



INDEPENDENT
MARKET
OPERATOR



Market Procedure: Certification of Reserve Capacity

VERSION 5



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 Rules.

VERSION HISTORY

| Version | Effective Date | Notes |
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| 1 | 21 Sep 2006 | Market Procedure for Certification of Reserve Capacity |
| 2 | 27 Jun 2008 | Amendments to Market Procedure resulting from PC_2008_04 |
| 3 | 15 Dec 2010 | Amendments to Market Procedure resulting from PC_2009_04 |
| 4 | 18 Mar 2013 | Amendments to Market Procedure resulting from PC_2012_07 |
| 5 | 1 January 2015 | Amendments to Market Procedure resulting from PC_2013_06 |

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1 PROCEDURE OVERVIEW

1.1 Relationship with the Market Rules

- 1.1.1 This Market Procedure for Certification of Reserve Capacity (Procedure) is made in accordance with clauses 4.9.10 and 4.28C.15 of the Wholesale Electricity Market (WEM) Rules (Market Rules).
- 1.1.2 Reference to particular Market Rules within the Procedure, which are in bold and square brackets [**Clause XX**] are current as at 1 May 2014. These references are included for convenience only and are not part of this Procedure.
- 1.1.3 The IMO may modify or extend a date or time set under section 4.1 of the Market Rules (except the dates and times set by clauses 4.1.18, 4.1.26, 4.1.29 and 4.1.30) in accordance with the requirements outlined in clause 4.1.32.

1.2 Purpose of this Procedure

- 1.2.1 This Procedure describes the processes that:
 - (a) Market Participants must follow when applying for Certified Reserve Capacity [**Clause 4.9.10**] or Early Certified Reserve Capacity [**Clause 4.28C.15**];
 - (b) the IMO must follow in processing an application for Certified Reserve Capacity, including how:
 - i. Certified Reserve Capacity is assigned; and
 - ii. Reserve Capacity Obligation Quantities are set [**Clause 4.9.10**]; and
 - (c) the IMO must follow in approving Capacity Credits associated with Early Certified Reserve Capacity [**Clause 4.28C.15**].
- 1.2.2 This Procedure also specifies the format of data required to be submitted by a Market Participant applying for certification of Reserve Capacity [**Clause 4.9.3(a)**].

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 IMO Market Procedures¹ are associated with this Procedure:
 - (a) Declaration of Bilateral Trades and the Reserve Capacity Auction;
 - (b) Reserve Capacity Security;
 - (c) Reserve Capacity Testing;
 - (d) Reserve Capacity Performance Monitoring;
 - (e) Facility Registration, De-Registration and Transfer;
 - (f) Rule Participant Registration and De-Registration;

¹ Available at <http://www.imowa.com.au/market-procedures>.

- (g) Balancing Facility Requirements; and
 - (h) Notices and Communications.
- 1.4.2 The following Power System Operation Procedures² are associated with this Procedure:
- (a) Facility Outages.
- 1.4.3 The following market documents are associated with this Procedure:
- (a) Information for Applicants for Certified Reserve Capacity³;
 - (b) WEMS User Guide⁴; and
 - (c) Load for Scheduled Generation – help guide⁵.
- 1.5 Conventions Used**
- 1.5.1 In this Procedure, the conventions specified in sections 1.3 - 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 |
|---|---|
| DSOC | Declared Sent Out Capacity. |
| DSOC Owner | In respect of Facilities sharing, or proposing to share, a DSOC the party that holds, or is proposed to hold, the Arrangement for Access to which the DSOC applies. |
| System Capacity | The group within the IMO responsible for the certification of Reserve Capacity. Contact details for System Capacity are available on the Market Web Site. |
| Temperature Dependence Curve | The information provided by a Market Participant under clause 4.10.1(e)(i) of the Market Rules, as detailed in the manufacturer’s technical specifications or as determined by an independent engineering firm. |
| Wholesale Electricity Market System (WEMS) | An interface system that the IMO uses to administer/operate the Wholesale Electricity Market. |

² Available at <http://www.imowa.com.au/power-system-operation-procedures>

³ Available at <http://www.imowa.com.au/crc>.

