

This version of WEM Procedure: Individual Reserve Capacity Requirements (Pre-Amended Procedure) was superseded on 1 October 2023. Please refer to the WEM Website (<https://www.aemo.com.au/energy-systems/electricity/wholesale-electricity-market-wem/procedures-policies-and-guides/procedures>) for the current version of the WEM Procedure (Post-Amended Procedure). This document remains published for the purposes of Settlement processes and should be used for processes pertaining to the Trading Weeks up to and excluding 1 October 2023 only. Each Rule Participant must perform all obligations imposed on that Rule Participant under the Pre-Amended Procedure, arising in relation to each Trading Week up to but excluding 1 October 2023, that, if the Pre-Amended Procedure was in force, the Rule Participant would have been required to perform under the Pre-Amended Procedure.

MARKET PROCEDURE: INDIVIDUAL RESERVE CAPACITY REQUIREMENTS

PREPARED BY: AEMO | Western Australia | WA Market Operations
VERSION: 5.0
EFFECTIVE DATE: 1 October 2019
STATUS: FINAL

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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 | 3 November 2017 | Changes resulting from AEPC_2017_05 relating to Non-Temperature Dependent Loads |
| 4.0 | 1 June 2019 | Changes resulting from Procedure Change Proposal AEPC_2019_03 related to the Rule Change Proposal RC_2017_06: Reduction of the prudential exposure in the Reserve Capacity Mechanism and updates required for AEMO's new Market Procedure template |
| 5.0 | 1 October 2019 | Changes resulting from Procedure Change Proposal AEPC_2019_09 related to the Rule Change Proposal RC_2015_03: Formalisation of the Process for Maintenance Applications |

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1. INTRODUCTION

1.1. Purpose and scope

- 1.1.1. This is the Market Procedure: Individual Reserve Capacity Requirements (Procedure) made in accordance with AEMO’s functions under clause 2.1A.2(h) of the Wholesale Electricity Market Rules (WEM Rules). This Procedure is also made under clause 4.28.12 of the WEM Rules.
- 1.1.2. This Procedure has effect only for the purposes set out in the WEM Rules and the WEM Rules prevail over this Procedure to the extent of any inconsistency.
- 1.1.3. 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 (DSM) arrangements for the determination of their Individual Reserve Capacity Requirement (IRCR) on an annual and/or monthly basis; and
 - (b) AEMO in determining and publishing the Indicative IRCR, IRCR and Adjusted IRCRs.
- 1.1.4. This Procedure applies to:
 - (a) a Market Customer who has or is required to have an IRCR under the WEM Rules; and
 - (b) AEMO in processing and determining the IRCR.
- 1.1.5. In this Procedure where obligations are conferred on a Rule Participant, that Rule Participant must comply with the relevant obligations in accordance with clauses 2.9.7, 2.9.7A, 2.9.7B, 2.9.7C and 2.9.8 of the WEM Rules, as applicable.
- 1.1.6. All interactions between AEMO and Market Participants referred to in this Procedure will be conducted through the Wholesale Electricity Market System (WEMS).
- 1.1.7. Reference to particular WEM Rules within the Procedure in bold and square brackets [clause XX] are included for convenience only and are not part of this Procedure.

1.2. Definitions and interpretation

- 1.2.1. Terms defined in the WEM Rules have the same meanings in this Procedure, unless otherwise specified in this clause. The words, phrases and abbreviations in Table 1 have the meanings set out opposite them when used in this Procedure.

Table 1 Defined terms

| Term | Definition |
|--|--|
| Adjusted IRCR | Individual Reserve Capacity Requirements recalculated when undertaking the Adjustment Process in accordance with clause 4.28.11A of the WEM Rules. |
| Indicative IRCR | The estimated Individual Reserve Capacity Requirement published in accordance with clause 4.28.6 of the WEM Rules. |
| IRCR | Individual Reserve Capacity Requirement published in accordance with clause 4.28.7 of the WEM Rules. |
| Wholesale Electricity Market System (WEMS) | An interface system that AEMO uses to administer and operate the Wholesale Electricity Market. |

- 1.2.2. The following principles of interpretation apply to this Procedure, unless otherwise expressly indicated:
- (a) references to time are references to Australian Western Standard Time;
 - (b) terms that are capitalised, but not defined in this Procedure, have the meaning given in the WEM Rules;
 - (c) to the extent that this procedure is inconsistent with the WEM Rules, the WEM Rules prevail to the extent of the inconsistency;
 - (d) a reference to the WEM Rules or Market Procedures includes any associated forms required or contemplated by the WEM Rules or Market Procedures; and
 - (e) words expressed in the singular include the plural and vice versa.

1.3. Related documents

- 1.3.1. The following Market Procedures (available on the Market Web Site¹) provide background information to this Procedure:
- (a) Market Procedure: Notices and Communications;
 - (b) Market Procedure: Information Confidentiality; and
 - (c) Market Procedure: Consumption Deviation Applications.

1.4. Timeline for the determination and publication of the Indicative IRCR, IRCR and Adjusted IRCRs

- 1.4.1. Table 2 outlines the timetable for the determination and publication of the Indicative IRCR [clause 4.28.6], IRCR [clause 4.28.7] and Adjusted IRCR [clause 4.28.11A]. The timeline may differ depending on the specific business calendar in any year.

