

Independent Market Operator

IMO PROCEDURE CHANGE AND DEVELOPMENT GROUP

Agenda

Meeting No.	1
Location:	IMO Office, Level 22, 221 St Georges Terrance, Perth
Date:	Thursday 13 December 2007
Time:	Commencing at 9.00 am to 12.00pm

Item	Subject	Responsibility	Time
1.	WELCOME AND APOLOGIES / ATTENDANCE	Chair	5 min
2.	PARTICIPANT REGISTRATION PROCEDURE. An amended Participant Registration procedure has been provided for consideration by members.	IMO	20 min
3.	FACILITY REGISTRATION PROCEDURE An amended Facility Registration procedure has been provided for consideration by members.	IMO	20 min
4.	WEB SITE CHANGE PROCEDURE An amended procedure regarding publication of information on the IMO website has been provided for consideration by members.	IMO	20 min
5.	PROCEDURE FOR CERTIFICATION An amended Certification procedure has been provided for consideration by members.	IMO	20 min
6.	PROCEDURES FOR BLT AND AUCTION An amended procedure covering Bilateral Trades and the Reserve Capacity Auction have been provided for consideration by members.	IMO	20 min
7.	NEXT MEETING To be advised.	Chair	5 min

ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY
MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

Market Procedure for:
Registration of Rule Participants

Version 2

Commencement: This Market Procedure is to have effect from 8:00am
(WST) on . / /2007

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1. Rule Participant Registration Procedure

The Rule Participant Registration Procedure covers the process by which a Person may be registered as a Rule Participant as a pre-requisite to that Person offering to provide Reserve Capacity, or Energy, to the Wholesale Electricity Market. The application process is described for those who are interested in applying to become a Rule Participant. The process to be applied by the IMO in processing applications is also described. The procedure includes an overview of the process, the information that is required to be exchanged, and the timing and sequence of events.

This procedure is made in accordance with Market Rule 2.31.23.

1.1 Interpretation

In this procedure, unless the contrary intention is expressed:

- (a) terms used in this procedure have the same meaning as those given in the Wholesale Electricity Market Rules (made pursuant to the Electricity Industry (Wholesale Electricity Market) Regulations 2004);
- (b) to the extent that this procedure is contrary or inconsistent with the Market Rules, the Market Rules shall prevail to the extent of the inconsistency;
- (c) a reference to the Market Rules or Market Procedures includes any associated forms required or contemplated by the Market Rules or Market Procedures; and
- (d) words expressed in the singular include the plural or vice versa.

1.2 Purpose

The purpose of this procedure is:

- to describe the steps that a Person wishing to become a Rule Participant is required to complete to be registered as a Rule Participant; and
- to describe the steps that the IMO must follow in assessing an application from a person to become a Rule Participant.

1.3 Application

This procedure applies to:

- a Person wishing to become a Rule Participant;

- a Rule Participant wishing to register in an additional Rule Participant class; and
- the IMO in the processing of an application.

1.4 Overview of Rule Participant Registration

Registration as a Rule Participant makes a party subject to the Market Rules. Existing and new participants in the wholesale market are required to become Market Participants, unless given an exemption by the IMO.

Any entity applying for registration as a Rule Participant must be registered for GST upon submitting its application.

The full registration process will involve:

- registering as a Rule Participant, which has the affect of making the applicant subject to the Market Rules; and
- registering facilities, which has the affect of allowing a Rule Participant to produce, consume or transmit electricity.

The classes of Rule Participant that can be applied for include Network Operator, Market Generator and Market Customer. A Rule Participant that is registered as a Market Generator or Market Customer is a Market Participant for the purpose of the Market Rules. Certain aspects of this Procedure are not required until actual participation in the Energy Market is to occur.

The process for registering facilities is outlined in a separate procedure.

Exhibit 1-1 shows who is required to be registered as a Rule Participant. It also shows who is not required to be registered as a Rule Participant but has the option to become a Rule Participant.

Exhibit 1-1: Rule Participation Requirements

Role of the Applicant after Energy Market Commencement	Situation	Rule Participation	Rule Participant Class if Registered
Owens, controls, or operates a transmission or distribution network which forms part of the South West interconnected system or is electrically connected to that system.	System Management has informed operator that System Management does not require information about the facility. (MR 2.28.3(a))	Optional	Network Operator

Role of the Applicant after Energy Market Commencement	Situation	Rule Participation	Rule Participant Class if Registered
	No Market Participant Registered Facilities are connected to the Network. (MR 2.28.3(b))	Optional	Network Operator
	The IMO has exempted the operator from the requirement to register. (MR 2.28.16)	Optional	Network Operator
	All other situations (MR 2.28.2)	Compulsory	Network Operator
From some time after Energy Market Commencement, intends to own, control or operate a transmission or distribution network which forms part of the South West interconnected system or is electrically connected to that system.	All situations. (MR 2.28.4)	Optional	Network Operator
Owns, controls, or operates a generating facility with a rated capacity of greater than or equal to 10 MW which is electrically connected to a transmission or distribution network which forms part of the South West interconnected system or is electrically connected to that system.	The IMO has exempted the operator from the requirement to register. (MR 2.28.16)	Optional	Market Generator
	All other situations (MR 2.28.6)	Compulsory	Market Generator
Owns, controls, or operates a generating facility with a rated capacity of less than or equal to 10 MW, but greater than or equal to 0.005 MW, which is electrically connected to a transmission or distribution network which forms part of the South West interconnected system or is electrically connected to that system.	All situations (MR 2.28.7)	Optional	Market Generator
From some time after Energy Market Commencement, intends to own, control or operate a generating facility with a rated capacity of greater than or equal to 0.005 MW which will be electrically connected to a transmission or distribution network which forms part of the South West interconnected system or is electrically connected to that system.	All situations (MR 2.28.8)	Optional	Market Generator
Sells electricity to customers in respect of facilities electricity connected to a transmission or distribution network which forms part of the South West interconnected system or is electrically connected to that system.	The IMO has exempted the operator from the requirement to register. (MR 2.28.16)	Optional	Market Customer
	All other situations (MR 2.28.10)	Compulsory	Market Customer
From some time after Energy Market Commencement, intends to sell electricity to customers in respect of facilities electricity connected to a transmission or distribution network which forms part of the South West interconnected system or is electrically connected to that system.	All situations (MR 2.28.11)	Optional	Market Customer

Role of the Applicant after Energy Market Commencement	Situation	Rule Participation	Rule Participant Class if Registered
Any other person who sells or purchases electricity or another service contemplated by the Market Rules to or from the IMO.	The IMO has exempted the operator from the requirement to register. (MR 2.28.16)	Optional	Market Generator or Market Customer, as determined by the IMO.
	All other situations (MR 2.28.13)	Compulsory	Market Generator or Market Customer, as determined by the IMO.

1.5 Procedure Steps to be followed by the Applicant

The application process is completed using the Wholesale Electricity Market System ("WEMS"). To obtain access to the WEMS, an applicant must apply manually using the Application to Register for WEMS Access form. The form is available from the IMO website (http://www.imowa.com.au/10_5_1_market_forms.htm). The form will provide the IMO with the information necessary to issue the applicant with a digital certificate, which is required for access to the WEMS.

Deleted: which is available from the IMO website (www.imowa.com.au). Contents of this form are described in Appendix A

- 1 After completing the Application to Register for WEMS Access form, the applicant submits the signed form to the IMO along with the applicable Registration Fee (see the IMO website, http://www.imowa.com.au/10_5_1_registration_documents.htm).
The applicant must provide the following information:

- organisation name and contact details;
- class/category for registration;
- the name of the main user (other users may be added after the registration has been approved)

Deleted: A copy of the Application to Register for WEMS Access form is available from the IMO website (www.imowa.com.au). Contents of this form are described in Appendix A.

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The Application to Register for WEMS Access form must be signed:

- by two Directors of the organisation; or
- one Director and the Company Secretary of the organisation;
- if the organisation has only a sole director, by that Director.

Deleted: suggested user, including a login name and password for that user.¶

The Application to Register for WEMS Access form contains an undertaking to comply with the obligations set out in the Market Rules and a declaration as to the accuracy of information provided to the IMO. The signatories to the Application to Register for WEMS Access form do not have to be named as contact person or user for the WEMS.

- 2 The applicant will need to execute an Agreement for the IMO to Issue Recipient Created Tax Invoices. The template Agreement is available from the IMO website (http://www.imowa.com.au/10_5_1_market_forms.htm). The Agreement will need to be signed by a person in the organisation with the authority to enter such an agreement on behalf of the company, in the presence of a witness able to independently verify the identity of the signatory and the signatory's position within the organisation.

