WEM Rules **[Clause 4.9.5(b)].**

~~2.3.3.4.3.4.~~ Where AEMO determines that a re-lodged application for Certified Reserve Capacity:

- (a) is consistent with the information ~~upon which~~used to assign the Conditional Certified Reserve Capacity ~~was assigned~~;
- (b) is accurate; and
- (c) provides details of network access ~~as~~required under step 4.3.23.3.2,

AEMO must confirm the Certified Reserve Capacity, Reserve Capacity Obligation Quantity and the Reserve Capacity Security levels, ~~subject to re-calculation of.~~ For an Intermittent Generator, the level of Certified Reserve Capacity for an Intermittent Generator must be re-calculated in accordance with clause 4.11.2(b) of the WEM Rules **[Clause 4.9.5(c)].**

~~2.3.4.~~ Where a re-lodged application does not include details of network access as required under step 3.3.2, AEMO must deem the application to be inconsistent with the information upon which the Conditional Certified Reserve Capacity was assigned on the basis that the Facility assigned would be unable to be a Registered Facility prior to the date its Reserve Capacity Obligations for the relevant Reserve Capacity Cycle would take effect **[Clause 4.11.1(f)].**

~~2.3.5.4.3.5.~~ Where AEMO determines that:

- (a) a re-lodged application is inconsistent with the information ~~upon which~~used to assign the Conditional Certified Reserve Capacity ~~was assigned~~; or
- (b) the information in the re-lodged application is inaccurate,

AEMO must ~~not take~~disregard the Conditional Certified Reserve Capacity ~~into account~~ when processing the application **[Clause 4.9.5(d)].**

2.4.4.4. Timing Assessment

~~2.4.1.4.4.1.~~ AEMO must not assign Certified Reserve Capacity to a Facility ~~where the Facility that~~¹⁰:

- (a) is not operational or is not scheduled to first commence operation by 1 October of Year 3 (the Reserve Capacity Obligation commencement date) of the relevant Reserve Capacity Cycle, ~~being the date that Reserve Capacity Obligations will apply for that Facility~~ **[Clause 4.11.1(c)(ii)]**; or

⁹ The specified date must be prior to when the Facility, or part of the Facility, will have completed all Commissioning Tests and be capable of meeting Reserve Capacity Obligations in full **[Clause 4.10.1(c)(iii)(7)]**.

¹⁰ For full list of circumstances where AEMO must not assign Certified Reserve Capacity see clause 4.11.1 of the WEM Rules.

- (b) will cease operation permanently, and hence cease to meet Reserve Capacity Obligations, ~~from a time~~ earlier than 1 August of Year 4 of the relevant Reserve Capacity Cycle **[Clause 4.11.1(c)(iii)]**; or
- (c) is not expected to be a Registered Facility by the time its Reserve Capacity Obligations for the relevant Reserve Capacity Cycle would ~~take effect~~commence **[Clause 4.11.1(f)]**.

2.5.4.5. Outage Assessment

2.5.4.5.1. AEMO must identify:

- (a) each Facility that has ~~operated~~been in Commercial Operation for at least 36 months ~~and has had a Forced Outage rate of with outage rates greater than 15% or a combined Planned Outage rate and Forced Outage rate of greater than 30%~~the applicable percentage specified in the table in clause 4.11.1D of the WEM Rules, over the preceding 36 months; and
- (b) each Facility that has ~~operated~~been in Commercial Operation for less than 36 months, or is yet to commence ~~operation~~Commercial Operation, where AEMO has ~~cause~~reason to believe that ~~over a period of 36 months~~ the Facility is likely to have ~~a Forced Outage rate of greater than 15% or a combined Planned Outage rate and Forced Outage rate of greater than 30%~~outage rates greater than the applicable percentage specified in the table in clause 4.11.1D of the WEM Rules over a period of 36 months **[Clause 4.11.1(h)]**.

2.5.4.5.2. For the purpose of step 4.5.13.5.1, AEMO must calculate the Planned Outage rate and Forced Outage rate for each Facility in accordance with the Power System Operation Procedure: Facility Outages [Clause 4.11.1(h)].

2.5.4.5.3. For each Facility identified in step 3.5.4.4.5.1, AEMO must notify the applicant that it has ~~breached, exceeded~~ or that AEMO has ~~cause~~reason to believe that it will ~~breach, exceed~~ the outage ~~threshold~~rates in ~~step 3.5.4~~clause 4.11.1D of the WEM Rules. This notification must be provided to the applicant at least 15 Business Days prior to the deadline in step 3.8.4.4.9.1.

