

MARKET PROCEDURE: INDIVIDUAL RESERVE CAPACITY REQUIREMENTS

PREPARED BY: AEMO | Western Australia | WA Market Operations
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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

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1. INTRODUCTION

1.1. Purpose and scope

- 1.1.1. This is the Market Procedure for Individual Reserve Capacity Requirements (Procedure) made under clause 4.28.12 of the Wholesale Electricity Market Rules (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 these Procedures 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 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

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 the table below have the meanings set out opposite them in the table when used in this Procedure.

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.
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.

- 1.2.1. 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) Notices and Communications; and
 - (b) Information Confidentiality.

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

- 1.4.1. Table 1 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 1: 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 Error! Reference source not found.)	<p>For Non-Temperature Dependent Loads (NTDLs), 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</p> <p>[clauses 4.1.23 and 4.28.8]</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>
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	

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

² This applies for ILs that were registered prior to the date and time specified in clause 4.1.23.

³ This only applies for ILs that were not registered prior to the date and time specified in clause 4.1.23.

Number	Event	Due Date for October Trading Month	Due Date for other Trading Months
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 Indicative IRCR [clause 4.28.9 and Appendix 5A]	
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 Adjusted 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	The date by which adjusted Non-STEM Settlement Statements will be released [clauses 9.16.4(c) and 4.28.11A]	

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 1 [clause 4.28.8]:

- (a) the identity of all interval meters associated with that Market Customer that the Market Customer wants AEMO 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.

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 update the following information by the relevant date and time specified in Table 2 **[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 that Market Customer that the Market Customer wants AEMO to treat as Non-Temperature Dependent Loads for the remainder of the Capacity Year; and
 - (b) details of any additional 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.
- 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 must provide the following information described in clause 4.28.8(c) of the WEM Rules by the relevant date and time specified in Table 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.

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.
- 2.1.5. In respect of Non-Temperature Dependent Loads, a Market Customer may provide evidence to AEMO 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]**.
- 2.1.6. The evidence must accompany the information provided by a Market Customer in step 2.1.1(a) or 2.1.3(a) 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
 - (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.
- 2.1.7. The evidence provided by the Market Customer in step 2.1.6 may be in the form of an email or signed letter from the owner and/or operator of the load.
- 2.1.8. 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.

- 2.1.9. 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 which has been assigned Certified Reserve Capacity under the WEM Rules.
- 2.1.10. 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.
- 2.1.11. 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 2.1.1 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 1.
- 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.