The relevant company particulars will need to be added to the Agreement, and the executed Agreement provided to the IMO by mail or courier to the IMO's address, as listed in the Notice and Communication Procedure. The Agreement also allows Participants to issue Recipient Created Tax Invoices for Registration Fees.

Upon signing the Agreement for the IMO to issue Recipient Created Tax Invoices (RCTI) by both parties, the applicant must issue a RCTI covering the Participant Registration Fee (and any subsequent Facility Registration Fees). A copy of this RCTI must be sent to the IMO.

- 3 On receipt of a valid Digital Certificate from the IMO, the applicant will be able to access the WEMS via the internet in order to apply to register as a Market Participant. To access the WEMS, the applicant must log into the web server from their internet browser and have the IMO issued digital certificate installed in their browser. Information on accessing and logging onto the WEMS will be provided by the IMO with the Digital Certificate.

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- 4 Upon successfully logging into the WEMS, the Market Participant Interface Home Page will be displayed. To apply for registration as a Rule Participant, the applicant will be required to complete the on-line forms in the Registration menu. These forms are listed under different category display tabs, namely:

- Application;
- Contacts;
- Users;
- Prudential Support (this is not required until participation in the Energy Market occurs);
- Financials (this is not required until participation in the Energy Market occurs); and
- Facilities.

5 The applicant must fill out the required information in the respective on-line displays, with the exception of Facility registration which may be done separately. For a more detailed description on the steps for completing the Market Participant Registration Details on the WEMS, applicants should refer to the Market Participant Registration Software User Guide (“User Guide”) attached to this procedure. The User Guide describes the processes for both Operators and Market Participant Users. The applicant should read the processes outlined for Market Participant Users.

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Application for Authorisation to Participate

6 The Application Display on the WEMS allows the applicant to complete general application details, such as organisation information and to confirm certain requirements. The fields to be completed by the applicant in the Application Display are described in section 3.4 of the User Manual including an illustration of the Application Display screen on the WEMS.

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Contacts

7 The Contacts Display allows the applicant to add a contact person’s details. The fields to be completed in the Contacts Display are described in section 3.5 of the User Manual including an illustration of the Contacts Display screen on the WEMS.

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Users

8 The Users Display allows the applicant to add new Users or update existing users details. The fields to be completed in the Users Display are described in section 3.6 of the User Manual including an illustration of the Users Display screen on the WEMS.

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Prudential Support

9 Applicants should reference the separate Prudential Support Procedure for information on the requirements for Prudential Support. The fields to be completed in the Prudential Support Display are described in section 3.7 of the User Manual including an illustration of the Prudential Support Display screen on the WEMS. This is not required until participation in the Energy Market occurs, nor is any Credit Support required to be provided until participation in the Energy Market occurs.

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Financial Details

10 The Financial Details Display allows the applicant to add financial information, including bank name, branch name, BSB Number, Bank Address and Account number. The fields to be completed in the Financials Display are described in section 3.8 of the User Manual including an illustration of the Financial Details

Display screen on the WEMS. This is not required until participation in the Energy Market occurs. An account with the IMO's nominated electronic funds transfer facility, Austraclear, is required to participate in the Energy Market but is not required prior to participation in the Energy Market.

Facilities

11 Applicants are not required to register Facilities as part of the Market Participant registration process. The registration of Facilities is a separate registration process. However, applicants may choose to apply for Facility registration at the same time as Participant registration. Applicants should reference the separate Facility Registration Procedure for information on the processes and requirements for registering a Facility. The fields to be completed in the Facilities Display are described in section 3.9 of the User Manual including illustrations of the Facilities Details Display screens on the WEMS.

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Submitting Application Details and Supporting Information

12 The File Exchange is an interface allowing data to be exchanged between WEMS users and the IMO. Files can be uploaded and downloaded using the File Exchange, which is supported for registration to exchange data. Through this interface an applicant will be able to provide supporting information as required, via a secure process. Any documentation not able to be provided through the File Exchange, must be provided to the IMO by mail or courier to the IMO's address, as listed in the Notices and Communications Procedure.

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13 On completing the application fields, the applicant will submit the application information for each display category by clicking on the respective submit button on the relevant application screen. Each screen must be submitted separately, and it is advisable to complete each screen before moving to the next. Note that details can be edited at a later stage by returning to the relevant display screen.

14 After clicking the submit button, the applicant will receive either:

- a tracking number indicating that the application information has been submitted; or
- notification that errors or omissions are found in the fields completed.

15 Where notified of errors or omissions, the applicant must rectify these and resubmit the information.

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16 The applicant must, if requested by the IMO, provide additional information with respect to any information which, in the IMO's view, was inadequately specified.

17 The IMO may communicate with the applicant through the messaging system on the WEMS. Applicants are able to save these messages in file format. This does not preclude the IMO from using other means of communication with the applicant.

18 Upon approval by the IMO, the applicant will become a Rule Participant in the Rule Participant Class from the date and time indicated in the notification of acceptance.

1.6 Procedure steps to be followed by the IMO

- 1 On receipt of an applicant's Application to Register for WEMS Access, the IMO must review and check the validity of the application details.
- 2 The IMO must determine whether the required Fee has been paid. (Market Rule 2.31.13)
- 3 The IMO will verify if a RCTI covering the Registration Fee has been provided.
- 4 Where the details provided on the Application to Register for WEMS Access form are complete and valid and the Registration Fee paid, the IMO will assign the applicant a short name and create a new user for the purpose of the WEMS. The IMO will also set the required access privileges for the applicant.
- 5 The IMO will issue the required Digital Certificate(s) for the applicant, and provide the applicant with information on accessing the WEMS to complete the application process.
- 6 On receipt of the applicant's details, via the WEMS, for registering as a Rule Participant, the IMO must determine if any information is inadequately specified. The IMO will request additional information with respect to information that, in the IMO's view, has not been adequately specified. The IMO will make its request for further information from the applicant via the WEMS.
- 7 The IMO must determine whether it has sufficient detail, including any required supporting evidence, to make a determination as to the registration of the Rule Participant. The IMO must request further information in respect to any details that, in the IMO's view, should be further explained or evidenced.
- 8 The IMO must determine whether it is satisfied that the applicant can comply with the requirements of the Market Rules. (Market Rule 2.31.13)
- 9 The IMO must determine whether the applicant has previously been de-registered as a Rule Participant following an order from the Energy Review Board and, if so, the

IMO must determine whether it is satisfied that the applicant has remedied the reason for the prior de-registration. (Market Rule 2.31.13)

- 10 The IMO must determine whether the applicant complies with the requirements set out in clause 2.28.19 of the Market Rules.
- 11 The IMO must determine whether to accept or reject the application to register as a Rule Participant.
- 12 Prior to notifying the applicant, if the IMO determines that it should accept the application, it will notify System Management, via the WEMS, that the applicant has applied to become a Rule Participant and that the IMO has accepted the application. System Management must facilitate participation of the applicant in a Rule Participant class. (Market Rule 2.31.22) System Management must respond to the IMO within five Business Days.
- 13 Within 30 Business Days of the date of application or, if additional information was provided to the IMO in accordance with Step 2, within 30 Business Days of the last date on which additional information was provided to the IMO, the IMO must notify the applicant, in writing, of the IMO's acceptance or rejection of the application for each Rule Participant Class identified on the applicant's online application.
- 14 The notification to the applicant relating to whether or not the IMO has approved the admission of the applicant into each Rule Participant Class to which the application relates, will include the following.
 - (a) if the application is rejected, the reason for its rejection. (Market Rule 2.31.12)
 - (b) if the application is accepted, the date and time from which the applicant will become a Rule Participant in that class, where the date is to be the later of the date requested in the application and the earliest date by which the IMO can facilitate the registration. (Market Rule 2.31.14)
- 15 The IMO's determination of an application may be appealed to the Energy Review Board. (Market Rule 2.17.1 (e))
- 16 Upon accepting the registration of a Person in a Rule Participant Class, the IMO must record that registration in its Registry of Rule Participants. (Market Rule 2.31.21)
- 17 Upon obtaining from a Rule Participant an Agreement for the IMO to Issue Recipient Created Tax Invoices that has been properly executed by the Rule Participant, the IMO will execute the agreement and provide a copy to the Rule Participant.