⁴ Available from the help section of the WEMS Market Participant Interface (MPI): <https://wems.imowa.com.au/mpj>.

⁵ Available at <http://www.imowa.com.au/crc>.

2 APPLICATIONS FOR CERTIFICATION OF RESERVE CAPACITY

2.1 Submission of Applications

- 2.1.1 A Market Participant may lodge an application for Certified Reserve Capacity in respect of a Reserve Capacity Cycle between:
- (a) 9:00 AM on the first Business Day falling on or following 1 May of Year 1 of the Reserve Capacity Cycle; and
 - (b) 5:00 PM on the last Business Day falling on or before 1 July of Year 1 of the Reserve Capacity Cycle [**Clauses 4.1.7, 4.1.11 and 4.9.1(a)**].
- 2.1.2 A Market Participant may lodge an application for Conditional Certified Reserve Capacity for a future Reserve Capacity Cycle at any time prior to 9:00 AM on the first Business Day falling on or following 1 May of Year 1 of the Reserve Capacity Cycle to which the application relates [**Clauses 4.1.7 and 4.9.1(b)**].
- 2.1.3 A Market Participant with a Facility that meets the criteria outlined in clause 4.28C.1 of the Market Rules may lodge an application for Early Certified Reserve Capacity at any time before 1 January of Year 1 of the Reserve Capacity Cycle to which the application relates [**Clause 4.28C.2**].
- 2.1.4 Before submitting an application for a Facility under step 2.1.1, 2.1.2 or 2.1.3, an applicant must ensure that:
- (a) it is registered as a Market Participant; and
 - (b) the Facility name is registered in the WEMS for the purposes of Certified Reserve Capacity in accordance with the Market Procedure for Facility Registration, De-Registration and Transfer. Note that this is not the same as being a Registered Facility under the Market Rules.
- 2.1.5 A Market Participant may apply for certification of the quantity of Reserve Capacity which can be provided by a Facility if the Facility meets the requirements outlined in clause 4.8.1 of the Market Rules.
- 2.1.6 A Market Participant who lodges an application for certification of Reserve Capacity for a Facility must provide to the IMO the information specified in clause 4.9.3 of the Market Rules. The information provided must be consistent with the Reserve Capacity Cycle for which the application is being made and must be provided for each Facility. Further details of the data and information required to be submitted in support of an application is provided in the 'Information for Applicants for Certified Reserve Capacity' document on the Market Web Site.
- 2.1.7 A Market Participant must lodge an application for certification of Reserve Capacity through the WEMS. Any supporting documentation for an application required under clause 4.9.3 of the Market Rules may be delivered to the IMO in hard copy or emailed to System Capacity in any of the following formats:
- (a) compressed ZIP files (where the files in the archive must be in any of the formats listed below);
 - (b) MS Office (.xlsx, .xls, .docx, doc, pptx or .ppt); or
 - (c) Adobe PDF.

2.2 Specific Requirements for Early Certified Reserve Capacity

2.2.1 In addition to the requirements of step 2.1.6, an application for Early Certified Reserve Capacity must:

- (a) relate to a single future Reserve Capacity Cycle **[Clause 4.28C.3]**; and
- (b) state that the applicant intends to trade all assigned Certified Reserve Capacity bilaterally **[Clause 4.28C.4]**.

2.2.2 An applicant for Early Certified Reserve Capacity must ensure that the IMO holds the benefit of a Reserve Capacity Security equal to the amount specified in clause 4.28C.9 of the Market Rules, within 30 Business Days of receiving notification of the amount of Early Certified Reserve Capacity assigned to the Facility under step 3.9.3 **[Clause 4.28C.8]**. For further details of the process for providing a Reserve Capacity Security refer to the Market Procedure for Reserve Capacity Security.

