



INDEPENDENT
MARKET
OPERATOR



Market Procedure: Reserve Capacity Performance Monitoring

VERSION 4



ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY
(WHOLESALE ELECTRICITY MARKET)
REGULATIONS 2004
WHOLESALE ELECTRICITY MARKET RULES

COMMENCEMENT:

This Market Procedure took effect from 8:00am (WST) on the same date as the Wholesale Electricity Market Rule, in which this Procedure is made in accordance with, commences.

VERSION HISTORY

Version	Effective Date	Notes
1	21 September 2006	Market Procedure at Market Start
2	15 October 2008	Amendments to Market Procedure resulting from PC_2008_07
3	18 April 2011	Amendments to Market Procedure resulting from PC_2010_05
4	XX XXXX 2014	Amendments to Market Procedure resulting from PC_2013_09

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1 PROCEDURE OVERVIEW

1.1 Relationship with the Market Rules

1.1.1 This Reserve Capacity Performance Monitoring Market Procedure (Procedure) is made in accordance with clause 4.27.12 of the Wholesale Electricity Market (WEM) Rules (Market Rules).

1.1.2 References to particular Market Rules within the Procedure in bold and square brackets [**Clause XX**] are current as of **XX XXXX 2014**. These references are included for convenience only, and are not part of this Procedure.

1.2 Purpose of this Procedure

1.2.1 The purpose of the Procedure is to describe the steps for conducting Reserve Capacity performance monitoring as required under the Market Rules.

1.3 Application of this Procedure

1.3.1 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 and 2.9.8 of the Market Rules, as applicable.

1.4 Associated Market Procedures and market documents

1.4.1 The following Market Procedures are associated with this Procedure:

(a) Notices and Communications.

1.4.2 The following market documents (available on the Market Web Site¹) are associated with this Procedure:

(a) Reserve Capacity Performance Report template;

(b) Reserve Capacity Performance Report worksheet template;

(c) Reserve Capacity Performance Improvement Report template; and

(d) Reserve Capacity Progress Report template.

1.5 Conventions used

1.5.1 In this Procedure the conventions specified in sections 1.3 to 1.5 of the Market Rules apply.

1.6 Terminologies and definitions

1.6.1 A word or phrase defined in the Electricity Industry Act, the Electricity Industry (Wholesale Electricity Market) Regulations or the Market Rules has the same meaning when used in this Procedure.