1.7 Procedure steps to be followed to change data on the Market Participant Registration screens

An applicant or Rule Participant, as the case may be, can create or edit registration details through the relevant display screens on the WEMS. Data submitted through the File Exchange can be revised by uploading a new file under the relevant category. The IMO will review any new or updated information prior to it being accepted.

1.8 Additional Users and User Privileges

After registration as a Rule Participant, a Rule Participant can request that the IMO create additional users for the WEMS, as required. This request is made by entering the details for each new user in the User tab in WEMS and pressing Submit. There is no fee for additional users.

The Rule Participant will need to provide the IMO with the user name, login name and details in relation to the requested access privileges for the user.

Different users can have different access profiles (for an overview, see the IMO webpage http://www.imowa.com.au/10_5_1_user_access.htm).

The user privileges available are:

- (a) Market Participant User with Add/Edit Privileges
 - restricted only to the data of relevant Market Participant;
 - can view/add/edit the information of relevant Market Participant;
 - cannot view details of other Market Participants;
 - can submit changes;
 - can request to Apply/De-Register/Reactivate for a particular market or a facility. However, these changes are applied to the system only after it has been reviewed and accepted by the IMO;
- (b) Market Participant User with Read Only Privileges
 - restricted only to the data of relevant Market Participant;
 - can view the information of relevant Market Participant but cannot submit any changes;

Deleted: <#>Application Fees for Rule Participation¶

If an Application Fee for processing an application to Register as a Market Participant is determined and published by the IMO, applicants must provide the appropriate application fee. fee be paid by cheque, payable to "Independent Market Operator," and provided to the IMO by mail or courier to the IMO's address, as listed in the Notice and Communication Procedure.

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- cannot view details of other Market Participants.

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**Appendix A – Contents of
Application to Register for
WEMS Access ¶**
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<#>Contact details¶
<#>User details¶
<#>Rule Participation Class
being applied for¶
<#>Disclosure¶
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ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY
MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

Market Procedure for:

Facility Registration, Facility de-
Registration and Facility Transfer

Version 2

Commencement: This Market Procedure is to have effect from 8:00am
(WST) on .__/__/2007

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1. Facility Registration, De-Registration and Transfer Procedure

The Facility Registration Procedure covers the process by which a Rule Participant can apply to register its Facilities for the purpose of the Market Rules or subsequently apply to de-register or transfer a Facility. The procedure describes the application process for the Rule Participant and the process to be applied by the IMO in processing applications.

This procedure is made in accordance with Market Rule 2.31.23.

1.1 Interpretation

In this procedure, unless the contrary intention is expressed:

- (a) terms used in this procedure have the same meaning as those given in the Wholesale Electricity Market Rules (made pursuant to the Electricity Industry (Wholesale Electricity Market) Regulations 2004);
- (b) to the extent that this procedure is contrary or inconsistent with the Market Rules, the Market Rules shall prevail to the extent of the inconsistency;
- (c) a reference to the Market Rules or Market Procedures includes any associated forms required or contemplated by the Market Rules or Market Procedures; and
- (d) words expressed in the singular include the plural or vice versa.

1.2 Purpose

The purpose of this procedure is:

- to describe the steps that a Rule Participant is required to complete to register, de-register or transfer its Facilities; and
- to describe the steps that the IMO must follow in assessing an application for Facility registration, de-registration or transfer.

1.3 Application

This procedure applies to:

- a Rule Participant wishing to register a Facility;

- a Rule Participant wishing to de-register a Facility;
- a Rule Participant wishing to transfer a Facility;
- the IMO in the processing of an application; and
- where applicable, System Management in facilitating the processing of an application.

1.4 General about Registration

The full registration process under Chapter 2 of the Market Rules involves registering as a Rule Participant, which has the affect of making the applicant subject to the Market Rules, and registering Facilities, which has the affect of allowing a Rule Participant to produce, consume or transmit electricity.

Facility Registration can only be performed following Registration as a Rule Participant. The process for registration as a Rule Participant is outlined in the Participant Registration Procedure.

1.4.1 Facilities to be Registered

- 1 Subject to clause 2.29.9 of the Market Rules, a Network Operator must register any transmission system or distribution system owned, operated or controlled by that Network Operator as a Network, where that transmission or distribution system forms part of the South West Interconnected System, or is electrically connected to that system. (Market Rule 2.29.3)
- 2 Subject to clause 2.29.9 of the Market Rules, a Market Generator that owns, operates or controls a generation system:
 - (a) must register that generation system as a Non-Scheduled Generator where the generation system has a rated capacity that equals or exceeds 0.005 MW and the generation system is an Intermittent Generator;
 - (b) must register that generation system as a Scheduled Generator where the generation system has a rated capacity that equals or exceeds 10 MW and the generation system is not an Intermittent Generator;
 - (c) subject to clause 2.29.6 of the Market Rules, may register that generation system as a Scheduled Generator where the generation system is not an Intermittent Generator and has a rated capacity that equals or exceeds 0.2 MW but which is less than 10 MW; and

- (d) must register that generation system as a Non-Scheduled Generator where the generation system has a rated capacity that equals or exceeds 0.005 MW and where the generation system is not otherwise required to be registered in accordance with (a) or (b) and where the option to register in accordance with (c), if applicable, is not exercised. (Market Rule 2.29.4)
- 3 Subject to clause 2.29.9 of the Market Rules, a Market Customer that owns, operates or controls a Load:
 - (a) may register that Load as an Interruptible Load if that Load has equipment installed to cause it to be interrupted in response to under frequency situations;
 - (b) may register that Load as a Curtailable Load if that Load can be interrupted on request;
 - (c) may register that Load as a Dispatchable Load if that Load:
 - (i) is able to respond to instructions from System Management to increase or decrease consumption; and
 - (ii) has a rated capacity of not less than 0.2 MW. (Market Rule 2.29.5)
 - 4 A Facility may only be registered to a single Participant. Thus the entity that is assigned Capacity Credits and Obligations for a Facility must be the same as the entity that registers the Facility for the Wholesale Electricity Market System ("WEMS").
 - 5 A generation Facility that is proposed and is the subject of an application for Reserve Capacity Certification may apply as a Proposed Facility using the "Check to register a Facility Name" check box on the WEMS. An application of this kind does not fulfill the requirements of a complete Facility Registration for the purpose of participating in the energy market. It is only a nominal registration for Reserve Capacity Certification.
 - 6 Only Facilities with complete records on the WEMS are registered under the Market Rules, and the full requirements for registration and payment of appropriate fees will be delayed until the record is completed.

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1.4.2 Exemption from Funding Spinning Reserve Costs for an Intermittent Generator

- 1 In order to meet the requirements of Market Rule 2.30A.2, the following conditions must be met:
 - (a) For a Wind Farm: simultaneous shutdown during high wind – the Participant must provide a graph of Wind Farm output (in MW) vs. time during high wind shutdown;
 - (b) Generator shutdown during voltage dips - the Participant must provide letter from Network Operator that they meet the fault-ride through requirements in the technical code;
 - (c) Disconnection due to loss of radial network connection - the Participant must provide single line diagram of customer/ Western Power zone substation showing two or more transmission line connections.

1.4.3 Facility Aggregation

- 1 In accordance with this Facility Registration Procedure, the IMO must determine if the information included in an application to aggregate Facilities is complete.
- 2 The IMO must consult with System Management when assessing an application for Facility aggregation. (Market Rule 2.30.4)
- 3 The IMO may reject an application.
- 4 The IMO may only accept an application to aggregate a Facility if:
 - (a) the aggregation will not adversely impact on System Management's ability to maintain power system Security and Reliability;
 - (b) adequate control and monitoring equipment exists for the aggregated Facility;
 - (c) none of the Facilities within the aggregated Facility are subject to an Ancillary Service Contract or Network Control Service Contract that requires that Facility not be part of an aggregated Facility; and
 - (d) with the exception of Facilities aggregated under clause 2.30.3 of the Market Rules, the aggregated facilities are at the same location or have the same Loss Factor.

- 5 The IMO must notify the Rule Participant whether the aggregation of the Facilities is allowed. (Market Rule 2.30.4)
- 6 If the IMO approves the aggregation of Facilities then that aggregated Facility must be registered as a single Facility for the purpose of the Market Rules. (Market Rule 2.30.7)
- 7 The Rule Participant applying for the aggregation must ensure the aggregated facility is kept in such a condition that it may be disaggregated upon request from the IMO in accordance with Market Rule 2.30.8.