3 PROCESSING OF APPLICATIONS FOR CERTIFICATION OF RESERVE CAPACITY

3.1 Acknowledgement of Application

3.1.1 The IMO must notify each applicant for certification of Reserve Capacity that its application has been received within one Business Day **[Clause 4.9.6]**. This notification may be provided through the WEMS.

3.1.2 An applicant must contact the IMO and arrange to resubmit its application for certification of Reserve Capacity where it has not received a notification of receipt of the application within the timeframes outlined in step 3.1.1. The resubmission of an application must be made during the applicable lodgement period specified in step 2.1.1, 2.1.2 or 2.1.3 **[Clause 4.9.7]**.

3.2 Data Accuracy and Sufficiency Assessment

3.2.1 The IMO must check all data provided in the application to check whether:

- (a) all required information has been provided;
- (b) the information provided is of sufficient detail; and
- (c) information has been specifically provided to support the applicant's claims in respect to the capacity of the Facility.

3.2.2 Where the information provided by the applicant is considered by the IMO to be insufficient or incomplete following its assessment in step 3.2.1:

- (a) the IMO must as soon as practicable request:
 - i. a clarification of the information provided originally; and/or
 - ii. further information to be provided to assist the IMO in processing the application; and
- (b) the applicant must respond to the request as soon as practicable.

3.3 Assessment of Application where Facility has Previously Been Assigned Conditional Certified Reserve Capacity

3.3.1 Where a Market Participant is re-lodging an application for Certified Reserve Capacity for a Facility that has already been assigned Conditional Certified Reserve Capacity, the IMO must check:

- (a) whether the application is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned; and
- (b) whether the information has remained correct **[Clause 4.9.5]**.

3.3.2 A re-lodged application for Certified Reserve Capacity must include evidence of an Arrangement of Access or evidence that the Market Participant has accepted an Access Proposal from the relevant Network Operator made in respect of the Facility **[Clause 4.10.1(bA)]**.

3.3.3 Where the IMO determines that a re-lodged application for Certified Reserve Capacity:

- (a) is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned;
- (b) is accurate; and
- (c) provides details of network access as required under step 3.3.2,

the IMO must confirm the Certified Reserve Capacity, Reserve Capacity Obligation Quantity and the Reserve Capacity Security levels, subject to re-calculation of the level of Certified Reserve Capacity for an Intermittent Generator **[Clause 4.9.5(c)]**.

3.3.4 Where a re-lodged application does not include details of network access as required under step 3.3.2, the IMO must deem the application to be inconsistent with the information upon which the Conditional Certified Reserve Capacity was assigned on the basis that the Facility assigned would be unable to be a Registered Facility prior to the date its Reserve Capacity Obligations for the relevant Reserve Capacity Cycle would take effect **[Clause 4.11.1(f)]**.

3.3.5 Where the IMO determines that:

- (a) a re-lodged application is inconsistent with the information upon which the Conditional Certified Reserve Capacity was assigned; or
- (b) the information in the re-lodged application is inaccurate,

the IMO must not take the Conditional Certified Reserve Capacity into account when processing the application **[Clause 4.9.5(d)]**.

3.4 Timing Assessment

3.4.1 The IMO must not assign Certified Reserve Capacity to a Facility where the Facility:

- (a) is not scheduled to first commence operation by 1 October of Year 3 of the relevant Reserve Capacity Cycle, being the date that Reserve Capacity Obligations will apply for that Facility **[Clause 4.11.1(c)(ii)]**; or
- (b) will cease operation permanently, and hence cease to meet Reserve Capacity Obligations, from a time earlier than 1 August of Year 4 of the relevant Reserve Capacity Cycle **[Clause 4.11.1(c)(iii)]**; or

- (c) is not expected to be a Registered Facility by the time its Reserve Capacity Obligations for the relevant Reserve Capacity Cycle would take effect **[Clause 4.11.1(f)]**.