1.6.2 In addition the following defined terms have the meaning given.

Table 1 – Defined Terms

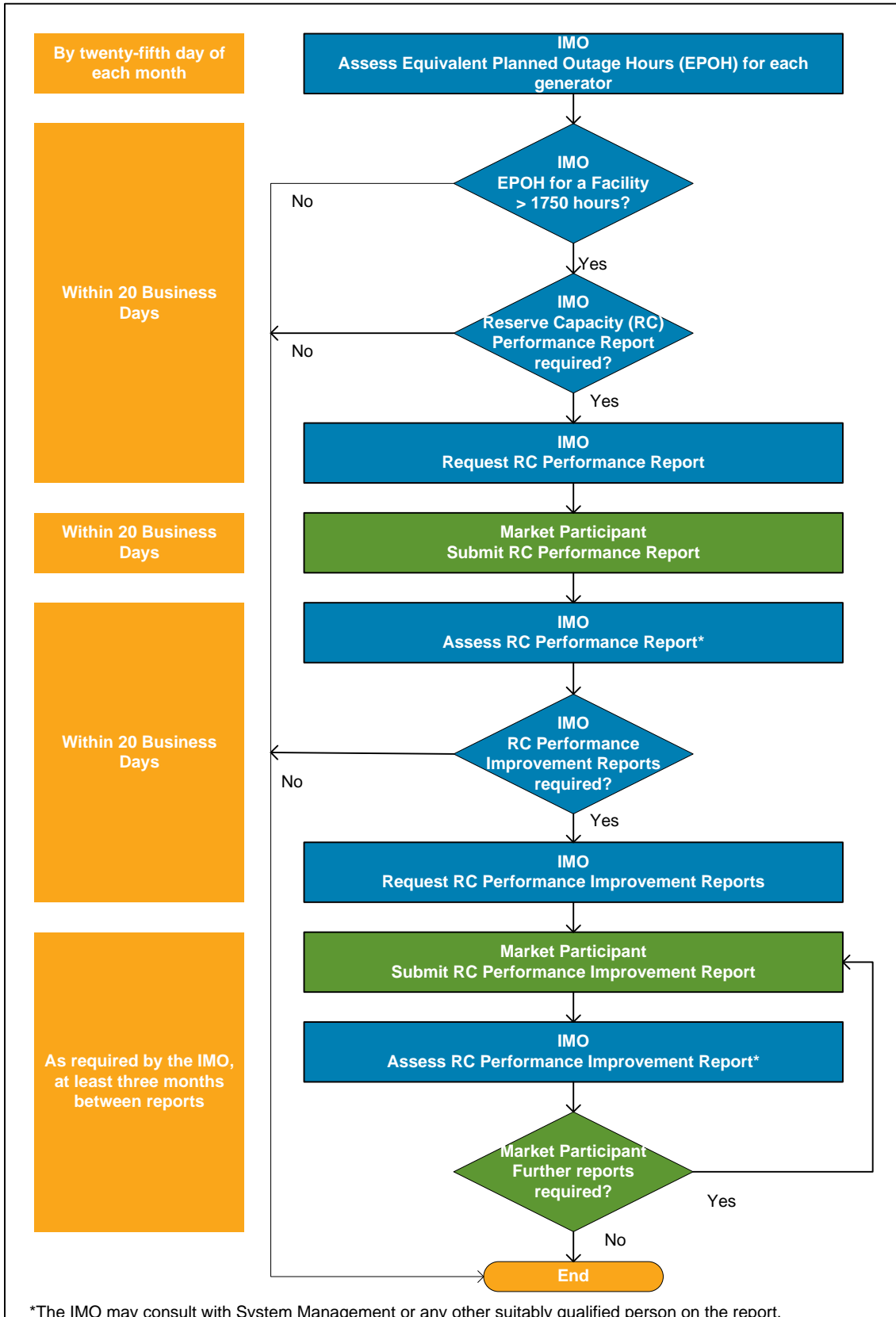
Term	Definition
Planned Commissioning	In respect of a new Facility that is yet to commence operation, the original date provided to the IMO by the Market Participant under clause

¹ See <http://imowa.com.au/market-participants/information-for-participants/user-access/market-forms>.

Term	Definition
Test Completion Date	4.10.1(c)(iii)(7) of the Market Rules for the Facility.
Reserve Capacity Progress Report	A report provided by a Market Participant to the IMO under clause 4.27.10 of the Market Rules in respect of a Facility that is yet to commence operation.
System Capacity	The group within the IMO responsible for Reserve Capacity performance monitoring. Contact details for System Capacity are available on the Market Web Site.
System Management Market Operations	The group within System Management that reviews Reserve Capacity Progress Reports. Contact details for System Management Market Operations are available on the following web page: http://www.westernpower.com.au/retailersgenerators/systemManagement/System_management_.html