1.4.4 Disaggregation of Facilities

- 1 Where the IMO considers, after consultation with System Management, that a change in one or more of the criteria in section 1.7, Step 4 means that an aggregated Facility should no longer be aggregated, it must inform the relevant Rule Participant of the date on which the aggregated Facility will be considered to have been disaggregated.
- 2 Where an aggregated Facility is disaggregated in accordance with step 25, or if the Rule Participant applies to the IMO to disaggregate the Facility:
 - (e) each disaggregated Facility is registered as a separate Facility for the purpose of these Market Rules from the date specified by the IMO or the Rule Participant, as applicable; and
 - (f) the IMO may require the Rule Participant to provide Standing Data relevant to each disaggregated Facility.

1.5 Registration of a Facility Name for Reserve Capacity Certification

Participants registering a Facility Name solely for the purpose of Reserve Capacity Certification must follow this Procedure where indicated. In summary, this involves the following steps:

- Register as a Rule Participant in WEMS by following the full Participant Registration Procedure.
- Upon receiving a digital certificate and completing the steps in the Participant Registration Procedure, apply to register a Facility Name, using the application form

on the IMO website (no Facility registration fee is applicable when registering for Reserve Capacity Certification purposes only)

- When the Facility Name is approved by the IMO, register a new Facility in WEMS, only providing the standing data requested by the IMO and selecting the “Check to register a Facility Name” box in the Facility registration details window.

2. Facility Registration

2.1 Steps to be Taken by the Participant

2.1.1 Apply to Register a Facility Name

- 1 A Rule Participant wishing to register one or more Facilities must complete an Application to Register a Facility Name form and submit the form to the IMO. This form is an application to have the proposed Facility Name approved before proceeding with the registration of a Facility in WEMS. The form can be located on the IMO’s website (http://www.imowa.com.au/10_5_1_market_forms.htm).

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The applicant must provide the recommended name of each Facility it intends to register and details as to the type of Facility. The name must comply with the standard naming convention, available at:
http://www.imowa.com.au/10_5_1_registration_documents.htm.

Available facility categories are listed in Appendix A to this Procedure. The final Facility Name is to be decided by the IMO after consultation with System Management, and will act as the Facility identifier for the purpose of the WEMS. Approval is required as each Facility Name must be unique and comply with the naming convention. Each Facility must either be applying for full Facility Registration or registering a Facility Name for Reserve Capacity Certification (see section 1.5 of this procedure).

- 2 The signed Application to Register a Facility Name form is to be provided to the IMO by mail to the IMO’s address, as listed in the Notice and Communication Procedure.

As indicated in section 1.5, an application for Reserve Capacity Certification is not a full application for Facility registration and thus no Facility Registration Fee applies.

2.1.2 Register the Facility

- 1 After receipt of confirmation from the IMO that the Application to Register for a Facility Name has been processed, and the proposed facility name (or amended) has been approved by the IMO, a Rule Participant may register the Facilities.
- 2 In order for the IMO to proceed with approving the facility registration, the applicable Registration Fee (and a Recipient Created Tax Invoice (RCTI) covering the fee) for each Facility to be registered must be provided to the IMO. The registration fee can be paid by cheque, payable to “Independent Market Operator,” and provided to the IMO by mail or courier to the IMO’s address. The fee can also be directly deposited to the IMO’s WEM account, for which details are available on the IMO website: (http://www.imowa.com.au/10_5_1_d_fees_deposit_instructions.htm).
- 3 A Facility is registered through the WEMS.
- 4 The Rule Participant will already have access to the WEMS and be familiar with the Market Participant Registration sub-system from the Rule Participant registration process.
- 5 Upon successfully logging into the WEMS, the Market Participant Interface Home Page will be displayed.
- 6 As part of applying to register a Facility, the Rule Participant will be required to upload Facility type specific Standing Data related files. To do this, the applicant will need to access the File Exchange from the Main Menu and select MPR Upload. For more information regarding the File Exchange Process please see the Market Participant Interface User Guide, available on the IMO website (www.imowa.com.au).
- 7 To apply to register a Facility, the Rule Participant must select the Facilities Category Display tab in the Registration menu. This display can also be used to change relationship or schedule details once Facilities are registered.
- 8 For a description of the Facilities Category Display screens, Rule Participants should refer to section 3.9 of the Market Participant Registration Software User Guide (“User Guide”) available from the IMO website (www.imowa.com.au). The User Guide describes the processes for both Operators and Market Participant Users. The applicant should read the processes outlined for Market Participant Users.
- 9 When registering a Facility, the Facility must be registered as one of the following Facility Classes:
 - (a) A Distribution System (“Network”);
 - (b) A Transmission System (“Network”);

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- (c) A Generation System (“Generation Facility”); or
 - (d) A Connection Point at which electricity is delivered from a Distribution System or transmission system to a Rule Participant (“Load”). (Market Rules 2.29.1 and 2.29.3)
- 10 On selecting the New Facility option from the Facilities Display, a Facilities Details form will be displayed. The applicant must fill out the required information for the relevant Facility in the Facility Details online display.
- 11 The fields to be completed in the Facilities Details Display are described in section 3.9.1 of the User Manual, including illustrations of the Facilities Details Display screens on the WEMS. The fields required will differ depending on the type of Facility. For Intermittent Loads, the instructions on the Information Screen, which is reproduced in Appendix B, should be followed.

The Standing Data that will be maintained by the IMO and System Management, in accordance with the Market Rules, is outlined at Appendix 1 to the Market Rules. The IMO publishes on its website (http://www.imowa.com.au/10_5_1_registration_documents.htm) details and format of Standing Data to be provided by Rule Participants.

As indicated in section 1.5, when completing an application for Reserve Capacity Certification, only the standing data requested by IMO needs to be provided. You are not required to provide the full set of Standing Data specified in the Standing Data formats document.

- 12 A Facility can only be registered in one Facility Class at one time. (Market Rule 2.29.2)
- 13 If a Rule Participant wishes to register multiple parts of a Facility in different Facility Classes, it must detail separate Facilities on the Application to Register a Facility Name. A separate Registration Fee is required for each class. For example, a Rule Participant may own and operate a generator and transmission system at the one site. In this case, the Participant must register the generator as a Generation Facility and the transmission system as a Transmission Facility.
- 14 A Rule Participant may apply to the IMO to allow registration of two or more Facilities as an aggregated Facility. (Market Rule 2.30.1)

If the IMO accepts a Facility registration, the Facility becomes a Registered Facility of the Rule Participant at the time and date specified by the IMO. This acceptance will be in the form of written correspondence with the Participant. (Market Rule 2.31.18)

2.1.3 Submit Application Details and Supporting Information

- 1 On completing the respective application fields, the Rule Participant will submit the information by clicking on the submit button on the application screen. Each screen must be submitted separately, and it is advisable to complete each screen before moving to the next. Note that details can be edited at a later stage by returning to the relevant display screen.
- 2 The Rule Participant will submit required supporting information through the File Exchange on the WEMS.
- 3 After clicking the submit button, the Rule Participant will receive either:
 - a tracking number indicating that the application information has been submitted; or
 - notification that errors or omissions are found in the fields completed.
- 4 Where notified of errors or omissions, the applicant must rectify these and resubmit the information.
- 5 If requested by the IMO, the applicant must provide additional information with respect to any information which, in the IMO's view, was inadequately specified.

2.1.4 Import of Facility Meters

Following Facility registration, a Rule Participant will be required to upload a file containing the list of meters associated with the Facility. The file will be uploaded through the File Exchange interface, which is accessible from the Main Menu of the WEMS. For more information regarding the File Exchange Process refer to the Market Participant Interface User Guide, available on the IMO website (www.imowa.com.au).

File Format

The contents of the file are required to be comma separated with the following format:

Facility Name, Meter ID (NMI), Start date, End Date, . Facility Name, Meter ID (NMI),
Start date, End Date,

The sequence "Facility Name, Meter ID (NMI), Start date, End Date," can be repeated an unlimited number of times (provided it is limited to 4000 characters). Spaces, Line feed or Carriage return characters may be added in the file as convenient, and will be ignored while parsing the file.

The fields of the file are described as follows:

Field name	Format	Comment
Facility name	String (32)	Facility name as registered in the WEMS
Meter Id (NMI)	String (11)	NMI as registered with the Meter Data Agent.
Start date	Date (DD/MM/YYYY)	The date the meter starts metering the Facility output
End date	Date (DD/MM/YYYY)	Optional. If given, the date the meter ends metering the Facility output.

