



2014 Reserve Capacity Information Pack

17 June 2015

Background

Each year the Independent Market Operator (IMO) is required to publish the Reserve Capacity Information Pack under section 4.7 of the Wholesale Electricity Market Rules (Market Rules).

This Reserve Capacity Information Pack sets out the Reserve Capacity Requirement for the 2016-17 Capacity Year. It also provides information on the Expressions of Interest process completed in May 2014, and information about the amount of capacity required from Facilities with limited availability, such as Demand Side Management (DSM).

A more detailed discussion of the information below is provided in the 2014 Electricity Statement of Opportunities report¹.

Any questions about the information provided here can be directed to the IMO's System Capacity team on (08) 9254 4300 or capacity@imowa.com.au.

Delay to the publication of the Reserve Capacity Information Pack

Publication of this Reserve Capacity Information Pack was postponed from June 2014, following a direction from the Minister for Energy to defer certain aspects of the 2014 Reserve Capacity Cycle in light of the Electricity Market Review (EMR)².

The IMO received a further direction from the Minister for Energy on 13 March 2015 to defer certain aspects of the 2015 Reserve Capacity Cycle until 2016. As such, the Reserve Capacity Information Pack for the 2015 Reserve Capacity Cycle is expected to be published in June 2016.

Further information on the Ministerial directions and deferral of aspects of the 2014 and 2015 Reserve Capacity Cycles is available on the IMO website³.

Reserve Capacity Requirement

The Reserve Capacity Requirement⁴ for the 2016-17 Capacity Year is **4,557 MW**.

¹ Available at: <http://www.imowa.com.au/home/electricity/electricity-statement-of-opportunities>.

² Further information is available at: https://www.finance.wa.gov.au/cms/Public_Utility_Office/Electricity_Market_Review/Electricity_Market_Review.aspx.

³ Available at: <http://www.imowa.com.au/home/electricity/reserve-capacity/reserve-capacity-timetable-overview>.

⁴ The Reserve Capacity Requirement for the relevant Capacity Year is the Reserve Capacity Target published in the Electricity Statement of Opportunities report for the Reserve Capacity Cycle (clause 4.6.1 of the Market Rules).

Availability Curve

Capacity in the SWIS is assigned to four Availability Classes, where each class reflects the maximum number of hours per year that the capacity is available. This approach recognises the value of DSM but ensures the reduced availability of DSM compared to generation capacity is considered when assessing system reliability.

Four Availability Classes are defined in Appendix 3 of the Market Rules:

- Class 1 relates to generation capacity that is available for all trading intervals other than when an outage applies;
- Class 2 relates to capacity from DSM⁵ that is available for at least 72 hours per year;
- Class 3 relates to capacity from DSM that is available for at least 48, but less than 72, hours per year; and
- Class 4 relates to capacity from DSM that is available for at least 24, but less than 48, hours per year.

Capacity from an Availability Class with higher availability can be used to meet the requirement for an Availability Class with lower availability.

Assuming the Reserve Capacity Target is just met, the Availability Curve indicates the minimum amount of capacity that must be provided by generation capacity to ensure the energy requirements of users are met. The remainder of the Reserve Capacity Target can be met by further generation capacity or by DSM.

Table 1 shows the Availability Curve information for the 2015-16, 2016-17 and 2017-18 Capacity Years.

⁵ May be provided by DSM, interruptible loads or dispatchable loads.

Table 1: Availability Curve information

	2015-16 (MW)	2016-17 (MW)	2017-18 (MW)
Clause 4.5.12(a) of the Market Rules:			
Capacity required for more than 24 Hours	4,243	4,276	4,316
Capacity required for more than 48 Hours	3,889	3,915	3,950
Capacity required for more than 72 Hours	3,795	3,821	3,856
Clause 4.5.12(b) of the Market Rules:			
Minimum generation required	3,917	3,852	3,879
Clause 4.5.12(c) of the Market Rules:			
Capacity associated with Availability Class 1	3,917	3,852	3,879
Capacity associated with Availability Class 2	0	63	71
Capacity associated with Availability Class 3	326	361	366
Capacity associated with Availability Class 4	279	281	283

Source: 2014 Electricity Statement of Opportunities

Expressions of Interest process

The 2014 Request for Expressions of Interest and the corresponding summary report are available on the IMO website⁶.

⁶ Available at: <http://www.imowa.com.au/home/electricity/reserve-capacity/expressions-of-interest>.