2 RESERVE CAPACITY PERFORMANCE MONITORING

2.1 Reserve Capacity performance monitoring process overview



2.2 Reserve Capacity performance monitoring process

- 2.2.1 By the twenty-fifth day of each month, the IMO must assess the number of Equivalent Planned Outage Hours taken in the preceding 12 Trading Months by each Scheduled Generator or Non-Scheduled Generator assigned Capacity Credits for the current Capacity Year **[Clause 4.27.2]**.
- 2.2.2 If the number of Equivalent Planned Outage Hours determined for a Facility in step 2.2.1 exceeds 1750 hours the IMO must, within 20 Business Days, decide whether to require the provision of a Reserve Capacity Performance Report from the Market Participant holding Capacity Credits for that Facility. In making its decision the IMO:
- (a) must take into account if and when Reserve Capacity Performance Reports or Reserve Capacity Performance Improvement Reports have been received or requested previously for the Facility;
 - (b) must assess whether the number of Equivalent Planned Outage Hours taken by the Facility in the previous 12 Trading Months was attributable to specific, infrequent events or is indicative of an underlying performance deficiency, and may consider any matters it considers relevant in making this assessment; and
 - (c) may consult with System Management **[Clauses 4.27.3(a) and 4.27.3A]**.
- 2.2.3 If the IMO decides in step 2.2.2 that a report is required, the IMO must as soon as practicable notify the relevant Market Participant by email that it must provide to the IMO a Reserve Capacity Performance Report for the Facility.
- 2.2.4 A Market Participant must provide a Reserve Capacity Performance Report requested in step 2.2.3 by email to System Capacity within 20 Business Days of being requested to do so. The report must:
- (a) use the Reserve Capacity Performance Report template published by the IMO on the Market Web Site;
 - (b) provide the information described in clauses 4.27.4(a) and 4.27.4(b) of the Market Rules in an attachment, using the Reserve Capacity Performance Report worksheet template published by the IMO on the Market Web Site;
 - (c) meet the information requirements specified in the templates; and
 - (d) be signed by an Authorised Officer of the Market Participant **[Clause 4.27.5(a)]**.
- 2.2.5 The IMO must acknowledge by email the receipt of a Reserve Capacity Performance Report within two Business Days.
- 2.2.6 If the IMO receives a Reserve Capacity Performance Report that contains a manifest error or omission, the IMO must as soon as practicable notify the Market Participant by email that the report is invalid and request the provision of an updated report.
- 2.2.7 A Market Participant that receives a notification from the IMO under step 2.2.6 must provide to the IMO a valid report that corrects the manifest error or omission as soon as practicable. The date on which the Market Participant provides the updated report becomes the new date of receipt for the purposes of this Procedure.