2.2 **Steps to be taken by the IMO**

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- 1 On receipt of an Application to Register a Facility Name, the IMO must review the application details.
- 2 Where the IMO determines that the details provided on the Application to Register a Facility Name form are complete, the IMO, in conjunction with System Management, will assign the relevant Facility Name for the purpose of the WEMS, and notify the Rule Participant.
- 3 As soon as is practical after receipt of an online Facility Registration application, the IMO must check the information provided on the application form and determine if the information is consistent with the requirements of the Market Rules and this procedure, and that information that has been supplied is of sufficient depth to allow registration of the Facility to proceed.
- 4 Where the IMO determines that the information is not consistent with the requirements of the Market Rules and this procedure, or that the information supplied is not sufficient to allow registration to proceed, the IMO will request additional information (see section 2.3 in this document). The date in which the additional information is submitted becomes the date the application was received by the IMO. (Market Rule 2.31.4)
- 5 If the application refers to the registration of a Facility, the IMO must ensure that the Facility is not currently registered.
- 6 If the application is in relation to Reserve Capacity Certification, the IMO will assess if the data provided by the applicant is adequate.
- 7 The IMO must consult with System Management, (Market Rule 2.31.5(a))
- 8 To the extent that any data provided is used by System Management in accordance with its obligations under the Market Rules, and not used by the IMO, System Management must as soon as practical, but no later than five Business Days after receipt of the data (where the latest change to unaccepted information is to be the data of receipt):

Deleted: with respect to registration, deregistration or transfer of a Facility

- (a) check the information provided to determine if the information is consistent with the requirements of the Market Rules and this procedure;
 - (b) indicate to the IMO whether the data is acceptable.
- 9 The IMO may consult with relevant Network Operators with respect to the registration or transfer of a Facility. (Market Rule 2.31.5(b))
- 10 The IMO must notify an applicant within 15 Business Days from the date of notification of receipt of:
- (a) the dates on which any tests, required by the Market Rules must be conducted prior to a Facility registration, may be held;
 - (b) the date by when results of tests referred to in Step 10(a) must be made available to the IMO; and
 - (c) the date by when the IMO plans to accept or reject the application, being no later than ten Business Days after the date in step 10(b).
- 11 When a test is required under the Market Rules prior to the registration of a Facility, the IMO may determine that the test is not necessary and, in doing so, must take into consideration any previous tests performed in connection with an Arrangement for Access.
- 12 the IMO will assess whether the requested type of the Facility is appropriate.

2.2.1 Grounds for rejecting an application

- 1 The IMO may reject an application if:
- (a) subject to clause 2.30C.1 of the Market Rules, the application form (which includes information that must be entered through the WEMS), when read together with any information received after a request under clause 2.31.4 of the Market Rules, is incomplete or provides insufficient detail;
 - (b) subject to clause 2.30C.1 of the Market Rules, required supporting evidence is insufficient or not provided;
 - (c) the required Registration Fee is not paid;
 - (d) the IMO is not satisfied that the applicant can comply with the requirements for Facility registration;

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- (e) the applicant fails to conduct tests in accordance with clause 2.31.6 of the Market Rules, fails those tests, or fails to provide adequate information about the tests;
 - (f) the relevant Metering Data Agent informs the IMO that the Facility is not registered in its Meter Registry or the IMO determines that the Meter Registry information is not consistent with the information in the application to register the Facility; or
 - (c) in the case of an application to de-register a Facility if the Rule Participant holds Capacity Credits for the Facility. (Market Rule 2.31.13)
- 2 If the IMO rejects an application, the IMO must notify the **Participant**, in writing, and include the reason the application was rejected. (Market Rule 2.31.12)

2.2.2 Accepting **a** Facility Registration

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- 1 The IMO must only indicate that it can facilitate registration in a Facility Class from the time that the IMO has established that System Management can facilitate such registration (see Section 1.9 below). (Market Rule 2.31.22(a))
- 2 System Management must facilitate participation in a Facility Class by an approved applicant as soon as practicable. (Market Rule 2.31.22(b))
- 3 Where the IMO has accepted the application it must notify the Rule Participant. The notification must include:
 - (a) in the case of an application to register a Facility, the date and time that registration is to take effect where the date is to be the later of the earliest date by which the IMO can facilitate the registration and the date specified in accordance with clause 2.33.3(c)(xii) of the Market Rules;
 - (b) in the case of an application to de-register a Facility, the date and time that de-registration is to take effect where the date is to be the later of the earliest date by which the IMO can facilitate the de-registration and the date specified in accordance with clause 2.33.4(d) of the Market Rules; and
 - (c) in the case of an application to transfer a Facility, the date and time that transfer is to take effect where the date is to be the later of the earliest date by which the IMO can facilitate the transfer and the date specified in accordance with clause 2.33.5(e)(iii) of the Market Rules. (Market Rule 2.31.11)

2.3 Steps to be taken if additional or clarifying information is required

- 1 If the IMO determines that the application is not consistent with the Market Rules or this Market Procedure, or that the information is not of sufficient depth to allow the registration to proceed, the IMO will notify the Rule Participant and request additional or clarifying information as soon as is practical. The request for information must specify what additional or clarifying information is required, and the date by which the information is required. (Market Rule 2.31.4)
- 2 Upon receipt of a request from the IMO for additional or clarifying information in support of the registration of a Facility, a Rule Participant must, using all reasonable endeavors, provide the required information to the IMO by the date specified in the request.
- 3 The date that the IMO receives all application information in full becomes the date of receipt of the application.
- 4 If the Rule Participant is unable to provide part or all of the information to the IMO by the date specified in the request, the Rule Participant should notify the IMO of the reason it is unable or delayed in providing the information requested and indicate if and when the information will be provided.
- 5 If the IMO receives the additional or clarifying information by the date requested, the IMO should assess the sufficiency of the information in accordance with Section 1.7, Step 3 above.
- 6 In the event that the Rule Participant fails to provide all the information required by the IMO, and notifies the IMO in accordance with Step 4, the IMO may:
 - (a) extend the due date for the application, providing notification of this outcome as soon as is practical;
 - (b) proceed with processing the application without the information taking whatever steps necessary to ensure that market security and/or reliability will not be compromised as a result of proceeding with the registration process; or
 - (c) reject the application in accordance with Market Rule 2.31.13(a).
- 7 If the IMO does not receive the additional or clarifying information requested from the Rule Participant by the date requested, the IMO may, but is not required to, reject the application for registration of the Facility.

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- 8 If an application to register a Facility is rejected under step 7, the Rule Participant may re-apply to register the Facility at a later stage without prejudice. The Rule Participant will be required to re-submit the full application in accordance with this Market Procedure and pay the appropriate processing application fee.
- 9 Where a Facility that has been entered onto the WEMS for the purpose of Reserve Capacity Certification and is now to be registered, this Market Procedure must be followed from the beginning.

2.4 Steps to be taken by System Management

- 1 Within one business day of receiving a request from the IMO to facilitate an application to register a Facility, System Management must notify the IMO of receipt of the request.
- 2 For all applications, System Management must, in consultation with the responsible parties and the relevant Network Operator, assess the information provided in the Standing Data for completeness and consistency.
- 3 For all applications, System Management must assess the information provided to determine if the information is consistent with any access arrangements that have been developed, or are in place in relation to the application. This may also extend this assessment to determine the impact, if any, on any other existing Access Arrangements.
- 4 For all applications, System Management must make an assessment as to whether the Facility registration, deregistration or transfer will adversely affect the operation of the SWIS.
- 5 Where an application is to allow registration of two or more Facilities as an aggregated Facility, System Management must make an assessment as to whether aggregation will adversely impact on System Management's ability to maintain power system Security and Reliability.
- 6 If System Management is unable to establish grounds for rejecting the application, System Management must facilitate (accept) the application.
- 7 If, subject to Step 6, System Management can facilitate the application, it must determine a date at which facilitation ("Date of Facilitation") of the registration of the Facility can take place. The Date of Facilitation must be the later of:
 - (a) the date supplied in the application; and

- (b) the earliest date at which System Management can provide for facilitation of the registration, subject to any network or connection constraints.
- 8 No later than five Business Days after receiving the request to facilitate an application to register a Facility (where the latest change to unaccepted information is to be the date of receipt), System Management must provide a submission to the IMO detailing:
- (a) if it can facilitate the application to register, de-register or transfer a Facility;
 - (b) a Date of Facilitation (if applicable);
 - (c) the reasons the Date of Facilitation is later than the date provided in the application (if applicable);
 - (d) the reasons for not facilitating (rejecting) the application;
 - (e) any extra or clarifying information required by System Management to process the application if the application was incomplete or inconsistent with the requirements of this procedure or the Market Rules;
 - (f) any tests that need to be required.

