

Reliability and Emergency Reserve Trader (RERT) End of Financial Year 2021-22 Report

August 2022

A report for the National Electricity Market





Important notice

Purpose

AEMO publishes the Reliability and Emergency Reserve Trader (RERT) End of Financial Year Report under clause 3.20.6(g) of the National Electricity Rules.

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1 RERT 2021-22 end of financial year reporting

This section addresses AEMO's Reliability and Emergency Reserve Trader (RERT) end of financial year reporting requirements for 2021-22, as required under clause 3.20.6 (g) of the National Electricity Rules (NER)¹.

1.1 Summary of RERT activity

1.1.1 Reserves contracted

AEMO entered into RERT contracts during 2021-22 for:

- Tuesday 1 February 2022:
 - 331 megawatts (MW) of Short Notice (SN) reserve in Queensland, with durations of between 6.5 hours and 16.5 hours, and
 - 254 MW of SN reserve in New South Wales, with durations of between 3.5 hours and 7.5 hours.
- Wednesday 2 February: 8 MW of SN reserve with a duration of 16.5 hours.
- Monday 13 June: 49 MW of SN reserve in Queensland, with durations of between 4.5 hours and 6.5 hours.
- Tuesday 14 June:
 - 300 MW of SN reserve in New South Wales, with a duration of 5 hours, and
 - 52 MW of SN reserve in Queensland, with durations of between 4.5 hours and 5 hours.
- Wednesday 15 June:
 - 51 MW of SN reserve in Queensland, with durations of between 5 hours and 8 hours, and
 - 567 MW of SN reserve in New South Wales, with a duration of between 3 hours and 6.5 hours.
- Friday 17 June:
 - 622 MW of SN reserve in New South Wales, with a duration of between 6 hours and 9.3 hours, and
 - 666 MW of SN reserve in Victoria, with a duration of between 3 hours and 5 hours.

AEMO did not enter into any Medium Notice, Long Notice or Interim Reserve contracts in the 2021-22 financial year.

1.1.2 Reserves activated

AEMO activated RERT on the following occasions during 2021-22.

¹ For further information about RERT contracts, activations and costs, see the AEMO RERT Reporting web page, at <https://aemo.com.au/energy-systems/electricity/emergency-management/reliability-and-emergency-reserve-trader-rert/rert-reporting>.



Tuesday 1 February 2022 (Queensland)

AEMO activated RERT in Queensland from 1700 hrs to 2130 hrs, in response to forecast Lack of Reserve 2 (LOR 2) and forecast Lack of Reserve 3 (LOR 3) conditions.

AEMO activated nine reserves with a total capacity of 322.7 MW and volume of 1,415 megawatt hours (MWh).

The total cost of exercising RERT² on 1 February 2022 was \$50,113,327.08.

Tuesday 14 June 2022 (New South Wales)

AEMO activated RERT in New South Wales from 1805 hrs to 2105 hrs, in response to a forecast LOR 3 condition.

AEMO activated one reserve with a total capacity of 300 MW and volume of 900 MWh.

The total cost of exercising RERT on 14 June 2022 was \$21,600,000.

Wednesday 15 June 2022 (New South Wales)

AEMO activated RERT in New South Wales from 1730 hrs to 2330 hrs, in response to forecast LOR 2 and LOR3 conditions.

AEMO activated 12 reserves with a total capacity of 489 MW and volume of 1,483 MWh. An additional 48 MW of RERT capacity was pre-activated but not activated.

The total cost of exercising RERT in New South Wales on 15 June 2022 was \$29,570,318.

Wednesday 15 June 2022 (Queensland)

AEMO activated RERT in Queensland from 1800 hrs to 2330 hrs, in response to forecast LOR2 and LOR3 conditions.

AEMO activated five reserves with a total capacity of 51 MW and volume of 241 MWh.

The total cost of exercising RERT in Queensland on 15 June 2022 was \$3,735,410.

Friday 17 June to 18 June 2022 (New South Wales)

AEMO activated RERT in New South Wales from 2000 hrs on Friday 17 June to 0410 hrs on Saturday 18 June to 1830 hrs, in response to a forecast LOR 2 condition.

AEMO activated 12 reserves with a total capacity of 463 MW and volume of 1417 MWh. An additional 23 MW of RERT capacity was pre-activated but not activated.

The total cost of exercising RERT in New South Wales on 17 to 18 June 2022 was \$25,059,962.

1.2 Cost of RERT in 2021-22

Table 1 shows a breakdown of the costs associated with exercising RERT in 2021-22. The total cost for each event includes pre-activation, activation, and intervention costs.

² In this report, the total cost of exercising RERT means pre-activation, activation, and intervention costs.

Table 1 Costs associated with exercising RERT in 2021-22

	State	Pre-activation (\$)	Activation (\$)	Intervention (\$) ^A	Total cost (\$)	Cost per MWh (\$/MWh) ^B
1 February 2022	QLD	7,057,335.89	31,843,400.46	11,212,590.73	50,113,327.08	35,428
14 June 2022	NSW	8,100,000.00	13,500,000.00	\$0	21,600,000.00	24,000
15 June 2022	NSW	10,809,002.62	18,761,315.30	\$0	29,570,317.92	19,933
15 June 2022	QLD	696,633.93	3,038,776.04	\$0	3,735,409.97	15,500
17 to 18 June 2022	NSW	8,231,476.88	16,828,485.45	\$0	25,059,962.33	17,687
Total		34,894,449.32	83,971,977.25	11,212,590.73	130,079,017.30	23,842

A. Intervention costs represent compensation paid to Market Participants due to the intervention event (for example, to compensate for energy generation which is displaced by RERT capacity), and to Eligible Persons (SRA holders) due to changes in interconnector flows, and therefore changes in the value of Settlement Residues. Note that these costs are subject to change under NER clause 3.12.1(a).

B. The cost per MWh has been calculated based on the total cost of each event divided by the MWh delivered for each event. RERT MWh delivered is the amount of RERT actually delivered (as opposed to activated) including any over-delivery, noting that RERT providers have not been paid for over-delivery.

Table 2 shows the total costs per region associated with RERT in 2021-22, which includes availability, pre-activation, activation, and intervention costs. The overall total cost of RERT in 2021-22 was \$130,079,017 million.

Table 2 Total regional RERT costs in 2021-22

State	Availability (\$)	Pre-activation (\$)	Activation (\$)	Intervention (\$)	Total cost (\$)	Cost per MWh (\$/MWh)
NSW	0	27,140,479.50	49,089,800.75	\$0	76,230,280.25	20,059
QLD	0	7,753,969.82	34,882,176.50	11,212,590.73	53,848,737.05	32,527
Total	0	34,894,450.32	83,971,977.25	11,212,590.73	130,079,017.30	23,842