3.5 Outage Assessment

3.5.1 The IMO must identify:

- (a) each Facility that has operated for at least 36 months and has had a Forced Outage rate of greater than 15% or a combined Planned Outage rate and Forced Outage rate of greater than 30% over the preceding 36 months; and
- (b) each Facility that has operated for less than 36 months, or is yet to commence operation, where the IMO has cause to believe that over a period of 36 months the Facility is likely to have a Forced Outage rate of greater than 15% or a combined Planned Outage rate and Forced Outage rate of greater than 30%. **[Clause 4.11.1(h)]**

3.5.2 For the purpose of step 3.5.1, the IMO must calculate the Planned Outage rate and Forced Outage rate for each Facility in accordance with the Power System Operation Procedure: Facility Outages. **[Clause 4.11.1 (h)]**

3.5.3 For each Facility identified in step 3.5.1, the IMO must notify the applicant that it has breached, or that the IMO has cause to believe that it will breach, the outage threshold in step 3.5.1. This notification must be provided to the applicant at least 15 Business Days prior to the deadline in step 3.8.1.

3.5.4 Each notification issued under step 3.5.3 may include a request for information from the applicant in relation to the present and future performance of the Facility, including:

- (a) the causes of the outages;
- (b) the steps being taken, or that have been taken, to reduce the level of outages; and
- (c) the expected level of future outages.

3.5.5 The IMO may consult with System Management in relation to the outage rates of any Facility identified in step 3.5.1.

3.5.6 The IMO may decide not to assign Certified Reserve Capacity to a Facility identified in step 3.5.1 **[Clause 4.11.1(h)]**. In making this determination, the IMO may consider any information gathered in steps 3.5.4 and 3.5.5 and may also consider, amongst other factors:

- (a) the actions being taken by the Market Participant to reduce the level of outages at the Facility;
- (b) the likelihood that these actions will reduce the level of outages of the Facility; and
- (c) whether or not the outages of the Facility are compromising, or are likely to compromise, the ability of the Facility to contribute to the security and reliability of the SWIS.

3.5.7 Where the IMO determines under step 3.5.6 to not assign Certified Reserve Capacity to a Facility, it must notify the applicant of its decision and the reasons for its decision in accordance with the process in section 3.9, otherwise the IMO must continue to process the application in accordance with the steps outlined in this Procedure.

3.6 Balancing Facility Requirements

3.6.1 The IMO must not assign Certified Reserve Capacity to a Balancing Facility with a rated capacity greater than or equal to 10 MW unless the IMO is satisfied that the Facility is likely to be able to meet the Balancing Facility Requirements, as described in the Market Procedure: Balancing Facility Requirements [Clause 4.11.12].

3.7 Facilities Sharing a Declared Sent Out Capacity

3.7.1 If the IMO receives multiple applications for Certified Reserve Capacity for a Reserve Capacity Cycle that relate to the same DSOC, and the sum of the levels of unconstrained access provided in the applications under clause 4.10.1(bA) of the Market Rules exceeds that DSOC, then the IMO must as soon as practicable notify by email the Market Participants that submitted the applications. The notifications must:

- (a) identify the Market Participant and Facility for each application; and
- (b) request that the DSOC Owner provide to the IMO details of how the DSOC will be shared among the Facilities⁶.

3.7.2 If a Market Participant receives a notification in step 3.7.1, the Market Participant must use its best endeavours to ensure that the DSOC Owner provides a response to the IMO by email within five Business Days. The response must:

- (a) be signed:
 - i. if the DSOC Owner is a company as defined in the Corporations Act, in accordance with section 127 of the Corporations Act;
 - ii. if the DSOC Owner is a Market Participant but not a company as defined in the Corporations Act, by an Authorised Officer of that Market Participant; or
 - iii. otherwise, in a manner reasonably acceptable to the IMO; and
- (b) identify, for each Facility proposed to share the DSOC, the level of unconstrained access that will be available for use by that Facility in the relevant Capacity Year, where the sum of these levels must not exceed the DSOC.