2.5.4.5.4. Each notification issued under step 3.5.4.5.3 may include a request for information from the applicant in relation to the present and future performance of the Facility, including:

- (a) reasons for the ~~causes of the outages~~ outage;
- (b) the steps being taken, or that have been taken, to reduce the level of outages; and
- (c) the expected level of future outages.

2.5.5. AEMO may consult with System Management in relation ~~Subject~~ to clause 4.11.1B and 4.11.1C of the ~~outage rates of any Facility identified in step 3.5.1.~~

2.5.6.4.5.5. WEM Rules. AEMO may decide not to assign any Certified Reserve Capacity to a Facility identified in step 4.5.13.5.1 **[Clause 4.11.1(h)]. In making this determination, AEMO may consider any information gathered in steps 3.5.4 and 3.5.5 and may also consider, amongst other factors, or to assign a lesser quantity of Certified Reserve Capacity to such a Facility than it would otherwise assign in accordance with clause 4.11.1 of the WEM Rules **[Clause 4.11.1(h)]**.**

4.5.6. In making a decision under step 1.1.1, and without limiting the ~~actions being taken by~~ ways in which AEMO may inform itself in either case, AEMO may **[Clause 4.11.1B]:**

- (a) seek such additional information from the Market Participant ~~to reduce that~~ AEMO considers is relevant to the ~~level~~ exercise of outages at its discretion;
- ~~(a)~~(b) use information provided in reports related to the Facility; submitted by:

- ~~(i) the likelihood that these actions will reduce the level~~ Market Participant specified under clause 4.27.3 of ~~outages~~ the WEM Rules; and
- ~~(ii) any other person under clause 4.27.6 of the WEM Rules; and~~
- ~~(c) consult with any person AEMO considers suitably qualified to provide an opinion or information on issues relevant to the exercise of AEMO's discretion.~~

4.5.7. In making a decision under step 1.1.1 AEMO [Clause 4.11.1C]:

- ~~(a) must be satisfied that its decision would not, on balance, be contrary to the Wholesale Market Objectives;~~
- ~~(b) may:~~
 - ~~(i) consider the extent to which the Reserve Capacity that can be provided by the Facility; and is necessary to meet the Reserve Capacity Target;~~
 - ~~(ii) consider whether or not the outages of Reserve Capacity provided by the Facility are compromising, or are likely to compromise, the ability of material importance to the South West Interconnected System (SWIS), having regard to:~~
 - ~~(A) the size of the Facility to contribute to the security and;~~
 - ~~(B) the operational characteristics of the Facility;~~
 - ~~(C) the extent to which the Facility contributes to the Power System Security or Power System Reliability through fuel diversity or location; and~~
 - ~~(A)(D) the demonstrated reliability of the SWIS Facility;~~
 - ~~(iii) assess the effectiveness of strategies undertaken by the applicant in the previous three years to reduce outages, and consider the likelihood that strategies proposed by the applicant to maximise the availability of the Facility in the relevant Capacity Cycle will be effective;~~
 - ~~(iv) consider whether a decision to not assign Certified Reserve Capacity to the Facility is likely to result in a material decrease in competition in at least one market;~~
 - ~~(v) consider any positive or negative impacts on the long term price of electricity supplied to consumers that might arise if Certified Reserve Capacity was not assigned to the Facility; and~~
 - ~~(vi) consider any other matter AEMO determines to be relevant.~~

~~2.5.7.4.5.8.~~ Where AEMO determines under step ~~3-5-6~~ 1.1.1 to not assign Certified Reserve Capacity to a Facility, it must notify the applicant of its decision and the reasons for its decision in accordance with the process in ~~section 3.9, otherwise~~ step 4.9. Otherwise, AEMO must continue to ~~process~~ assess the application in accordance with the ~~steps outlined in~~ WEM Rules and this Market Procedure.

~~4.5.9.~~ AEMO must publish the reasons for the decision made under step 1.1.1 on the Market Web Site to the extent those reasons do not contain confidential information **[Clause 4.11.1A]**.