Table 2 Timeline for the determination of the Indicative IRCR, IRCR and Adjusted IRCRs for October and all other Trading Months

| Number | Event | Due Date for October Trading Month | Due Date for other Trading Months |
|--------|---|---|--|
| 1. | Market Customer provides information (steps 2.1.1, 2.1.3 and 2.1.4) [clause 4.28.8] | <p>For Non-Temperature Dependent Loads (NTDLs), Demand Side Management (DSM) measures & Intermittent Loads (ILs)²:</p> <p>5:00 PM on the last Business Day falling on or before 20 August of Year 3 of the relevant Reserve Capacity Cycle [clause 4.1.23(b)]</p> | <p>For NTDLs & DSM measures:</p> <p>5:00 PM on the Business Day that is 25 Business Days prior to the start of the relevant Trading Month [clause 4.28.8C]</p> <p>For new ILs³:</p> <p>5:00 PM on the Business Day that is 15 Business Days prior to the start of the relevant Trading Month [clause 4.28.8A]</p> |

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

² Under clause 4.28.8A of the WEM Rules, this applies for ILs that were registered prior to the date and time specified in clause 4.1.23(b) of the WEM Rules.

³ Under clause 4.28.8A of the WEM Rules, this only applies for ILs that were not registered prior to the date and time specified in clause 4.1.23(b) of the WEM Rules.

| Number | Event | Due Date for October Trading Month | Due Date for other Trading Months |
|--------|--|---|-----------------------------------|
| 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 [clause 4.28.9 and Appendix 5A] and advises Market Participants of results | Prior to the determination and publication of Indicative IRCR | |
| 6. | AEMO determines and publishes Indicative IRCR | 5:00 PM on the Business Day that is 10 Business Days prior to the start of the relevant Trading Month [clause 4.1.23C] | |
| 7. | AEMO determines and publishes IRCRs | 5:00 PM on the Business Day that is 5 Business Days prior to the Interval Meter Deadline for the relevant Trading Month [clauses 4.1.24] | |
| 8. | AEMO determines and publishes Adjusted IRCRs [clause 4.28.11A] | The date by which adjusted Non-STEM Settlement Statements will be released [clause 9.16.4(c)] | |

2. INFORMATION FOR THE DETERMINATION OF THE IRCR

2.1. Information provision to AEMO

- 2.1.1. For the first Trading Month (October) in each Capacity Year, Market Customers must provide the following information to AEMO by the relevant date and time specified in Table 2 Number 1 [clause 4.28.8]:
- (a) the identity of all interval meters associated with that Market Customer which measure Loads that it nominates 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.

- 2.1.2. If the Market Customer reasonably expects that the Contractual Maximum Demand will increase from the current level during the Capacity Year, then the maximum Contractual Maximum Demand is that increased level.
- 2.1.3. For Trading Months other than October, Market Customers may provide the following information by the relevant date and time specified in Table 2 Number 1 [clause 4.28.8C]:
- (a) the identity of additional interval meters (to those provided under clause 4.28.8 of the WEM Rules) associated with the Market Customer which measure Loads that it nominates as Non-Temperature Dependent Loads for the remainder of the Capacity Year; and
 - (b) details of any additional Demand Side Management measures (to those provided under clause 4.28.8 of the WEM Rules) that the Market Customer has implemented since the previous Hot Season, including the expected MW reduction in peak consumption resulting from those measures.
- 2.1.4. For Trading Months other than October, a Market Customer with an Intermittent Load that was not registered by the date and time specified in clause 4.1.23 of the WEM Rules must provide AEMO with the following information, as described in clause 4.28.8(c) of the WEM Rules, by the relevant date and time specified in Table 2 Number 1 [clause 4.28.8A]:
- (a) 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.
- 2.1.5. If the Market Customer reasonably expects that the Contractual Maximum Demand will increase from the current level during the Capacity Year, then the maximum Contractual Maximum Demand is that increased level.
- 2.1.6. AEMO must only accept loads as Non-Temperature Dependent Loads if they satisfy the requirements of Appendix 5A of the WEM Rules [clause 4.28.9]. AEMO must only accept individually metered loads as Non-Temperature Dependent Loads.
- 2.1.7. Where a Market Customer submits a Consumption Deviation Application to AEMO, in accordance with clause 4.28.9A of the WEM Rules, in respect of a Load that it has nominated as a Non-Temperature Dependent Load, the Market Customer must comply with the Market Procedure: Consumption Deviation Applications.
- 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) include the expected MW reduction in peak consumption resulting from those measures;
 - (b) provide evidence of capability of the Market Customer and the relevant loads to exercise the Demand Side Management measures; and

- (c) confirm that the Demand Side Management measures are being implemented irrespective of the obligations imposed on a Demand Side Programme that has been assigned Certified Reserve Capacity under the WEM Rules.
- 2.1.9. In respect of nominations of capacity requirements for Intermittent Loads in step 2.1.1(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 be provided via the WEMS.
- 2.1.10. During a Capacity Year, where a Load assessed as a Non-Temperature Dependent Load is transferred from one Market Customer to another, the load will retain Non-Temperature Dependent Load status for the relevant period (that is, until the end of the Capacity Year if Step 1 of Appendix 5A of the WEM Rules is applicable, or until the end of the relevant Trading Month if Step 2 or Step 3 of Appendix 5A of the WEM Rules is applicable) and the recipient Market Customer is responsible for providing the information required in step 2.1.1 or 2.1.3, as applicable.

2.2. Request from AEMO for additional/clarifying information

- 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 in Table 2 Number 4.
- 2.2.3. If AEMO and the Market Customer are unable to resolve the request for additional or clarifying information before the publication deadline for the Indicative IRCR, then AEMO must determine and publish the Indicative IRCR as if the requested information had not been provided.