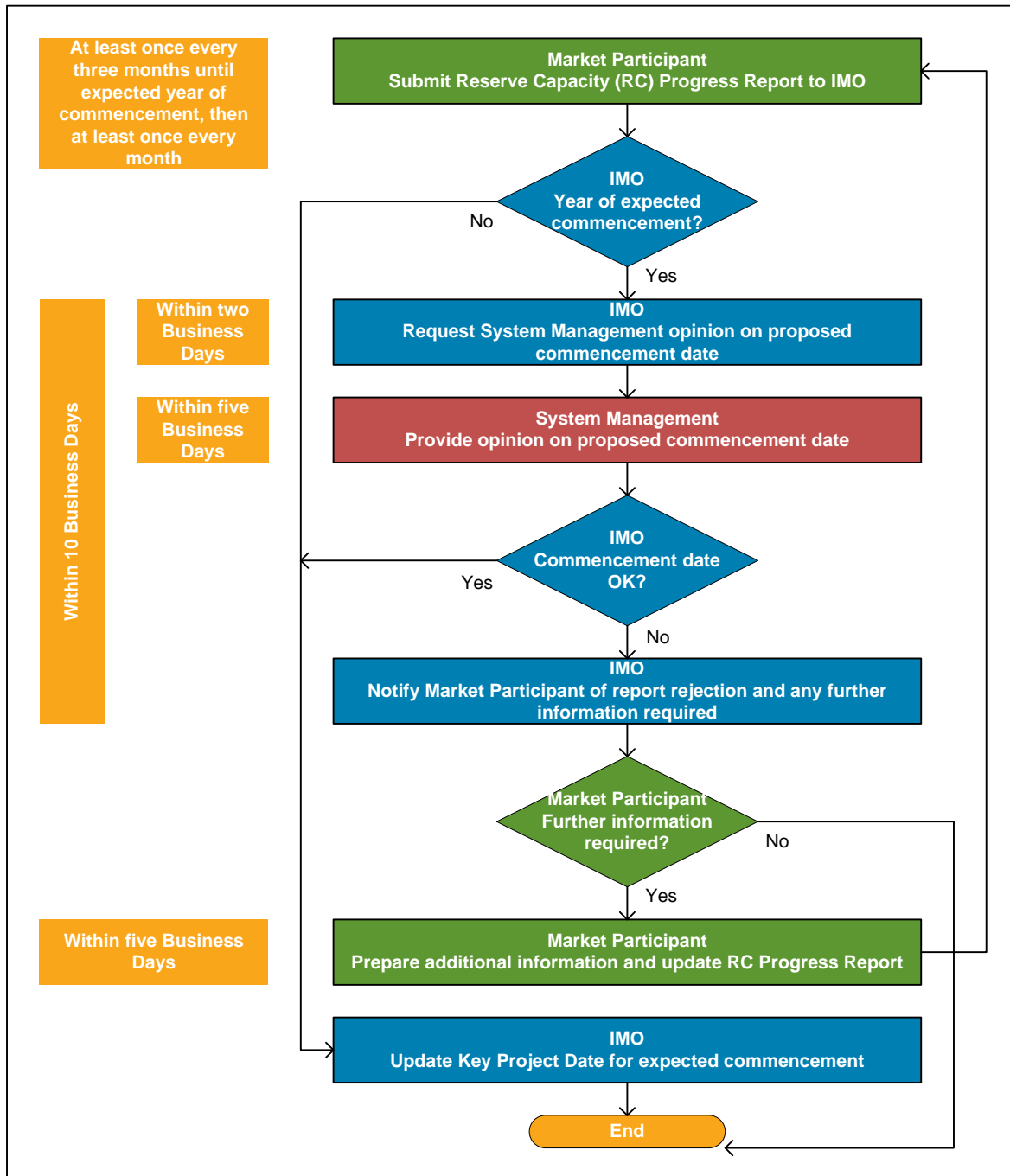
- 2.2.8 Within 20 Business Days of receiving a valid Reserve Capacity Performance Report, the IMO must decide whether to require the Market Participant to provide one or more Reserve Capacity Performance Improvement Reports for the Facility. In making its decision the IMO:
- (a) must take into consideration the information provided in the Reserve Capacity Performance Report;
 - (b) must assess whether the number of Equivalent Planned Outage Hours taken by the Facility in the relevant 12 Trading Month period was attributable to specific, infrequent events or is indicative of an underlying performance deficiency, and may consider any matters it considers relevant in making this assessment; and
 - (c) may consult with System Management [**Clauses 4.27.3(b) and 4.27.3A**].
- 2.2.9 If the IMO decides in step 2.2.8 that one or more Reserve Capacity Performance Improvement Reports are required for a Facility, the IMO must as soon as practicable notify the relevant Market Participant by email. The notification must specify:
- (a) the Facility for which the Reserve Capacity Improvement Report(s) are required; and
 - (b) the date by which each report must be provided to the IMO,
- where:
- (c) the due date for the first report must be at least three months from the date the relevant Reserve Capacity Performance Report was provided to the IMO;
 - (d) the due date for each subsequent report must be at least three months after the due date for the previous report; and
 - (e) the due date for the last report must be no later than 36 months after the due date for the first report.
- 2.2.10 A Market Participant must, by the specified due dates, provide by email to System Capacity each Reserve Capacity Performance Improvement Report requested in step 2.2.9, unless the Market Participant has been notified by the IMO in step 2.2.14 that the report is not required. Each report must:
- (a) use the Reserve Capacity Performance Improvement Report template published by the IMO on the Market Web Site;
 - (b) meet the information requirements specified in the template; and
 - (c) be signed by an Authorised Officer of the Market Participant [**Clause 4.27.5(b)**].
- 2.2.11 The IMO must acknowledge via email the receipt of a Reserve Capacity Performance Improvement Report within two Business Days.
- 2.2.12 If the IMO receives a Reserve Capacity Performance Improvement Report that contains a manifest error or omission, the IMO must as soon as practicable notify the Market Participant by email that the report is invalid and request the provision of an updated report.
- 2.2.13 A Market Participant that receives a notification from the IMO under step 2.2.12 must provide to the IMO a valid report that corrects the manifest error or omission as soon as practicable. The date on which the Market Participant provides the

