



# WDRM – NEW BASELINE METHODOLOGY PROPOSAL - REQUIRED INFORMATION

**Prepared by:** WDR Operations

---

**Version:** 1

---

**Published:** 22 January 2024

---

**Status:** Final

---

[aemo.com.au](https://aemo.com.au)

New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia

Australian Energy Market Operator Ltd ABN 94 072 010 327

## Contents

<b>Current version release details</b>	<b>2</b>
<b>1. Introduction</b>	<b>3</b>
1.1. Purpose and scope	3
1.2. Definitions and interpretation	3
1.3. Related documents	3
<b>2. Proposing a new baseline methodology</b>	<b>4</b>
<b>3. Required information</b>	<b>5</b>

## Current version release details

Version	Published	Summary of changes
1	22 January 2024	Initial version.

# 1. Introduction

## 1.1. Purpose and scope

This document outlines the information to be provided to AEMO in an application by a *Market Participant (Baseline Proponent)* proposing a new *baseline methodology* for the purpose of section 4.1, Step 1(a) of the Wholesale Demand Response Guidelines.

## 1.2. Definitions and interpretation

Section 1.3 of the Wholesale Demand Response Guidelines applies to this document as if references to ‘these Guidelines’ were references to this document.

## 1.3. Related documents

Title	Location
WDRM – Baseline Eligibility Compliance and Metrics Policy	<a href="https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2020/wdrm-becm-policy/first-round/baselines-eligibility-compliance-and-metrics-policy.pdf?la=en">https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2020/wdrm-becm-policy/first-round/baselines-eligibility-compliance-and-metrics-policy.pdf?la=en</a>
Wholesale Demand Response Guidelines (AEMO)	<a href="https://aemo.com.au/consultations/current-and-closed-consultations/wdr-guidelines">https://aemo.com.au/consultations/current-and-closed-consultations/wdr-guidelines</a>
Baseline Methodology Register (AEMO)	<a href="https://aemo.com.au/-/media/files/initiatives/wdr/baseline-methodology-register.pdf?la=en">https://aemo.com.au/-/media/files/initiatives/wdr/baseline-methodology-register.pdf?la=en</a>

## 2. Proposing a new baseline methodology

The process for proposing a new *baseline methodology* is outlined in the Wholesale Demand Response Guidelines<sup>1</sup>.

A proposal for a new *baseline methodology* must include all information specified in section 3 of this document and outline how the new *baseline methodology* will facilitate the assessment of a wholesale demand response unit (WDRU) against the *baseline methodology* and associated *baseline settings*. AEMO may request that a Baseline Proponent provide further information or clarification in regard to the proposed *baseline methodology* as provided in section 4.1, Step 2(a) of the Wholesale Demand Response Guidelines.

All proposals for a new *baseline methodology* should be sent to [wdrops@aemo.com.au](mailto:wdrops@aemo.com.au).

---

<sup>1</sup> <https://aemo.com.au/en/consultations/current-and-closed-consultations/wdr-guidelines>

### 3. Required information

A *baseline methodology* can be specified by a combination of components including the baseline window, the exclusion rules, the calculation type, the baseline adjustments and the adjustment window. These components are combined to accurately calculate the baseline energy. A Baseline Proponent must provide AEMO the information described in Table 1 when proposing a new *baseline methodology*.

**Table 1 - Baseline component required information**

Component	Required information
Framework	Framework new <i>baseline methodology</i> is based on - CAISO, 10 of 10, 3 of 3, etc (if/as applicable)
Applicable day types	Specific days of the week it applies to (i.e., weekdays, weekends, all days, all days except Thursdays etc).
Baseline window	The period of time preceding a demand response event from which <i>metering data</i> is used for the purpose of establishing a <i>baseline</i> . Examples of baseline windows include the last 45 calendar days or the last 10 non-holiday weekdays.
Exclusion rules	The rules for excluding data from the baseline window such as the days (or <i>trading intervals</i> ) with demand response events or days with the highest or lowest loads.
Calculation type	The method of developing the baseline value using data from the baseline window. Examples of calculation types include the average value for the last 10 days for that <i>trading interval</i> or highest 4 of 5 values for that <i>trading interval</i> .
Baseline adjustment	<p>An additional calculation applied after the basic calculation type, to align the <i>baseline</i> with observed conditions of the event day. The basic calculation type is applied to an adjustment window, being a period of time before the demand response occurred, for which actual <i>metering data</i> is available. This window might be the first 3 hours of the 4 hours prior to the demand response.</p> <p>Common approaches for baseline adjustment are:</p> <ul style="list-style-type: none"> <li>• Additive approach - the average difference between the baseline and actual data for the adjustment period is determined and that average difference is applied to the <i>baseline</i> during the demand response interval.</li> <li>• Multiplicative approach - the ratio of the average demand energy to the average baseline energy during the adjustment period is applied to the <i>baseline</i> during the demand response interval.</li> <li>• Capped multiplicative approach - the ratio of the average demand energy to the average baseline energy during the adjustment period, with a floor and cap applied to the ratio (e.g. between (e.g. between 0.8 and 1.2) is applied to the <i>baseline</i> during the demand response interval.</li> </ul>
Other information relevant to baseline methodology calculation	Any other information necessary to <b>fully</b> describe the logic/methodology/calculation of the baseline energy to be calculated for WDR.
Baseline for settlements	Any additional information required to <b>fully</b> describe how <i>baseline</i> will be calculated for <i>settlement</i> purposes.
Baselines for eligibility and compliance	Any additional information required to <b>fully</b> describe how <i>baselines</i> will be calculated for eligibility and compliance purposes.

In addition to describing the components of the new *baseline methodology* and associated logic and calculations, AEMO requests that the Baseline Proponent provide analysis (see Table 2) around the potential take-up and benefits of the new *baseline methodology*.

**Table 2 - Baseline methodology impacts required information**

Topic	Required information
<b>Benefits to participants</b>	Describe how and why the new <i>baseline methodology</i> will enable additional participation in WDRM and enable additional MWh of WDR to be delivered.
<b>Take-up rates, capacity, and response</b>	Provide analysis of potential use of new <i>baseline methodology</i> , including potential participant and industry types, potential MW of capacity, and potential MWh of WDR.
<b>Benefits to customers</b>	Describe and quantify the benefits the new <i>baseline methodology</i> will have for electricity customers.
<b>Meeting NER/NEO</b>	Describe how the new Baseline Methodology will meet the objectives of the relevant sections of the National Electricity Rules (NER) and national electricity objective (NEO).