3.7.3 If within five Business Days the IMO receives from the DSOC Owner a response to a notification sent in step 3.7.1 that meets the requirements in step 3.7.2, then the IMO must:

- (a) within one Business Day, acknowledge receipt of the response by email; and
- (b) for each affected Facility:
 - i. within one Business Day, notify the Market Participant by email of the share of the DSOC assigned to the Facility by the DSOC Owner; and
 - ii. for the purposes of steps 4.2.1 and 5.2.1, replace the level of unconstrained access provided in the application for Certified Reserve Capacity with the level specified for the Facility by the DSOC Owner in its response.

⁶ Note that usually the DSOC Owner will be one of the Market Participants.

- 3.7.4 If the IMO does not, within five Business Days, receive from the DSOC Owner a response to a notification sent in step 3.7.1 that meets the requirements in step 3.7.2, then the IMO must reject all the applications referred to in the notification, as not meeting the requirement under clause 4.10.1(bA) of the Market Rules.

3.8 Facility-Specific Assessment

- 3.8.1 In addition to the assessments above, the IMO must further assess applications for Certified Reserve Capacity in accordance with:

- (a) section 4, for generation facilities that have nominated the use of the methodology described in clause 4.11.1(a) of the Market Rules;
- (b) section 5, for generation facilities that have nominated the use of the methodology described in clause 4.11.2(b) of the Market Rules, including Intermittent Generators; and
- (c) section 6, for Demand Side Programmes, Dispatchable Loads and Interruptible Loads.

3.9 Notifications Regarding Certified Reserve Capacity

- 3.9.1 The IMO must provide each applicant for certification of Reserve Capacity with a notification of whether the IMO has assigned Certified Reserve Capacity to the Facility for the Reserve Capacity Cycle:

- (a) by 5:00 PM of the last Business Day on or before 19 August of Year 1 of that Reserve Capacity Cycle, for applications for the current Reserve Capacity Cycle [**Clauses 4.9.8(a) and 4.1.12**]; or
- (b) within 90 days of the IMO receiving the application, for applications for a future Reserve Capacity Cycle [**Clause 4.9.8(b)**].

- 3.9.2 If the IMO assigns Certified Reserve Capacity to a Facility the notification provided to the Facility must include the information specified in clause 4.9.9 of the Market Rules. Note that some of this notification to applicants may be provided through the WEMS.

- 3.9.3 The IMO must notify each applicant for Early Certified Reserve Capacity of the quantity of Early Certified Reserve Capacity, the initial Reserve Capacity Obligation Quantity and, provided that the Reserve Capacity Security has been provided to the IMO, the quantity of Capacity Credits assigned to the Facility within 90 days of the application having been received [**Clauses 4.28C.6, 4.28C.7 and 4.28C.10**].

4 ASSESSMENT FOR GENERATION FACILITIES BEING ASSESSED UNDER CLAUSE 4.11.1(A)

4.1 Plant Capability Assessment

- 4.1.1 The IMO must determine its reasonable expectation of the maximum Sent Out Capacity, after netting off capacity required to serve Intermittent Loads, embedded loads and Parasitic Loads, for each Facility from 1 October of Year 3 of the Reserve Capacity Cycle until the end of July of Year 4 of the Reserve Capacity Cycle, assuming an ambient temperature of 41⁰C [**Clause 4.11.1(a)**].

- 4.1.2 The maximum Sent Out Capacity determined in step 4.1.1 must not exceed the sum of the capacities specified by the Market Participant under clauses 4.10.1(e)(ii) and 4.10.1(e)(iii) of the Market Rules [**Clause 4.11.1(b)**].