updated report becomes the new date of receipt for the purposes of this Procedure.

- 2.2.14 If a Market Participant has been notified under step 2.2.9 that it is required to provide Reserve Capacity Performance Improvement Reports, but the IMO, after further consideration, decides that it no longer requires one or more of the requested reports, then the IMO must as soon as practicable notify the Market Participant by email that those reports are no longer required.
- 2.2.15 The IMO may consult with System Management on the implications of a Reserve Capacity Performance Report or Reserve Capacity Performance Improvement Report. **[Clause 4.27.6]**
- 2.2.16 The IMO may consult with any person the IMO considers suitably qualified to provide an opinion on a Reserve Capacity Performance Report or Reserve Capacity Performance Improvement Report. The IMO may ask the person to provide an opinion on the report generally, or to limit the scope of the opinion to specified matters covered in the report. **[Clause 4.27.6]**
- 2.2.17 If the IMO engages a person in step 2.2.16 to provide an opinion on a Reserve Capacity Performance Report or Reserve Capacity Performance Improvement Report, the IMO must as soon as practicable provide by email to the relevant Market Participant a notification that specifies:
- (a) the report on which the IMO is seeking the opinion;
 - (b) the identity of the person engaged to provide the opinion;
 - (c) the scope of the IMO's request;
 - (d) an estimate of the cost of engaging the person, which is payable by the Market Participant; and
 - (e) an estimate of the date by which payment of this cost will be required.
- 2.2.18 If the IMO makes a payment to a person for providing an opinion on a Reserve Capacity Performance Report or Reserve Capacity Performance Improvement Report, the IMO must as soon as practicable provide to the relevant Market Participant:
- (a) by email, evidence of the costs incurred by the IMO for the provision of the opinion; and
 - (b) by mail and email, an invoice for the amount of the IMO's costs.
- 2.2.19 A Market Participant that receives an invoice under step 2.2.18 must pay the amount owed to the IMO within 10 Business Days **[Clause 4.27.6]**. Payment must be by direct bank transfer to the IMO bank account specified on the invoice .

3 RESERVE CAPACITY PROGRESS REPORTS

3.1 Reserve Capacity Progress Reports process overview



3.2 Reserve Capacity Progress Reports process

3.2.1 A Market Participant must provide, by email to System Capacity, a Reserve Capacity Progress Report for a Facility that is yet to commence operation:

- (a) at least once every three months between the date the Capacity Credits are confirmed under clause 4.20.5A of the Market Rules and the start of the

calendar year in which the Planned Commissioning Test Completion Date falls [**Clause 4.27.10(a)**]; and

- (b) at least once every month between the start of the calendar year in which the Planned Commissioning Test Completion Date falls and the date the IMO notifies the Market Participant, under clause 4.13.14 of the Market Rules, that the need to maintain the Reserve Capacity Security for the Facility has ceased [**Clause 4.27.10(b)**].

3.2.2 A Reserve Capacity Progress Report provided by a Market Participant to the IMO must:

- (a) use the Reserve Capacity Progress Report template published by the IMO on the Market Web Site;
- (b) include any changes to Key Project Dates for the Facility [**Clause 4.27.11**];
- (c) meet any other information requirements specified in the template; and
- (d) be signed by an Authorised Officer of the Market Participant.