2.6-4.6. Balancing Facility Requirements

~~2.6.1.4.6.1.~~ AEMO must not assign Certified Reserve Capacity to a Balancing Facility with a rated capacity ~~equal to or~~ greater than ~~or equal to~~ 10 MW unless AEMO is satisfied ~~that~~ the Facility is likely to be able to meet the ~~Balancing Facility Requirements, as described in the Market Procedure~~. Balancing Facility Requirements **[Clause 4.11.12]**.

2.7-4.7. Facilities ~~Sharings~~ sharing a Declared Sent Out Capacity

~~2.7.1.4.7.1.~~ If AEMO receives ~~multiple applications~~ more than one application for Certified Reserve Capacity for a Reserve Capacity Cycle that ~~relate to~~ shares the same Declared Sent Out Capacity (DSOC, ~~and the sum of the levels of unconstrained~~) in an access provided in the applications under clause 4.10.1(bA) of the Market Rules exceeds that DSOC, then ~~AEMO arrangement, it must as soon as practicable notify by email the Market Participants that submitted the applications. The notifications must:~~

~~(b) identify the Market Participant and Facility for each application; and~~

(a) request that ~~the DSOC Owner provide to each relevant applicant provides~~ AEMO details of how the DSOC will be shared among the Facilities⁴⁴; ~~and~~

~~(b) limit the sum of Certified Reserve Capacity so that it does not exceed the DSOC quantity [Clauses 4.11.1(bA) and 4.11.1(bB)].~~

~~2.7.2.4.7.2.~~ If a Market Participant receives a ~~notification request described~~ in step ~~4.7.13.7.4(a)~~, the Market Participant must use its best endeavours to ensure that the DSOC Owner provides a written response to AEMO attached by email within five Business Days. The response must:

(a) be signed:

(i) if the DSOC Owner is a company as defined in the Corporations Act, in accordance with section 127 of the Corporations Act;

(ii) if the DSOC Owner is a Market Participant but not a company as defined in the Corporations Act, by an Authorised Officer ~~of that~~ nominated by the Market Participant; or

(iii) otherwise, in a manner reasonably acceptable to AEMO; and

(b) identify, for each Facility proposed to share the DSOC, the level of unconstrained access that will be available for use by that Facility in the relevant Capacity Year, ~~where the sum of these levels must not exceed the DSOC.~~

~~2.7.3.4.7.3.~~ If ~~within five Business Days~~ AEMO receives a response from the DSOC Owner ~~a response to a notification request~~ sent in step ~~4.7.13.7.4(a)~~ that meets the requirements in step ~~4.7.23.7.2~~, then AEMO must:

(a) within one Business Day, acknowledge receipt of the response by email; and

(b) for each affected Facility:

(i) within one Business Day, notify the Market Participant by email of the share of the DSOC assigned to the Facility by the DSOC Owner; and

(ii) for the purposes of steps ~~5.2.14.2.4~~ and ~~6.2.15.2.4~~, replace the level of unconstrained access provided in the application for Certified Reserve Capacity with the level specified for the Facility by the DSOC Owner in its response.

~~2.7.4.4.7.4.~~ If AEMO does not, ~~within five Business Days~~, receive from the DSOC Owner a response to a ~~notification request~~ sent in step ~~4.7.13.7.4(a)~~ that meets the requirements in step ~~4.7.23.7.2~~, then AEMO must reject all the applications referred to in the ~~notification, as request on the grounds the applications do not meeting meet the requirement requirements~~ under clause 4.10.1(bA) of the ~~Market~~ WEM Rules.

2.8.4.8. Facility-Specific Assessment specific assessment

~~2.8.1.4.8.1.~~ In addition to the ~~assessments requirements~~ above, AEMO must further assess applications for Certified Reserve Capacity in accordance with:

⁴⁴ Note that usually the DSOC Owner will be one of the Market Participants.

- (a) ~~section~~step 54, for generation facilities that have nominated ~~the~~to use ~~of~~ the methodology described in clause 4.11.1(a) of the ~~Market~~WEM Rules;
- (b) ~~section~~step 65, for generation facilities that have nominated ~~the~~to use ~~of~~ the methodology described in clause 4.11.2(b) of the ~~Market~~WEM Rules, including all Intermittent Generators; and
- (c) ~~section~~step 1.1.16, for Demand Side Programmes, Dispatchable Loads and Interruptible Loads.