- 4.1.3 In determining the maximum sent out capacity in step 4.1.1, the IMO must have regard to the following information, as applicable:
- (a) the historical sent out generation of the Facility, as observed from Meter Data Submissions;
 - (b) the results of Reserve Capacity Tests that have been conducted during the previous twelve months;
 - (c) technical specifications for the Facility, as provided by the original equipment manufacturers or an independent engineering firm; and
 - (d) the Temperature Dependence Curve for the Facility.

4.2 Network Access Assessment

- 4.2.1 The IMO must assess the evidence of network access provided by the applicant under clause 4.10.1(bA) of the Market Rules, including the level of unconstrained access and details of any constraints that may apply, and if applicable follow step 3.7.
- 4.2.2 In respect of a Facility that will be subject to a Network Control Service Contract, the IMO must not assign Certified Reserve Capacity in excess of the capacity that the IMO believes that Facility can usefully contribute given its location and any network constraints that are likely to occur **[Clause 4.11.1(g)]**.
- 4.2.3 Where the IMO requests information from a Network Operator in relation to an application for Certified Reserve Capacity, in accordance with clause 4.11.5 of the Market Rules, it must not provide information to the Network Operator that was provided to it as part of an application for Certified Reserve Capacity, except with the permission of the applicant.

4.3 Assessment of Fuel Supply, Staffing Constraints and Other Restrictions

- 4.3.1 The IMO must assess:
- (a) the details and evidence of firm and non-firm fuel supplies provided by the applicant under clause 4.10.1(e)(v) of the Market Rules; and
 - (b) any restrictions on the availability of the Facility due to staffing constraints or other restrictions, as specified by the applicant under clause 4.10.1(g) of the Market Rules,
- to determine whether it reasonably expects that the Facility is likely to be available at the level of capacity determined in step 4.1.1 for Peak Trading Intervals on Business Days **[Clause 4.11.1(a)]**.
- 4.3.2 When making a determination in step 4.3.1 the IMO:
- (a) must consider the expected operational characteristics of the Facility;
 - (b) must consider the potential impacts that limitations on the availability of the Facility may have on its ability to contribute to Power System Adequacy; and
 - (c) may consider the water requirements for the Facility.
- 4.3.3 If the IMO reasonably expects in step 4.3.1 that the Facility is not likely to be available for Peak Trading Intervals on Business Days at the level of capacity determined in step 4.1.1, it may determine that the Facility is likely to be available for Peak Trading Intervals on Business Days at a lower level of capacity.

- 4.3.4 If an applicant provides details and evidence that the Facility can operate on an alternative fuel source, the IMO must assess this information to determine whether it reasonably expects that the Facility is likely to be available at the level of capacity determined in step 4.1.1 for 12 hours of continuous operation.
- 4.3.5 If the IMO reasonably expects in step 4.3.4 that the Facility is not likely to be available for 12 hours of continuous operation at the level of capacity determined in step 4.1.1, the Facility will not be considered to be a dual fuel Facility for the purpose of Certified Reserve Capacity.
- 4.3.6 The IMO may also review the water requirements for the Facility to determine whether it reasonably expects that the Facility is likely to be available at the level of capacity determined in step 4.1.1 for Peak Trading Intervals on Business Days.

4.4 Environmental Approval Assessment

- 4.4.1 Where a Facility, or part of the Facility, has yet to enter service, the IMO must assess the evidence of Environmental Approvals, or evidence that the necessary Environmental Approvals will be granted in time to meet its Reserve Capacity Obligations, to ensure that:
- (a) the Environmental Approvals that have been granted or are being applied for will allow operation at the level of capacity determined in step 4.1.1; and
 - (b) it reasonably expects that the Environmental Approvals will be in place in time for the Facility to meet its Reserve Capacity Obligations.
- 4.4.2 If the IMO reasonably expects that the Environmental Approvals that have been granted or are being sought are insufficient to support availability for Peak Trading Intervals on Business Days at the level of capacity determined in step 4.1.1, it may determine that the Facility is likely to be available for Peak Trading Intervals on Business Days at a lower level of capacity.

