

MARKET PROCEDURE: INDIVIDUAL RESERVE CAPACITY REQUIREMENTS

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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	30 October 2017	Changes resulting from AEPC 2017 05 relating to Non-Temperature Dependent Loads



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1 PROCEDURE OVERVIEW

1.1 Relationship with the Wholesale Electricity Market Rules

~~This Market Procedure: Individual Reserve Capacity Requirement Procedure outlines the process by which Market Customers and AEMO interact to facilitate the determination of the initial Individual Reserve Capacity Requirement (IRCR).~~

1.1.1 ~~This procedure (Procedure) is made developed in accordance with Market Rule clause 4.28.12- of the Wholesale Electricity Market Rules (WEM Rules).~~

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

1.2 Interpretation

~~1.2.1 In this procedure, unless the contrary intention is expressed:~~

1.2.1 In this Procedure:

- (a) ~~terms used that are capitalised but not defined in this procedure Procedure have the same meaning as those given in the Wholesale Electricity Market WEM Rules (made pursuant to Electricity Industry (Wholesale Electricity Market) Regulations 2004);;~~
- (b) to the extent that this procedure is contrary or inconsistent with the ~~Market WEM~~ Rules, the ~~Market WEM~~ Rules shall prevail to the extent of the inconsistency;
- (c) a reference to the ~~Market WEM~~ Rules or Market Procedures includes any associated forms required or contemplated by the ~~Market 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
Initial IRCR	Individual Reserve Capacity Requirement published annually to apply from the start of the Trading Day commencing on 1 October of Year 3 of a Reserve Capacity Cycle.
Updated IRCR	Individual Reserve Capacity Requirement published monthly to apply for each Trading Month from November of Year 3 of a Reserve Capacity Cycle to September of Year 4 of that Reserve Capacity Cycle.
Wholesale Electricity Market System (WEMS)	An interface system that AEMO uses to administer and operate the Wholesale Electricity Market.

1.3 Purpose

~~1.41.3 The purposes and application of this procedure are: Procedure~~

~~1.3.1~~ ~~to provide~~ 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~~ Loads and ~~demand side management~~ Demand Side Management arrangements for the determination of their ~~IRCR~~ Individual Reserve Capacity Requirement (IRCR) on an annual ~~and/or monthly~~ basis; ~~and/or on a monthly basis.~~
- (b) AEMO in ~~requesting information from Market Customers in respect of determination of the yearly IRCR and in calculating~~ determining and publishing the ~~Monthly~~ Initial IRCR and Updated IRCR.

~~1.5~~ Application

~~1.5.1~~ ~~1.3.2~~ This procedure applies to:

- (a) ~~a~~ Market Customer who has or is required to have an IRCR under the ~~Market~~ WEM Rules; ~~and~~
- (b) AEMO in ~~the processing and determination of~~ determining the IRCR.

~~1.6~~ Overview of the determination of the IRCR

~~1.6.1~~ ~~Each~~ All interactions between AEMO and Market Customer is assigned an IRCR. ~~The sum of all IRCR's~~ Participants referred to in this Procedure will equal the Reserve Capacity Requirement.

~~1.6.2~~ The Market Customer may submit certain information in order to reduce their IRCR in any one year. A component of this information is used in the determination of Non-Temperature Dependent Loads (NTDL's). Market Customers may submit information about individually metered loads, that meet the requirements of being Non-Temperature Dependent Loads, which are loads that contribute less to the total IRCR than Temperature-Dependent Loads (TDL's). They may submit this information to AEMO on both a yearly and/or monthly basis.

~~1.6.3~~ ~~1.3.3~~ A load may be determined to be an NTDL by the process detailed in Appendix 5A of the Market Rules. Loads must satisfy any one of three steps in Appendix 5A in order to satisfy the requirements of an NTDL. These steps cover the scenarios that may be presented when a load is applying for NTDL status, ~~conducted through WEMS.~~

- (a) ~~Step 1: A load may be determined to be an NTDL for the whole of the Reserve Capacity Year if they have, for the previous Reserve Capacity Year, been classified as an NTDL, and; it satisfies the technical conditions for being an NTDL. Market Customers do not have to re-apply for the load to be classified as an NTDL for the rest of the Capacity Year.~~
- (b) ~~Step 2: If a load had not been an NTDL for the whole of the previous Reserve Capacity Year, or for any month in the current Reserve Capacity Year, then it may be determined to be an NTDL if it satisfies the remaining technical conditions under Step 2. Market Customers may apply any time during the current Reserve Capacity Year to be assessed under Step 2, and provided they have not previously applied in the current Reserve Capacity Year.~~
- (c) ~~Step 3: If a load had not satisfied the conditions of Step 1, but had previously been classified as an NTDL under Step 2 or Step 3 then Step 3 allows a load to remain an NTDL provided it satisfies the technical conditions associated with Step 3. AEMO will re-assess any NTDLs determined to be an NTDL under Step 2 or Step 3 in the previous month within a Reserve Capacity Year.~~