2.9.4.9. Notifications ~~Regarding~~regarding Certified Reserve Capacity

~~2.9.1.4.9.1.~~ AEMO must ~~provide~~notify each applicant for ~~certification of~~Certified Reserve Capacity ~~with a notification~~ of whether AEMO has assigned Certified Reserve Capacity to the Facility for the Reserve Capacity Cycle:

- (a) by 5:00 PM of the last Business Day on or before 19 August of Year 1 of that Reserve Capacity Cycle, for applications for the current Reserve Capacity Cycle [~~Clauses 4.9.8(a) and 4.1.12~~]; or
- (b) within 90 days of AEMO receiving the application, for applications for a future Reserve Capacity Cycle [~~Clause 4.9.8(b)~~].

or as extended in accordance with clause 4.1.32 of the WEM Rules.

~~2.9.2.4.9.2.~~ AEMO must decide whether or not to assign Certified Reserve Capacity to a Facility in respect of a Reserve Capacity Cycle, and if so, the quantity to be assigned. If AEMO assigns Certified Reserve Capacity to a Facility the notification provided to the Facility in step 4.9.1 must include the information specified in clause 4.9.9 of the ~~Market~~WEM Rules. Note that some aspects of this notification to applicants may be provided through ~~the~~ WEMS.

~~2.9.3.4.9.3.~~ AEMO must notify each applicant for Early Certified Reserve Capacity of the quantity ~~of~~ Early Certified Reserve Capacity assigned (within 90 days of receipt of the application), the initial Reserve Capacity Obligation Quantity and, provided ~~that~~ the Reserve Capacity Security has been provided to AEMO, the quantity of Capacity Credits assigned to the Facility ~~within 90 days of the application having been received~~ [Clauses 4.28C.6, 4.28C.7 and 4.28C.10].

3.5. ASSESSMENT FOR GENERATION FACILITIES BEING ASSESSED UNDER CLAUSE 4.11.1(A)

3.1.5.1. Plant ~~Capability Assessment~~capability assessment

~~3.1.1.5.1.1.~~ AEMO must determine its reasonable expectation of the maximum Sent Out Capacity, after netting off capacity required to serve Intermittent Loads, embedded loads and Parasitic Loads, for each Facility for Peak Trading Intervals on Business Days in the period from 1 October of Year 3 of the Reserve Capacity Cycle until the end of July of Year 4 of the Reserve Capacity Cycle, assuming an ambient temperature of ~~44°C~~41°C [~~Clause 4.11.1(a)~~].

~~3.1.2.5.1.2.~~ The maximum Sent Out Capacity determined in step ~~5.1.14.1.4~~ must not exceed the sum of the capacities specified by the Market Participant under clauses 4.10.1(e)(ii) and 4.10.1(e)(iii) of the ~~Market~~WEM Rules [~~Clause 4.11.1(b)~~].

~~3.1.3.5.1.3.~~ In determining the maximum ~~sent out capacity~~Sent Out Capacity in step ~~5.1.14.1.4~~, AEMO must ~~have regard to~~consider the following information, as applicable:

- (a) the historical sent out generation of the Facility, as observed from Meter Data Submissions;

- (b) the results of Reserve Capacity Tests that have been conducted during the previous ~~twelve~~¹² months;
- (c) technical specifications for the Facility, as provided by the original equipment ~~manufacturers~~^{manufacturer} or an independent engineering firm; ~~and~~.
- (d) the Temperature Dependence Curve for the Facility.

3.2.5.2. Network Access Assessment

~~3.2.1-5.2.1.~~ AEMO must assess the evidence of network access provided by the applicant under clause 4.10.1(bA) of the ~~Market~~^{WEM} Rules, including ~~that the Facility will be entitled to have access from a specified date~~¹², the level of unconstrained access and details of any constraints that may apply, ~~and if [Clause 4.10.1(bA)]. If applicable follow~~^{AEMO will undertake the process in step 3.7.4.7 of this Market Procedure.}

~~3.2.2-5.2.2.~~ In respect of a Facility that will be subject to a Network Control Service Contract, AEMO must not assign Certified Reserve Capacity in excess of the capacity that AEMO believes that Facility can usefully contribute given its location and any network constraints that are likely to occur **[Clause 4.11.1(g)]**.

~~3.2.3-5.2.3.~~ Where AEMO requests information from a Network Operator in relation to an application for Certified Reserve Capacity, in accordance with clause 4.11.5 of the ~~Market~~^{WEM} Rules, it must not provide information to the Network Operator that was provided to it as part of an application for Certified Reserve Capacity, except with the permission of the applicant.

