# Interim Reliability Reserves Tender

Questions and Answers Published 5 September 2023

1.

|  |  |  |
| --- | --- | --- |
| Question number | Questions | Answers |
| 1 | How much interim reliability reserve MW capacity is AEMO seeking for Vic and SA? | AEMO is seeking the additional capacity amounts of 118MW in SA and 120MW in Vic for 2023-24, 55MW in Vic for 2024-25 and 13MW for 2025-26 as published in the ESOO.  |
| 2 | Is the tender only for 2023-24? | No, the tenders can offer multiple years (up to 3) so long as the offer also includes reserves for 2023-24 and that at least 2 years of a proposed contract term relate to years where there is a reliability gap. If reserves can't be offered for 2023-24 a justification needs to be provided. |
| 3 | Do reserves have to be located in Vic or SA? | Yes, however AEMO may procure reserves in either of these regions to support another via the interconnector.  |
| 4 | Do NMIs need to be supplied at the time of submission? | Yes |
| 5 | How will AEMO handle customers engaging multiple aggregators? | AEMO will cross check the NMIs in each portfolio and seek clarification where things don't look right.  |
| 6 | I understand that reserves receiving capacity payments cannot be in other energy market programs (spot exposed, retailer DR etc), how is Ancillary Service Load FCAS considered in this? Can a site be actively bid for FCAS while receiving a capacity payment? | Reserves offered can be spot exposed and can be providers of ancillary services, this will be factored into AEMOs tender evaluation. Operation of the site will be up to provider. AEMO assume reserves would not be offered into regulation FCAS at the same time as Interim Reliability Reserves. Tenderers could possibly propose a suitable operating protocol covering both contingency FCAS and Interim Reliability Reserves to manage the co-optimisation.  |
| 7 | Can reserves that are currently provided in short notice RERT be offered into the Interim Reliability Reserve Tender? | Potential providers can offer reserves into the Interim Reliability Tender that are currently in short notice RERT, but if successful for the interim reserves contract you must then withdraw them from short notice RERT so each NMI can only be in one program at once. Following the conclusion of any interim reserve contract NMIs could then be moved back into short notice RERT.  |
| 8 | What is AEMOs preferred timing for reserves? | The months of December, January, February, and March are considered higher risk. Offers do not need to be for a minimum 12 month term and can be targeted to the higher risk months or the months the reserve is available. Multiple options can be provided in the Tender form. In evaluating offers, AEMO will consider the maximum contract term and reserve amounts reasonably necessary to address the relevant interim reliability exceedance. |
| 9 | What is the method of dispatch/activation? | Reserves will be activated via the same method as short notice RERT, excluding the tender step.  |
| 10 | Can the reserves be contracted already for a retailers demand response program or be doing demand response on their own? | Yes, however the reserves must be out of market. Contracted reserves must remain available and out of market for the period of the interim reliability reserve contract. AEMO is required to take actions which have the least distortionary effect on the operation of the market and our evaluations will assess this. For more information please refer to the RERT guidelines section 7.1. |
| 11 | Baseline calculation include interim reliability reserve tender days? | Days in which interim reserves have been activated should be excluded from the baseline calculations.  |
| 12 | What is the earliest date in which an agreement could start from? | Assuming testing and other conditions subsequent were met AEMO could consider an agreement start date earlier than the planned start date which is currently 1 January 2024.  |
| 13 | Is Supervisory Control and Data Acquisition (SCADA) mandatory?  | No SCADA is not mandatory.  |
| 14 | Can a Tenderer offer reserves in blocks less that 10MW? | Reserve blocks less than 10MW may be offered but the offer will be non-complaint. This should be highlighted in the Statement of Compliance section of the tender form. Refer to section B.15 and B.23 of the Tender. |