~~Market Customers may only apply for NTDL status once for each load they consider to be an NTDL, each capacity year. A load will be reassessed each month by AEMO by for the remainder of that Reserve Capacity Year.~~

~~1.6.4 In principle the technical conditions applied assess the variability in the consumption patterns of the load to determine if it is a Non Temperature Dependent Load or not.~~

~~1.6.5 This procedure details the processes by which the Market Customer may make their submissions, and the process by which AEMO will consider submissions that are made. Under the Market Rules, there is a separate process by which AEMO adjusts the IRCR, which is completed on a monthly basis.~~

1.7.1.4 Timeline for the determination and publication of the ~~initial~~Initial IRCR

~~1.7.1.4.1 The timeline shows the initial IRCR calculation schedule. Table 2 outlines the timetable for the determination and publication of the Initial IRCR [Clause 4.28.8]. The timeline may differ depending on the specific business calendar in any year.~~

Table 2: Timeline for the determination of the ~~initial~~Initial IRCR

NumNumber	Event	Due Date	Market Rule/s Applicable
1.	Request for Market Customer must provide information from AEMO (step 2.1.12.1.4)	15 Business Days before 5:00pm on the last Business Day falling on or before 20 August of Year 3 of a Reserve Capacity Cycle [Clauses 4.1.23(b) and 4.28.8]	
2.	Market Customer must provideAEMO confirms receipt of information requested	5:00pm on the last Business Day falling on or before 20 August of Year 3 of a Reserve Capacity CycleWithin 1 Business Day	4.1.23
3.	AEMO confirms receipt of informationAEMO determines adequacy of information provided and may request additional or clarifying Information from a Market Participant (step 2.2.1)	Within 1 Business DayAs required	
4.	AEMO determines if adequate information is provided by Market CustomerMarket Participant must provide any requested information to AEMO (step 2.2.2)	Within 3 Business DayDays	
5.	Request for Additional/Clarifying Information from AEMO AEMO assesses relevant Loads as Non-Temperature Dependent Loads and advises Market Participants of results	Within 1 Business DayPrior to the determination and publication of Initial IRCR [Clause 4.28.9 and Appendix 5A]	
6.	AEMO determines and published initialpublishes Initial IRCR	5:00pm on the last Business Day falling on or before 10 September of Year 3 of a Reserve Capacity Cycle [Clauses 4.1.24(b) and 4.28.7]	4.1.24(b)

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NumNumber	Event	Due Date	Market Rule/s Applicable
7.	New initial Initial IRCR applies	The start of the Trading Day commencing on 1 October of Year 3 of that a Reserve Capacity Cycle [Clause 4.1.25(b)]	4.1.25 (b)

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1.5 Timeline for the determination and publication of the Updated IRCR

1.5.1 For each Trading Month from November of Year 3 of a Reserve Capacity Cycle to September of Year 4 of that Reserve Capacity Cycle, AEMO will determine and publish an Updated IRCR. **[Clause 4.28.11].**

1.5.2 Table 3 outlines the timetable for the determination and publication of the Updated IRCR. The timeline may differ depending on the specific business calendar in any year.

Table 3: Timeline for the determination of the Updated IRCR

Number	Event	Due Date
1.	Market Customer must provide updated information (step 2.1.32-4.3)	5:00pm on the Business Day that is 25 Business Days prior to the start of the Trading Month for which the Updated IRCR will apply [Clauses 4.1.28(b) and 4.28.8]
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 and advises Market Participants of results	Prior to the determination and publication of Updated IRCR [Clause 4.28.9 and Appendix 5A]
6.	AEMO determines and publishes Updated IRCR	5:00pm on the Business Day that is 5 Business Days prior to the Trading Month for which the Updated IRCR will apply [Clause 4.1.28(b)]
7.	Updated IRCR applies	The start of the Trading Day commencing on the first day of the first Trading Month commencing after the date of publication of the Updated IRCR [Clause 4.28.11(b)]

2 INFORMATION FOR THE DETERMINATION OF THE ~~INITIAL~~ IRCR

2.1 Request for Information ~~from~~provision to AEMO

2.1.1 Each year in the case of Initial IRCR, Market Customers have the opportunity to apply to AEMO to reduce their share of the IRCR. A Market Customer may apply for a reduction to its IRCR by indicating to AEMO:

- (a) which of its interval meters should be considered to be Non-Temperature Dependent Loads; and/or

- (b) ~~details of any Demand Side Management measures it had implemented; and/or~~
- (c) ~~which loads it wishes to be considered as Intermittent Loads.~~