3. Facility De-registration

3.1 Steps to be Taken by the Participant

- 1 A Rule Participant applies to the IMO to de-register a Facility by filling in the Facility de-registration form, available on the IMO website, (http://www.imowa.com.au/10_5_1_market_forms.htm) and submitting this to the IMO. Simultaneously the Participant applies to de-register the Facility through the WEMS, setting the effective date agreed upon with the IMO.
- 2 To de-register a Facility in the WEMS, the Rule Participant selects the Facilities Category Display tab in the Registration menu.
- 3 The relevant, non refundable, de-registration fee and a Recipient Created Tax Invoice covering the fee must be provided to the IMO (no fee is applicable if de-registering for Facility transfer purposes).
- 4 If the IMO accepts the request for de-registration, the Facility ceases to be a Facility registered to the Rule Participant from the date and time specified by the IMO. This acceptance will be in the form of written correspondence with the Participant. (Market Rule 2.31.19)

3.2 Steps to be taken by the IMO

- 1 On receipt of an Application to de-register a Facility form, the IMO must review the application details.
- 2 Where the IMO determines that the information is not consistent with the requirements of the Market Rules and this procedure, or that the information supplied is not sufficient to allow registration to proceed, the IMO will request additional information (this invokes the procedure described in section 2.3 of this document). The date in which the additional information is submitted becomes the date the application was received by the IMO. (Market Rule 2.31.4)
- 3 The IMO must consult with System Management with respect to de-registration of a Facility. (Market Rule 2.31.5(a))
- 4 To the extent that any data provided is used by System Management in accordance with its obligations under the Market Rules, and not used by the IMO, System

Management must as soon as practical, but no later than five Business Days after receipt of the data (where the latest change to unaccepted information is to be the data of receipt):

- (a) check the information provided to determine if the information is consistent with the requirements of the Market Rules and this procedure;
 - (b) indicate to the IMO whether the data is acceptable.
- 5 The IMO may consult with relevant Network Operators
- 6 The IMO must determine whether to accept or reject the application and notify the applicant within 20 Business Days after notification of receipt of the application.

3.3 Steps to be taken by System Management

- 1 Within one business day of receiving a request from the IMO to facilitate an application to de-register a Facility, System Management must notify the IMO of receipt of the request.
- 2 System Management must make an assessment as to whether the Facility de-registration will adversely affect the operation of the SWIS.
- 3 If System Management is unable to establish grounds for rejecting the application, System Management must facilitate (accept) the application.
- 4 If System Management can facilitate the application, it must determine a date at which facilitation ("Date of Facilitation") of the de-registration of the Facility can take place. The Date of Facilitation must be the later of:
- (a) the date supplied in the application; and
 - (b) the earliest date at which System Management can provide for facilitation of the de-registration, subject to any network or connection constraints.
- 5 No later than five Business Days after receiving the request to facilitate an application to de-register a Facility (where the latest change to unaccepted information is to be the data of receipt), System Management must provide a submission to the IMO detailing:
- (a) if it can facilitate the application to de-register the Facility;
 - (b) a Date of Facilitation (if applicable);

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- (c) the reasons the Date of Facilitation is later than the date provided in the application (if applicable);
- (d) the reasons for not facilitating (rejecting) the application;
- (e) any extra or clarifying information required by System Management to process the application if the application was incomplete or inconsistent with the requirements of this procedure or the Market Rules;

4. Facility Transfer

4.1 Steps to be taken by the Participants

4.1.1 Apply to Transfer a Facility

- 1 Facility transfer is applied for by providing the IMO with the completed Facility Transfer forms, available on the IMO website, (there is one form for the Current Owner and one for the New Owner)
- 2 A Rule Participant, defined as the New Owner, seeking to transfer a Facility from another Rule Participant will complete the Facility transfer application form “Facility Transfer Form (New Owner)” available on the IMO website at: http://www.imowa.com.au/10_5_1_market_forms.htm
- 3 The relevant, non refundable, transfer fee and a Recipient Created Tax Invoice covering the fee must be provided to the IMO. Information on Fees can be found on the IMO website at: http://www.imowa.com.au/10_5_1_registration_documents.htm
- 4 The Participant the Facility is currently registered to, defined as the Current owner, must consent to the transfer by filling in and signing the “Facility Transfer Form (Current Owner)” (also available on the IMO website) and submit it to the IMO. (Note that submitting this form, and later applying to de-register the Facility in the WEMS, is not an application to de-register the Facility from the Wholesale Electricity Market (WEM). Under the Market Rules the Facility is still registered in the Wholesale Electricity Market and any Reserve Capacity and other obligations remain with the Facility when it is transferred to the new owner).
- 5 Upon submitting the form to the IMO, the Current Owner must contact the IMO to agree on the appropriate effective date for the de-registration application in the WEMS.

4.1.2 De-Register and Transfer the Facility in WEMS

The actual transfer of the Facility in the WEMS can be done in two different ways. Either the Old and New Owners follow steps 1-5 below, or they consent (in writing) to permit the IMO to de-register the Facility for the Current Owner in WEMS and transfer it to the New Owner on the effective date agreed upon with the IMO.

1 Once an effective date is agreed by the IMO, the Current Owner applies to de-register the Facility in the WEMS. The Current Owner must implement the following steps at least 5 days prior to the agreed effective date:

- In WEMS Registration, go to Facilities and click on the Facility you wish to transfer
- Press Schedule Details
- Press "Add Schedule detail"
- In the Schedule Detail window, select De-Register and enter a parameter effective date in the future (as agreed upon with the IMO)
- Press Submit
- Log out of WEMS

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2 The IMO accepts the de-registration in WEMS and contacts the New Owner to inform it that it can apply to transfer the Facility.

3 The New Owner then follows these steps in WEMS, at least 2 days prior to the effective date agreed to with the IMO:

- Log in to WEMS
- In WEMS Registration, go to Facilities and click on the Facility Transfer link
- Enter the Facility Name and the Current Owner 's short name
- Press Transfer
- Log out of WEMS

4 The IMO accepts the change in WEMS, with the same effective date as used for the de-registration date.

5 Once the effective date entered by the Current Owner (or entered by the IMO if the IMO performs the transfer) arrives, the Facility ceases to be registered to the Current Owner and becomes a registered Facility for the New Owner. All obligations associated with the Facility now are assigned to the New Owner.

4.2 Steps to be taken by the IMO

1 On receipt of the Application to Transfer a Facility (both from the New and Old Owners), the IMO must acknowledge the receipt of the application. The IMO will then review the application details.

2 As soon as is practical after receipt of an online Facility Registration application, the IMO must check the information provided on the application form and determine if the information is consistent with the requirements of the Market Rules and this

procedure, and that information that has been supplied is of sufficient depth to allow registration of the Facility to proceed.

- 3 Where the IMO determines that the information is not consistent with the requirements of the Market Rules and this procedure, or that the information supplied is not sufficient to allow registration to proceed, the IMO will request additional information (this invokes the procedure described in section 2.3 of this document). The date in which the additional information is submitted becomes the date the application was received by the IMO.
- 4 The IMO must assess and confirm the status of any current Facility Registration.
- 5 The IMO must consult with System Management
- 6 The IMO may consult with relevant Network Operators with respect to the transfer of a Facility. (Market Rule 2.31.5(b))
- 7 For other applications, the IMO must determine whether to accept or reject the application and notify an applicant within 20 Business Days after notification of receipt of the application. (Market Rule 2.31.10(c)). The IMO will also confirm the appropriate transfer date for the [Facility](#).
- 8 Should both the old and new owners have consented to allowing the Imo to perform the [Facility](#) transfer in WEMS, the IIMO will proceed to de-register the [Facility](#) from the [Current Owner](#) and transfer it to the new owner, using the effective date agreed upon with the Participants.