3.3.5.3. Assessment of Fuel Supply, Staffing Constraints

~~3.3.1.~~ AEMO must assess:

~~5.3.1.~~ ~~the~~ To determine whether AEMO reasonably expects that the Facility is likely to be available at the level of capacity determined in step 5.1.1 for Peak Trading Intervals on Business Days, AEMO must assess: **[Clause 4.11.1(a)]**

(a) details of primary and any alternative fuels¹³, including:

(i) where the Facility has primary and alternative fuels:

(A) the process for changing from one fuel to another; and

(B) the fuel or fuels which the Facility is to use in respect of the application for Certified Reserve Capacity; and

~~(i)(ii)~~ details acceptable to AEMO together with supporting evidence of both firm and any non-firm fuel supplies ~~provided by the applicant under clause~~^{and the factors that determine restrictions on fuel availability that could prevent the Facility operating at its full capacity for Peak Trading Intervals on Business Days; and [Clause 4.10.1(e)(v) of the Market Rules; and]}

~~(e)(b)~~ any restrictions on the availability of the Facility due to staffing constraints or other restrictions, ~~as specified by the applicant under clause 4.10.1(g) of the Market Rules,~~ **[Clause 4.10.1(g)]**.

¹² The specified date must be prior to when the Facility, or part of the Facility, will have completed all Commissioning Tests and be capable of meeting Reserve Capacity Obligations in full. **[Clause 4.10.1(c)(iii)(7)]**.

¹³ A Facility may satisfy its fuel obligations using a combination of primary and alternative fuels.

~~to determine whether it reasonably expects that the Facility is likely to be available at the level of capacity determined in step 4.1.1 for Peak Trading Intervals on Business Days [Clause 4.11.1(a)].~~

~~3.3.2.5.3.2.~~ When making a determination in step ~~4.3.11.1.1~~ AEMO may:

- (a) ~~must~~ consider the expected operational characteristics of the Facility;
- (b) ~~must~~ consider the potential impacts that limitations on the availability of the Facility may have on its ability to contribute to Power System Adequacy; and
- (c) ~~may~~ consider the water requirements for the Facility.

~~3.3.3.~~ If AEMO reasonably expects in step 4.3.1 that the Facility is not likely to be available for Peak Trading Intervals on Business Days at the level of capacity determined in step 4.1.1, it may determine that the Facility is likely to be available for Peak Trading Intervals on Business Days at a lower level of capacity.

~~3.3.4.~~ If an applicant provides details and evidence that the Facility can operate on an alternative fuel source, AEMO must assess this information to determine whether it reasonably expects that the Facility is likely to be available at the level of capacity determined in step 4.1.1 for 12 hours of continuous operation.

~~3.3.5.~~ If AEMO reasonably expects in step 4.3.4 that the Facility is not likely to be available for 12 hours of continuous operation at the level of capacity determined in step 4.1.1, the Facility will not be considered to be a dual fuel Facility for the purpose of Certified Reserve Capacity.

~~3.3.6.~~ AEMO may also review the water requirements for the Facility to determine whether it reasonably expects that the Facility is likely to be available at the level of capacity determined in step 4.1.1 for Peak Trading Intervals on Business Days.

3.4.5.4. Environmental Approval Assessment

~~3.4.1.~~ Where a Facility, or part of the Facility, ~~has~~ yet to enter service, AEMO must assess the evidence of Environmental Approvals, or evidence that the necessary Environmental Approvals will be granted in time to meet ~~its Reserve Capacity Obligations, to ensure that:~~

- (d) ~~the Environmental Approvals that have been granted or are being applied for will allow operation at the level of capacity determined in step 4.1.1; and~~

~~3.4.2.5.4.1.~~ ~~it reasonably expects that the Environmental Approvals will be in place in time for the Facility to meet its~~ the Facility's Reserve Capacity Obligations.

~~3.4.3.5.4.2.~~ If AEMO reasonably expects that the Environmental Approvals that have been granted or are being sought are insufficient to ~~support availability for Peak Trading Intervals on Business Days at the level of capacity determined in~~ satisfy the requirement of step 5.1.14.1.4, it may determine that the Facility is likely to be available for Peak Trading Intervals on Business Days at a lower level of capacity.