3.2.3 The IMO must acknowledge by email the receipt of a Reserve Capacity Progress Report within two Business Days.

3.2.4 If the IMO receives a Reserve Capacity Progress Report that contains a manifest error or omission, the IMO must as soon as practicable notify the Market Participant by email that the report is invalid and request the provision of an updated report.

3.2.5 A Market Participant that receives a notification from the IMO under step 3.2.4 must provide to the IMO a valid report that corrects the manifest error or omission as soon as practicable. The date on which the Market Participant provides the updated report becomes the new date of receipt for the purposes of this Procedure.

Reserve Capacity Progress Reports required under clause 4.27.10(a)

3.2.6 If a Market Participant provides a valid Reserve Capacity Progress Report to the IMO in accordance with clause 4.27.10(a) of the Market Rules, then the IMO must revise the date referred to in clause 4.10.1(c)(iii)(7) of the Market Rules in accordance with the date proposed by the Market Participant as soon as practicable [**Clause 4.27.11A**].

Reserve Capacity Progress Reports required under clause 4.27.10(b)

3.2.7 Within two Business Days of receiving

- (a) a valid Reserve Capacity Progress Report required under clause 4.27.10(b) of the Market Rules; or
- (b) a valid, revised Reserve Capacity Progress Report required under clause 4.27.11D of the Market Rules,

the IMO must provide the relevant details to System Management (by email to System Management Market Operations) and request System Management's opinion on whether the Facility is unlikely to have completed all Commissioning Tests by the date proposed by the Market Participant [**Clause 4.27.11B**].

3.2.8 If System Management receives a request from the IMO under step 3.2.7 then System Management must provide the requested opinion to the IMO by email within five Business Days.

- 3.2.9 If System Management advises the IMO, in response to a request made under step 3.2.7, that it does not consider the Facility is unlikely to have completed all Commissioning Tests by the date proposed by the Market Participant, then the IMO must revise the date referred to in clause 4.10.1(c)(iii)(7) of the Market Rules in accordance with the date proposed by the Market Participant as soon as practicable **[Clause 4.27.11B]**.
- 3.2.10 If System Management advises the IMO, in response to a request made under step 3.2.7, that it considers the Facility is unlikely to have completed all Commissioning Tests by the date proposed by the Market Participant, then the IMO must reject the proposed change to the Key Project Dates **[Clause 4.27.11B]**.
- 3.2.11 If the IMO rejects a proposed change to the Key Project Dates for a Facility, the IMO must, within 10 Business Days of receiving the relevant Reserve Capacity Progress Report, notify the Market Participant by email of its decision **[Clause 4.27.11C]**. The notification:
- (a) must provide reasons why the dates have been rejected; and
 - (b) may require the Market Participant to provide additional information or revised Key Project Dates in an updated Reserve Capacity Progress Report **[Clause 4.27.11D]**.
- 3.2.12 Supporting evidence that may be requested by the IMO in step 3.2.11(b) may include, but is not limited to:
- (a) network access agreements;
 - (b) local government approvals;
 - (c) evidence of execution of fuel supply and transport contracts;
 - (d) evidence of financial approvals;
 - (e) relevant construction and operational licenses;
 - (f) independent construction schedules for the plant, network and fuel supply facilities;
 - (g) repair and/or rework schedules;
 - (h) photographs of construction works;
 - (i) evidence of environmental test completion;
 - (j) evidence of network connection tests completion as indicated in the Network Access Code;
 - (k) full load testing results;
 - (l) practical completion certificates; and
 - (m) quality assurance certificates.
- 3.2.13 A Market Participant must provide an updated Reserve Capacity Progress Report requested in step 3.2.11(b) by email to System Capacity within five Business Days of being requested to do so.