4.3 Steps to be taken by System Management

- 1 Within one business day of receiving a request from the IMO to facilitate an application to transfer a Facility, System Management must notify the IMO of receipt of the request.
- 2 System Management must make an assessment as to whether the Facility transfer will adversely affect the operation of the SWIS.
- 3 If System Management is unable to establish grounds for rejecting the application, System Management must facilitate (accept) the application.
- 4 If System Management can facilitate the application, it must determine a date at which facilitation ("Date of Facilitation") of transfer of the Facility can take place. The Date of Facilitation must be the later of:

- (a) the date supplied in the application; and
 - (b) the earliest date at which System Management can provide for facilitation of the transfer, subject to any network or connection constraints.
- 5 No later than five Business Days after receiving the request to facilitate an application to de-register a Facility (where the latest change to unaccepted information is to be the data of receipt), System Management must provide a submission to the IMO detailing:
- (a) if it can facilitate the application to de-register the Facility;
 - (b) a Date of Facilitation (if applicable);
 - (c) the reasons the Date of Facilitation is later than the date provided in the application (if applicable);
 - (d) the reasons for not facilitating (rejecting) the application;
 - (e) any extra or clarifying information required by System Management to process the application if the application was incomplete or inconsistent with the requirements of this procedure or the Market Rules;

Appendix A Facility Categories

Generation Facilities can be registered as:

- Scheduled Generator
- Non-Scheduled Generator
- Intermittent Generator (this is also a Non-Scheduled Generator)

Loads can be registered as:

- Dispatchable Load
- Non-Dispatchable Load
- Curtailable Load
- Interruptible Load
- Intermittent Non-Dispatchable Load
- Intermittent Curtailable Load
- Intermittent Interruptible Load

Network Facilities can be registered as:

- Distribution Network
- Transmission Network

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Appendix A – Contents of the
Application to Register a
Facility Name Form¶
<#>¶
<#>Recommended Name of
the Facility¶
<#>Facility type¶
<#>Associated entities¶
<#>Disclosure¶
<#>¶
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Appendix B Facilities - Information Screen for Intermittent Loads

The Intermittent Load must be registered, approved, and have a valid short name before other facilities can be associated with it.

In case of registering the intermittent load itself:

This can be registered as an Intermittent Load with a Facility Type:

- Intermittent Curtailable Load
- Intermittent Interruptible Load
- Intermittent Non-Dispatchable Load

Facility Subtype: "REG".

The value of the maximum intermittent load (MIL) is required in registration to assess that a generator exists capable of covering that load.

In addition, the key properties of the generator required to cover that intermittent load must be included. These are:

- The temperature method/BOM Location
- The capacity reduction of that generator at temperatures above 41 C (used in the Intermittent Load Refund calculation)
- The maximum size of any non-metered non-dispatchable load associated with the Intermittent Load (NL). A value of zero indicates no load exists. This load will be associated with the Market Customer to which the intermittent load is registered.

In case of registering generation facilities associated with an intermittent load:

The association to the intermittent load is derived based on the short name specified under the "Associated Intermittent Load" field.

If you register an Intermittent Load located at the same site as the generator serving the load you do not need to register that generator. If you register an Intermittent Load located at a different site to the generator serving the load you must register that generator.

- Generator serving the intermittent load.
The Facility Subtype must be set to "SIL". It represents only the generator, or component of the physical generator capacity, actually serving the intermittent load. This generator will not have any Facility limits computed and will not participate in the energy market. The "Anticipated Reduction at Higher Temperature (45c)" will be provided along with the associated intermittent load data.
- Scheduled generator beyond that required to serve the intermittent load measured by the meter that meters the IL.
The Facility Subtype must be set to "EG". It represents only the component of the physical generator capacity that is in excess to the generator capacity serving the intermittent load. A Participant will only enter capacity (MSG) beyond that required covering the intermittent load. This generator will have Facility limits computed based on the MSG value and can participate in the energy market. The MSG value must be entered separately for each fuel type applicable to the "EG" generator.

- The metered generator not supplying the intermittent load. The Facility Subtype is set to "MBI". It represents any separately metered generator whose output is measured by the intermittent load meter.

A special case concerns a remote generator supplying an intermittent load. This generator must meet the requirements of Market Rules 2.30B11. This generator will have a meter and must be registered. Its meter will be loss adjusted to the site of the intermittent load so we effectively create the intermittent load meter value from the combination of a load and generator meter value. Note that this generator cannot hold capacity credits on capacity used to serve the intermittent load. The data field "REMOTE_FLAG" is used to specify if the generator is located at a remote location to the intermittent load. The Value defaults to "N" - No. In case of a remote generator supplying an intermittent load, the "REMOTE_FLAG" must be set to "Y".

In case of registering load facilities associated with an intermittent load:

The association to the intermittent load is derived based on the Load specified under the "Associated Intermittent Load" field.

No separate **Facility** registration is required where a non-metered non-dispatchable load is measured by the intermittent load meter.

- The metered non-dispatchable load behind the intermittent load. This is registered as a Non Dispatchable Load and the Facility Subtype must be set to "MBI". It represents any separately metered load also included in the intermittent load meter. The Metering Point (NMI) associated with the non-dispatchable load is to be uploaded through the Meter mapping file. The Maximum Consumption for this load is required to be provided.

Note:

- Non-metered non-dispatchable loads associated with an intermittent load must belong to the same **Participant** as the intermittent load;
- Metered non-dispatchable loads associated with an intermittent load must be separately registered and may belong to a different **Participant** to the intermittent load;
- There may be any number of separately metered non-dispatchable loads associated with an intermittent load.

ELECTRICITY INDUSTRY ACT 2004

*ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY
MARKET) REGULATIONS 2004*

WHOLESALE ELECTRICITY MARKET RULES

Market Procedure for: Web Site Changes

Commencement: TBA

Deleted: This Market Procedure is to have effect from 8:00am (WST) on the same date as the Wholesale Electricity Market Rule, in which this procedure is made in accordance with, commences.

~~Market Procedures Published by the Minister~~

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~~I, FRANCIS LOGAN, Minister for Energy for the State of Western Australia, under regulation 9(2) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* hereby approve the publication of the publication of the Web Site Changes Procedure contained in this document.~~

~~This Market Procedure is to have effect from 8:00am (WST) on the same date as the Wholesale Electricity Market Rule, in which this procedure is made in accordance with, commences.~~

.....

~~Dated at Perth this day of2006.~~

1. Market Web Site Change Procedure

1.1. General and Interpretation

- 1 The Web Site Change Procedure specifies the protocols by which System Management and the IMO can change the Market Web Site. This procedure is made in accordance with Market Rule 10.3.5.

Note that the Market Web Site includes any web site operated by the IMO to carry out its functions under the Market Rules, including the WEMS computer system used by Participants and the public web site at <http://www.imowa.com.au>

- 2 Subject to the rest of this procedure, the IMO may change the Market Web Site as they see fit.
- 3 In this Market Procedure, unless the contrary intention appears, meaning shall be in accordance with Market Rules 1.4 (a) through 1.4 (r) and the Market Rules Glossary, with Market Procedure substituted for Market Rules where it appears.

- ~~4 **Document** is a defined term within this procedure and shall mean the information component of an HTML page within the Market Web Site, excluding surrounding template information that appears on related pages, or the entirety of an element of the Market Web Site not in HTML form. All information retrieved through the Market Web Site is a Document, whether accessed by searching or navigation.~~

~~The intention of the first sentence of this clause is to avoid template and layout changes that affect multiple pages counting as a change in the Document requiring another version to be retained.~~

- ~~5 **Authority Status** is a defined term within this procedure, indicating how authoritative a Document is. Authority Statuses are Working Draft, Draft, or Final.~~

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~~1.2. Authority Status of Documents~~

- ~~1 All Documents comprising the Market Web Site that do not have a defined Authority Status shall be deemed to be Final.~~
- ~~2 Documents with an authority status of Draft or Final may not be modified except as provided for by this procedure. Where the information in the document has changed, a second Document must be created.~~
- ~~3 Where a Document is created or modified prior to a time required under the Market Rules without a defined Authority Status it shall have a defined Authority Status of Working Draft until that time, upon which it shall have a defined Authority Status of Final.~~
- ~~4 Where a Document has been superseded by a subsequent Document the earlier Document shall be clearly marked as superseded and a reference provided to the superseding Document.~~

~~1.3. Responsible party to be identified~~

- ~~1 All Documents comprising the Market Web Site shall represent the position of the IMO unless they are submitted by and are the position of another party, in which case the other party must be clearly identified.~~

~~1.4. Document Access and Retention~~

- ~~1 Documents published upon the Market Web Site must be restricted to users in accordance with their Information Confidentiality Status as established in accordance with Rule 10.2.~~
- ~~2 Notwithstanding 1.2.4, where a set of Documents is aggregated into a summary Document that includes all detail present in the original Document, the original Document may be removed.~~
- ~~3 Subject to 1.4.1 and 1.4.2, each version of each Document on the Market Web Site shall be available from the Market Web Site for at least the longest of:
 - ~~(a) one week; and~~
 - ~~(b) the period defined by Rule 10.1, if any; and~~
 - ~~(c) the period defined for the Document under the Market Rules; and~~
 - ~~(d) where the Document has legal effect under the Rules or Regulations, twelve months after the Document ceases to have legal effect.~~~~

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1.5. Changes to web sites

- 1 The IMO must maintain a list of all web sites that comprise the Market Web Site ("the List").
- 2 The IMO must notify all Rule Participants of the List on creation of the List and upon any changes to it.