~~2.1.2 If a Market Customer does not make a submission each year, AEMO may reset information relating to each Market Customer. That is:~~

- (d) ~~all Non-Temperature Dependent Loads will be considered as Temperature Dependent Loads;~~
- (e) ~~no provision will be allowed for Demand Side Management measures they have implemented; and~~
- (f) ~~AEMO may, at its discretion, require the registration status of an Intermittent Load to be changed.~~

Market Customer must provide information requested

~~2.1.3 Each year the Market Customer is required to submit information to AEMO in accordance with Market Rule 4.28.8. Failure to submit this information will result in AEMO resetting the Market Customer's IRCR.~~

NOTE: AEMO will provide details on the AEMO website as to the nature and format of the data that must be submitted. These details may change from time to time.

~~2.1.42.1.1 The Market Customer must provide the following information to AEMO (MR by the relevant date and time specified in Table 2 [Clause 4.28.8]):~~

- (a) a list of interval meters associated with that Market Customer that the Market Customer ~~considers that wants~~ AEMO ~~should to~~ treat 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. ~~The maximum Contractual Maximum Demand is required to cover~~ the case ~~Market Customer reasonably expects~~ that the Contractual Maximum Demand ~~is reasonably expected to will~~ increase ~~through~~ from the year current level during the Capacity Year, then the maximum Contractual Maximum Demand is that increased level.

~~Where for each Capacity Year a~~ Market Customer may only provide AEMO with the information specified in ~~this clause~~ step 2.1.12.1.1 once ~~with respect to for each Capacity Year for~~ each load.

Notes:

~~4.28.8(a): AEMO must only accept individually metered loads as Non-Temperature dependent and only if they satisfy the requirements of Appendix 5A. In~~



~~accordance with Appendix 5A, detailed evidence should accompany an application for a metered load to be determined to be an NTDL~~

~~4.28.8(b): The information provided in respect of Market Rule 4.28.8(b) by a Market Customer must not include any capacity that:~~

- ~~• has received Certified Reserve Capacity;~~
- ~~• has been assigned Capacity Credits; or~~
- ~~• intends to register as a Curtailable Load.~~

~~4.28.8(c)(i): The information provided in respect of Market Rule 4.28.8(c)(i) by a Market Customer should provide enough evidence and supporting information to allow AEMO to make a determination as to the capacity of the Intermittent Load for the purposes of inclusion in the IRCR calculations.~~

~~4.28.8(c)(ii): In respect of the information provided under Market Rule 4.28.8(c)(ii) the Market Customer may provide extracts from contracts, or may remove commercially sensitive information within any contractual information provided to AEMO.~~

~~Request for Additional/Clarifying Information from AEMO~~

~~2.1.5 If AEMO determines that the information provided in respect of Market Rule 4.28.8 is insufficient, then AEMO will issue a request for additional or clarifying information within two Business Days.~~

~~Market Participants are required to provide this information if requested within two business days.~~

~~AEMO determines and publishes initial IRCR~~

~~2.1.6 AEMO is required to determine and publish an initial IRCR for each Market Customer:~~

~~2.1.72.1.2 in accordance with Appendix 5 and **[Clause 4.28.7A; and 8]**.~~

~~(d) which is calculated using data that may be modified in accordance with clause 4.28.11A~~

~~Notification In the case of the initial Updated IRCR will be via the WEMS.~~

2.2 ~~Timeline for the determination of the monthly IRCR~~

2.2.1 ~~For each month between the 1 October of Year 3 of a Capacity Cycle and 30 September of Year 4 of a Capacity Cycle, AEMO will . Market Customers may update the initial IRCR in accordance with Market Rule 4.28.11.~~

~~2.2.21.1.1 The timeline shows the monthly IRCR calculation schedule. The timeline may differ depending on the specific business calendar in any year.~~

Table 1 ~~Timeline for the determination of the monthly IRCR~~

Num	Event	Due Date	Market Rule/s Applicable
1.	Market Customer must provide updated information in respect of Market Rule 4.28.8	5:00pm on the Business Day being 25 Business Days prior to the start of the Trading Month for which the IRCR will apply	4.28.8
2.	AEMO Confirms receipt of information	Within 1 Business Day	
3.	AEMO determines if adequate information is provided by Market Customer	Within 3 Business Day	
4.	Request for Additional/Clarifying Information from AEMO	Within 1 Business Day	
5.	AEMO determines and published initial IRCR	5:00pm on the Business Day, 5 Business Days Prior to the Month for which the updated IRCR will apply.	4.1.28(a)
6.	New monthly IRCR applied.	The start of the Trading Day commencing on the first day of the Trading Month for which the updated IRCR will apply.	4.1.28(b)