3.5.5.5. Assignment of Certified Reserve Capacity

~~3.5.1.5.5.1.~~ Based on the outcome of assessments in ~~sections~~~~steps~~ ~~5.14.1~~ to ~~1.1.14.4~~, AEMO must assign a quantity of Certified Reserve Capacity to a Facility according to its reasonable expectation of the amount of Reserve Capacity likely to be available from the Facility during ~~daily peak demand times~~ Peak Trading Intervals on Business Days from 1 October in Year 3 to 31 July in Year 4 of the Reserve Capacity Cycle, assuming an ambient temperature of ~~41°C~~ 41°C [Clause 4.11.1(a)]. This will be set to the minimum of:

- (a) the level nominated ~~by~~in the ~~applicant in its~~ application;
- (b) the maximum sent out capacity of the Facility as determined in step ~~5.1.14.4.1~~;
- (c) the level of unconstrained access as assessed in step ~~5.2.14.2.1~~;
- (d) a lower level of capacity as determined in step ~~4.3.31.1.1~~, if applicable; ~~and~~
- (e) a lower level of capacity as determined in step ~~5.4.24.4.2~~, if applicable.

~~3.5.2. AEMO may consult with System Management as required in assigning Certified Reserve Capacity to a Facility under clause 4.11.1(a).~~

3.6.5.6. Initial Reserve Capacity Obligation Quantity

~~3.6.1.5.6.1.~~ AEMO must determine whether there are ~~periods of time during which~~times when staffing or other factors will limit the Facility's ~~ability~~availability to ~~provide energy upon request~~be dispatched.

~~3.6.2.5.6.2.~~ AEMO must set the initial Reserve Capacity Obligation Quantity for the Facility at a level equal to the Certified Reserve Capacity except for those ~~periods of time~~times determined at step ~~5.6.14.6.1~~, in which case AEMO may set the initial Reserve Capacity Obligation Quantity at a lower level for those periods [Clause 4.12.4] ~~(b)(iii)]~~.

~~5.6.3. For a generation system that is not an Intermittent Generator, and subject to clause 4.12.5 of the WEM Rules, the Reserve Capacity Obligation Quantity:~~

- ~~(a) must not exceed the Certified Reserve Capacity held by the Market Participant for the Facility [Clause 4.12.4(a)];~~
- ~~(b) must not be less than the amount specified in clause 4.10.1(e)(ii) except on Trading Days when the maximum daily temperature at the site of the generator exceeds 41C, in which case the Reserve Capacity Obligation Quantity must not be less than the amount specified in clause 4.10.1(e)(ii) adjusted to an ambient temperature of 45C [Clause 4.12.4(b)(i)]; and~~
- ~~(c) may exceed the amount in clause 4.12.4(b)(i) by an amount up to the amount specified in clause 4.10.1(e)(iii), adjusted to an ambient temperature of 45C on Trading Days when the maximum daily temperature at the site of the generator exceeds 41C, for not more than the maximum duration specified in accordance with clause 4.10.1(e)(iii) [Clause 4.12.4(b)(ii)].~~

4.6. ASSESSMENT FOR GENERATION FACILITIES BEING ASSESSED UNDER CLAUSE 4.11.2(B) OF THE WEM RULES

4.1.6.1. Consideration of Nomination nomination to use the Methodology Under Clause 4. methodology under clause 4.11.2(b) of the WEM Rules

~~4.1.1-6.1.1.~~ Where an applicant nominates for a Facility to be assessed under the methodology described in clause 4.11.2(b) of the ~~MarketWEM~~ Rules, AEMO may reject that nomination if it reasonably believes that the capacity of the Facility has permanently declined, or is anticipated to permanently decline prior to or during the Reserve Capacity Cycle to which the Certified Reserve Capacity relates [**Clause 4.11.2(a)**].

~~4.1.2-6.1.2.~~ If AEMO rejects a nomination under step ~~6.1.15-1.4~~, it must process the application as if the ~~application applicant~~ had nominated to use the methodology described in clause 4.11.1(a) of the ~~MarketWEM~~ Rules. ~~This methodology is detailed as described in section 4Chapter 4~~ [**Clause 4.11.2(aA)**].