4.5 Assignment of Certified Reserve Capacity

- 4.5.1 Based on the outcome of assessments in sections 4.1 to 4.4, the IMO must assign a quantity of Certified Reserve Capacity to a Facility according to its reasonable expectation of the amount of Reserve Capacity likely to be available from the Facility during daily peak demand times from 1 October in Year 3 to 31 July in Year 4 of the Reserve Capacity Cycle, assuming an ambient temperature of 41°C **[Clause 4.11.1(a)]**. This will be set to the minimum of:
- (a) the level nominated by the applicant in its application;
 - (b) the maximum sent out capacity of the Facility as determined in step 4.1.1;
 - (c) the level of unconstrained access as assessed in step 4.2.1;
 - (d) a lower level of capacity as determined in step 4.3.3, if applicable; and
 - (e) a lower level of capacity as determined in step 4.4.2, if applicable.
- 4.5.2 The IMO may consult with System Management as required in assigning Certified Reserve Capacity to a Facility under clause 4.11.1(a).

4.6 Initial Reserve Capacity Obligation Quantity

- 4.6.1 The IMO must determine whether there are periods of time during which staffing or other factors will limit the Facility's ability to provide energy upon request.
- 4.6.2 The IMO must set the initial Reserve Capacity Obligation Quantity for the Facility at a level equal to the Certified Reserve Capacity except for those periods of time

determined at step 4.6.1, in which case the IMO may set the initial Reserve Capacity Obligation Quantity at a lower level for those periods [**Clause 4.12.4**].

5 ASSESSMENT FOR GENERATION FACILITIES BEING ASSESSED UNDER CLAUSE 4.11.2(b)

5.1 Consideration of Nomination to use the Methodology Under Clause 4.11.2(b)

5.1.1 Where an applicant nominates for a Facility to be assessed under the methodology described in clause 4.11.2(b) of the Market Rules, the IMO may reject that nomination if it reasonably believes that the capacity of the Facility has permanently declined, or is anticipated to permanently decline prior to or during the Reserve Capacity Cycle to which the Certified Reserve Capacity relates [**Clause 4.11.2(a)**].

5.1.2 If the IMO rejects a nomination under step 5.1.1, it must process the application as if the application had nominated to use the methodology described in clause 4.11.1(a) of the Market Rules. This methodology is detailed in section 4 [**Clause 4.11.2(aA)**].

5.2 Network Access Assessment

5.2.1 The IMO must assess the evidence of network access provided by the applicant under clause 4.10.1(bA) of the Market Rules, including the level of unconstrained access and details of any constraints that may apply, and if applicable follow step 3.7.

5.2.2 In respect of a Facility that will be subject to a Network Control Service Contract, the IMO must not assign Certified Reserve Capacity in excess of the capacity that the IMO believes that Facility can usefully contribute given its location and any network constraints that are likely to occur [**Clause 4.11.1(g)**].

5.2.3 Where the IMO requests information from a Network Operator in relation to an application for Certified Reserve Capacity, in accordance with clause 4.11.5 of the Market Rules, it must not provide information to any Network Operator that was provided to it as part of an application for Certified Reserve Capacity, except with the permission of the applicant.

5.3 Assessment of Independent Expert Report

5.3.1 Where an applicant provides an independent expert report under clause 4.10.3 of the Market Rules, the IMO must assess the accuracy of the report. This assessment may consider the following factors:

- (a) the configuration of the Facility that was considered in developing the report;
- (b) the level of network access available, or expected to be available, to the Facility as assessed in step 5.2.1;
- (c) the observed sent out generation of similar Facilities, if applicable;
- (d) any restrictions on the availability of the Facility due to staffing constraints or other restrictions, as specified by the applicant under clause 4.10.1(g) of the Market Rules; and
- (e) any other factors that the IMO considers relevant.