2.3 ~~Information for the determination of the monthly IRCR~~

~~Market Customer must provide information requested~~

~~NOTE: AEMO will provide details on the AEMO website as to the nature and format of the data that must be submitted. These details may change from time to time.~~

~~2.3.12.1.3 The Market Customer must provide the following information to AEMO (MR 4.28.8); provided in step 2.1.12.1.1 by the relevant date and time specified in Table 3 [Clause 4.28.8]:~~

- (a) ~~add or remove~~ interval meters associated with that Market Customer that the Market Customer *considers that wants* AEMO *should to* treat as Non-Temperature Dependent Loads;
- (b) ~~add or remove~~ 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) ~~add or remove~~ 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. ~~The 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 required to cover the case that the Contractual Maximum Demand is reasonably expected to increase through the year that increased level.~~

~~2.1.4 Where for each Capacity Year in respect of Non-Temperature Dependent Loads, a Market Customer may only provide evidence to AEMO with that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia [Appendix 5A].~~

~~2.1.5 The evidence must accompany the information specified in this clause once with respect to each provided by a Market Customer in step 2.1.12.1-1(a) or 2.1.3(a) 2.1.3 and the Market Customer must:~~

- ~~(a) include a list of intervals where the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia; and~~
- ~~(a)(b) include documentation from the owner and/or operator of the load as evidence that the source of the consumption was operating at below capacity due to maintenance or a Saturday, Sunday or a public holiday throughout Western Australia.~~

Notes:

~~2.1.6 The evidence provided by the Market Customer in step 2.1.5 may be in the form of an email or signed letter from the owner and/or operator of the load.~~

~~2.3.22.1.7 AEMO must only accept loads as Non-Temperature Dependent Loads if they satisfy the requirements of Appendix 5A of the WEM Rules [Clause 4.28.8(a): —9]. AEMO must only accept individually metered loads as Non-Temperature dependent, if they satisfy the requirements of Appendix 5A. In accordance with Appendix 5A, detailed evidence should accompany an application for a metered load to be determined to be an NTDLDependent Loads.~~

~~4.28.8(b): The information provided in respect of Market Rule 4.28.8(b) by a Market Customer must not include any capacity that:~~

- ~~• has received Certified Reserve Capacity;~~
- ~~• has been assigned Capacity Credits; or~~
- ~~• intends to register as a Curtailable Load.~~

~~4.28.8(c)(i): The information provided in respect of Market Rule 4.28.8(c)(i) by a Market Customer should provide enough evidence and supporting information to allow AEMO to make a determination as to the capacity of the Intermittent Load for the purposes of inclusion in the IRCR calculations.~~

~~2.1.8 4.28.8(c)(ii): In respect of the In respect of details of Demand Side Management measures that the Market Customer has implemented in step 2.1.12.1-1(b) or step 2.1.32.1-3(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 which has been assigned Certified Reserve Capacity under the WEM Rules.
- (d) In respect of nominations of capacity requirements for Intermittent Loads in step 2.1.12.1.1(c) or step 2.1.32.1.3(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.

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2.1.9 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 receiving Market Customer is responsible for providing the information required in step 2.1.12.1.1 or 2.1.32.1.3 as applicable.

2.2 Request from AEMO for Additional/Clarifying Information

2.2.1 If AEMO determines that any information provided in steps 2.1.12.1.1 and 2.1.32.1.3 is insufficient, then AEMO will issue a request for additional or clarifying information provided under Market Rule 4.28.8(c)(ii) the Market Customer may provide extracts from contracts, or may remove commercially sensitive.

2.2.2 Market Participants are required to provide the information within any contractual requested within the timeframe specified in Table 2 or Table 3 (as applicable).

2.3.32.2.3 If AEMO and the Market Customer are unable to resolve the request for additional or clarifying information provided to AEMO before the publication deadline for the Initial IRCR or the Updated IRCR (as applicable), then AEMO must determine and publish the Initial IRCR or the Updated IRCR (as applicable) as if the requested information had not been provided.

AEMO determines and publishes monthly IRCR

2.3.4 AEMO must determine and publish an updated Individual Reserve Capacity Requirement for each Market Customer by the date and time specified in Table 2, Item 5 and clause 4.1.28(b) of the Market Rules where this Individual Reserve Capacity Requirement (Market Rule 4.28.11):

- (b) is determined using the methodology described in Appendix 5 and based on Individual Reserve Capacity Requirements for Intermittent Loads determined for each Trading Month in accordance with Appendix 4A of the Market Rules;
- (aA) is calculated using data that may be modified in accordance with clause 4.28.11A of the Market Rules; and
- (c) applies from the commencement of the first Trading Month commencing after the date of publication of the updated Individual Reserve Capacity Requirement.

Notification of the monthly IRCR will be via the WEMS.