~~4.2.6.2.~~ Network Access Assessment

~~4.2.1-6.2.1.~~ AEMO must assess the evidence of network access provided by the applicant under clause 4.10.1(bA) of the ~~MarketWEM~~ Rules, including ~~that the Facility will be entitled to have access from a specified date¹⁴~~, the level of unconstrained access and details of any constraints that may apply, ~~and if [Clause 4.10.1(bA)]. If applicable follow AEMO will undertake the process in step 3.7. 4.7 of this Market Procedure.~~

~~4.2.2-6.2.2.~~ ~~In respect of~~For a Facility that will be subject to a Network Control Service Contract, AEMO must not assign Certified Reserve Capacity in excess of the capacity that AEMO believes that Facility can usefully contribute given its location and any network constraints that are likely to occur [**Clause 4.11.1(g)**].

~~4.2.3-6.2.3.~~ Where AEMO requests information from a Network Operator in relation to an application for Certified Reserve Capacity, in accordance with clause 4.11.5 of the ~~MarketWEM~~ Rules, it must not provide information to any Network Operator that was provided to it as part of an application for Certified Reserve Capacity, except with the permission of the applicant.

~~4.3.6.3.~~ Assessment of Independent Expert Report

~~4.3.1-6.3.1.~~ ~~Where an applicant provides an independent expert report under clause 4.10.3 of the Market Rules,~~ AEMO must assess the accuracy of ~~the an independent expert report. provided under clause 4.10.3 of the WEM Rules.~~ This assessment may consider the following factors:

- (a) the configuration of the Facility that was ~~considered in developing~~used to develop the report;
- (b) the level of network access available, or expected to be available, to the Facility as assessed in step ~~6.2.15-2.4~~;
- (c) the observed sent out generation of similar Facilities, if applicable;
- (d) any restrictions on the availability of the Facility ~~due to staffing constraints or other restrictions~~, as specified by the applicant under clause 4.10.1(g) of the ~~MarketWEM~~ Rules; and
- (e) any other factors that AEMO considers relevant.

¹⁴ The specified date must be prior to when the Facility, or part of the Facility, will have completed all Commissioning Tests and be capable of meeting Reserve Capacity Obligations in full [**Clause 4.10.1(c)(iii)(7)**].

~~4.3.2-6.3.2.~~ If in step ~~6.3.15-3.4~~, AEMO considers the independent expert report to be inaccurate, it may determine alternative estimates of the expected energy that would have been sent out by the Facility had it been in operation with the configuration proposed in the application for Certified Reserve Capacity to be used in the Relevant Level Methodology [**Appendix 9, Step 10**].

4.4-6.4. Assignment of Certified Reserve Capacity

~~4.4.1-6.4.1.~~ AEMO must assign a quantity of Certified Reserve Capacity equal to the minimum of:

- (a) the Relevant Level, determined in accordance with the Relevant Level Methodology prescribed in Appendix 9 of the ~~MarketWEM~~ Rules; and
- (b) the level of unconstrained access ~~as~~ assessed in step ~~6.2.15-2.4~~.

4.5-6.5. Initial Reserve Capacity Obligation Quantity

~~4.5.1-6.5.1.~~ AEMO must set the initial Reserve Capacity Obligation Quantity to zero for an Intermittent Generator [**Clause 4.12.4(aA)**].

~~4.5.2.~~ For a generation system that is not an Intermittent Generator that has sought to be certified under clause 4.11.2(b) of the Market Rules, AEMO must:

- (c) ~~identify whether there are periods of time during which staffing or other factors will limit the Facility's ability to operate at full output; and~~
- (d) ~~set the initial Reserve Capacity Obligation Quantity for the Facility at a level equal to the Certified Reserve Capacity except for those periods of time determined at step 5.5.2(a), in which case AEMO may set the initial Reserve Capacity Obligation Quantity at a lower level for those periods [**Clause 4.12.4**].~~

5.7. ASSESSMENT FOR DEMAND SIDE PROGRAMMES, INTERRUPTIBLE LOADS OR DISPATCHABLE LOADS

5.1-7.1. Assessment of ~~Availability Restrictions~~availability restrictions

~~5.1.1-7.1.1.~~ AEMO must assess the availability limits specified by the applicant under clause 4.10.1(f) of the ~~MarketWEM~~ Rules and must reject any application where the specified availability limits are less than the minimum requirements specified in that clause. AEMO will reject applications where the notice period is greater than 2 hours for a Demand Side Programme [**Clause 4.11.1(c)(vi)**].

~~5.1.2-7.1.2.~~ AEMO must allocate each Facility to an Availability Class ~~in accordance with clause [**Clause 4.11.4 and Appendix 3** of the Market Rules]~~. Demand Side Programmes will be allocated Class 2, unless available for all Trading Intervals.