5.3.2 If in step 5.3.1, the IMO considers the independent expert report to be inaccurate, it may determine alternative estimates of the expected energy that would have been sent out by the Facility had it been in operation with the configuration

proposed in the application for Certified Reserve Capacity to be used in the Relevant Level Methodology [**Appendix 9 Step 10**].

5.4 Assignment of Certified Reserve Capacity

5.4.1 The IMO must assign a quantity of Certified Reserve Capacity equal to the minimum of:

- (a) the Relevant Level, determined in accordance with the Relevant Level Methodology prescribed in Appendix 9 of the Market Rules; and
- (b) the level of unconstrained access as assessed in step 5.2.1.

5.5 Initial Reserve Capacity Obligation Quantity

5.5.1 The IMO must set the initial Reserve Capacity Obligation Quantity to zero for an Intermittent Generator [**Clause 4.12.4(aA)**].

5.5.2 For a generation system that is not an Intermittent Generator that has sought to be certified under clause 4.11.2(b) of the Market Rules, the IMO must:

- (a) identify whether there are periods of time during which staffing or other factors will limit the Facility's ability to operate at full output; and
- (b) set the initial Reserve Capacity Obligation Quantity for the Facility at a level equal to the Certified Reserve Capacity except for those periods of time determined at step 5.5.2(a), in which case the IMO may set the initial Reserve Capacity Obligation Quantity at a lower level for those periods [**Clause 4.12.4**].

6 ASSESSMENT FOR DEMAND SIDE PROGRAMMES, INTERRUPTIBLE LOADS OR DISPATCHABLE LOADS

6.1 Assessment of Availability Restrictions

6.1.1 The IMO must assess the availability limits specified by the applicant under clause 4.10.1(f) of the Market Rules and must reject any application where the specified availability limits are less than the minimum requirements specified in that clause.

6.1.2 The IMO must allocate each Facility to an Availability Class in accordance with clause 4.11.4 and Appendix 3 of the Market Rules.

6.2 Facility Capability Assessment

6.2.1 The IMO must determine the quantity of capacity that it reasonably expects to be available from the Facility during the periods specified in clause 4.10.1(f)(vi) of the Market Rules, after netting off capacity required to serve minimum loads [**Clause 4.11.1(j)**].

6.2.2 In determining the capacity in step 6.2.1, the IMO must have regard to the following information, as applicable:

- (a) the previous performance of the Facility, where applicable, including the results of Reserve Capacity Tests;
- (b) evidence of contracts with Associated Loads provided by the applicant;
- (c) evidence that loads are being actively pursued to be associated with a Demand Side Programme;

- (d) the Relevant Demand for the Facility, or loads that are expected to be associated with the Facility, determined in accordance with clause 4.26.2C of the Market Rules;
- (e) any restrictions on the availability of the Facility due to staffing constraints or any other restrictions, as specified by the applicant under clause 4.10.1(g) of the Market Rules;
- (f) the past history of the applicant in procuring DSM capacity; and
- (g) any other factors that the IMO considers relevant.

6.3 Assignment of Certified Reserve Capacity

6.3.1 Unless it has rejected the application under step 6.1.1, the IMO must assign Certified Reserve Capacity to a Facility equivalent to the quantity determined in step 6.2.1.

6.4 Initial Reserve Capacity Obligation Quantity

6.4.1 The IMO must set the initial Reserve Capacity Obligation Quantity for the Facility at:

- (a) a level equal to the Certified Reserve Capacity during the periods of availability specified by the applicant under clause 4.10.1(f)(vi) of the Market Rules, accounting for staffing and other restrictions on the ability of the Facility to curtail energy upon request; and
- (b) zero for all other periods [**Clause 4.12.4(c)**].