5.2-7.2. Facility ~~Capability Assessment~~capability assessment

~~7.2.1.~~ AEMO must determine:

- (a) the quantity of capacity that it reasonably expects to be available from the Facility during the periods specified in clause 4.10.1(f)(vi) of the ~~MarketWEM~~ Rules, after netting off capacity required to serve ~~minimum loads~~the Minimum Consumption for each of the Facility's Associated Loads [**Clause 4.11.1(j)-(l)**]; and
- (b) the amount by which the Facility could reduce its consumption, measured as a decrease from the Facility's Relevant Demand, by the end of one Trading Interval in response to a

Dispatch Instruction requiring it to reduce consumption from the beginning of the Trading Interval at the ramp rate proposed for the Facility under clause 4.10.1(f)(vii) of the WEM Rules, for which purpose AEMO may have regard to the ramp rate proposed under clause 4.10.1(f)(vii) of the WEM Rules and any other information AEMO considers relevant [Clause 4.11.1(j)(ii)].

5.2.1.7.2.2. In determining the capacity in step 7.2.16.2.1, AEMO must have regard to the following information, as applicable:

- (a) the previous performance of the Facility, where applicable, including the results of Reserve Capacity Tests;
- (b) evidence of contracts with Associated Loads provided by the applicant;
- (c) evidence that loads are being actively pursued to be associated with a Demand Side Programme;
- (d) the estimated Relevant Demand for the Facility, or loads that are expected to be associated with the Facility, determined in accordance with ~~clause 4.26.2C of the Market Rules~~Appendix 10;
- (e) any restrictions on the availability of the Facility due to staffing constraints or any other restrictions, as specified by the applicant under clause 4.10.1(g) of the ~~Market~~WEM Rules;
- ~~(f)~~ the proposed DSP Ramp Rate Limit provided according to clause 4.10.1(f)(vii) of the WEM Rules;
- ~~(g)~~ the past history of the applicant in procuring DSM capacity; and
- ~~(h)~~ any other factors that AEMO considers relevant.

7.2.3. In making a decision in step 7.2.1, and without limiting the ways in which AEMO may inform itself in either case, AEMO may:

- ~~(a)~~ seek such additional information from the Market Participant that AEMO considers is relevant to the exercise of its discretion;
- ~~(b)~~ use information provided in reports related to the Facility submitted by:
 - ~~(i)~~ the Market Participant specified under clause 4.27.3; and
 - ~~(ii)~~ any other person under clause 4.27.6; and
- ~~(c)~~ consult with any person AEMO considers suitably qualified to provide an opinion or information on issues relevant to the exercise of AEMO's discretion [Clause 4.11.1B].

5.3.7.3. Assignment of Certified Reserve Capacity

5.3.1.7.3.1. Unless it has rejected the application under step 7.1.16.4.4, AEMO must assign Certified Reserve Capacity to a Facility equivalent to the quantity determined in step 7.2.16.2.4.

5.4.7.4. Initial Reserve Capacity Obligation Quantity

5.4.1.7.4.1. Subject to clause 4.12.5 of the WEM Rules, where AEMO ~~must set~~establishes the initial Reserve Capacity Obligation Quantity to apply for the Facility ~~at for a Trading Interval~~:

- ~~(a)~~ a level equal to the Reserve Capacity Obligation Quantity must not exceed the Certified Reserve Capacity during the periods of availability specified held by the applicantMarket Participant for the Facility; and
- ~~(b)~~ except where otherwise precluded by clause 4.12.4 of the WEM Rules, the Reserve Capacity Obligation Quantity;

- (i) will equal zero once the capacity has been dispatched under clause 7.6.1C(d) or 7.6.1C(e) of the WEM Rules for the number of hours per year that are specified under clause 4.10.1(f)(viii) of the MarketWEM Rules, ~~accounting~~;
- (ii) will equal zero for the remainder of a Trading Day in which the capacity has been dispatched under clause 7.6.1C(d) or 7.6.1C(e) of the WEM Rules for the number of hours per day that are specified under clause 4.10.1(f)(iii) of the WEM Rules;
- ~~(+)(iii)~~ must account for staffing and other restrictions on the ability of the Facility to curtail energy upon request; and
- (iv) will equal zero for ~~all other~~ Trading Intervals which fall outside of the periods specified in clause 4.10.1(f)(vi) of the WEM Rules [Clause 4.12.4(c)].