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ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

Market Procedure for:
Certification of Reserve Capacity
DRAFT

Version 2

Commencement: This Market Procedure is to have effect from 8:00am (WST) on / /2008

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Market Procedures Published by the Minister¶

¶
I, FRANCIS LOGAN, Minister for Energy for the State of Western Australia, under regulation 9(2) of the Electricity Industry (Wholesale Electricity Market) Regulations 2004 hereby approve the publication of the Certification of Reserve Capacity Procedure contained in this document.¶

¶
This Market Procedure is to have effect from 8:00am (WST) on the same date as the Wholesale Electricity Market Rule, in which this procedure is made in accordance with, commences. ... [1]

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1. Procedure for Certification of Reserve Capacity

The Procedure for Certification of Reserve Capacity lays out the steps to be taken by Rule Participants and the IMO in order to certify the Reserve Capacity of Facilities. Under the Market Rules, Reserve Capacity is required to be certified by the IMO as a prerequisite for that Reserve Capacity to be either traded bilaterally or to be offered in the Reserve Capacity Auction to the IMO. In the absence of certification, no Reserve Capacity Credits would be assigned to the Facility.

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This procedure may be subject to revision before, during, and after the certification process. Rule Participants must refer to the latest published procedure, the Market Rules, and contact the IMO for further information regarding the process.

This procedure is made in accordance with market Rule 4.9.10.

1.1. Interpretation

1 In this procedure, unless the contrary intention is expressed:

- (a) terms used in this procedure have the same meaning as those given in the Wholesale Electricity Market Rules (made pursuant to Electricity Industry (Wholesale Electricity Market) Regulations 2004);
- (b) to the extent that this procedure is contrary or inconsistent with the Market Rules, the Market Rules shall prevail to the extent of the inconsistency;
- (c) a reference to the Market Rules or Market Procedures includes any associated forms required or contemplated by the Market Rules or Market Procedures; and
- (d) words expressed in the singular include the plural or vice versa.

1.2. Purpose

1 The purpose of this procedure is:

- (a) To describe the steps that a Rule Participant is required to complete to make an application for Certification of Reserve Capacity; and
- (b) To describe the steps that the IMO must follow in assessing an application for Certification of Reserve Capacity.

1.3. Application

1 This procedure applies to:

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- (a) A Rule Participant wishing to submit an Application for Certification of Reserve Capacity for:
 - (i) Non-intermittent generating Facilities
 - (ii) Intermittent generating Facilities; and/or
 - (iii) Curtailable Load or Dispatchable Load;
- (b) The IMO in processing applications for Certification of Reserve Capacity.

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1.4. Overview of Reserve Capacity Certification

Each year, participants owning or controlling generating Facilities and Demand Side Management capacity must apply for Certified Reserve Capacity in respect of those Facilities if they wish to apply for Capacity Credits. The application for Certification of Reserve Capacity is the first step in the process. Once an application for Certified Reserve Capacity has been made to the IMO, the IMO must then assess the application and set a level of Certified Reserve Capacity in respect of that Facility.

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Obtaining Certified Reserve Capacity is only one of the steps required to secure Capacity Credits, therefore it does not constitute a commitment on behalf of the IMO to assign Capacity Credits to the Facility. Similarly, a Facility that receives certification, by the way of obtaining Certified Reserve Capacity, is under no obligation to progress their project or Facility through to the stage where it is assigned Capacity Credits.

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The Reserve Capacity Mechanism is a yearly process, with certification of Reserve Capacity taking place in Year 1 of the Reserve Capacity Cycle. Subject to a number of provisions under the Market Rules, the Facility must provide the capacity between 1 October of Year 3 and 1 October of Year 4 of that Reserve Capacity Cycle.

A Rule Participant may also seek to have their Facility conditionally certified for future Reserve Capacity Cycles. If a Rule Participant obtains Conditional Certified Reserve Capacity, they may, subject to the provisions of the Market Rules, apply for the Conditional Certified Reserve Capacity to be converted to Certified Reserve Capacity in Year 1 of the Reserve Capacity Cycle.

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1.5. Procedure steps to be followed by IMO in preparing for Certification of Reserve Capacity

1. By 1 May of Year 1 of the relevant Reserve Capacity Cycle, the IMO must advise all Market Participants that the Certification process has commenced. Market Participants will be notified through the Wholesale Electricity Market System (WEMS).
2. The IMO must accredit independent experts to prepare reports on the estimated Reserve Capacity of Intermittent Generators that are yet to commence operation and must ensure that at least two accredited independent experts are available to Rule Participants at any time. (Market Rule 4.11.6)

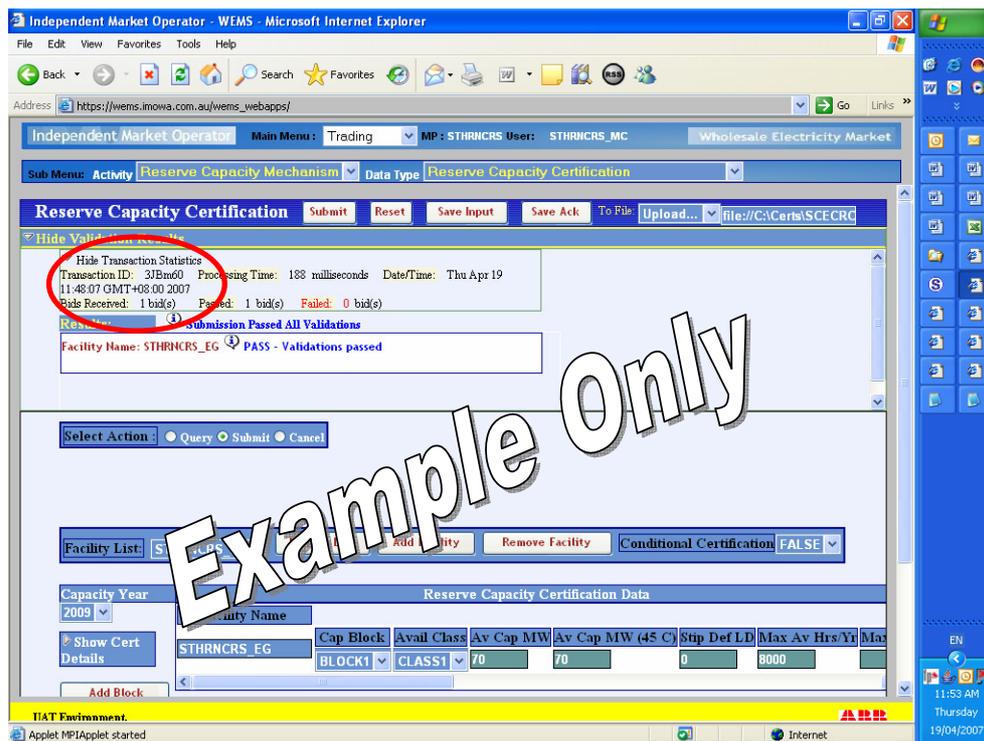
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- 3 The IMO must ensure that each accredited independent expert is competent to estimate Reserve Capacity of Intermittent Generators and may remove accreditation at any time subject to the completion of any work in progress by the expert in estimating Reserve Capacity of Intermittent Generators. (Market Rule 4.11.6)
- 4 The IMO must publish on its website the contact details of independent experts who are accredited by the IMO for estimating Reserve Capacity of Intermittent Generators. (Market Rule 4.11.6)
- 5 The IMO must accept applications for Certification of Reserve Capacity from Rule Participants beginning from 9 AM on the first Business Day following 1 May of Year 1 until 5 PM on the last business day falling on or before 20 July of Year 1 of the Reserve Capacity Cycle. (Market Rule 4.9.1)
- 6 The IMO will only accept applications for Certified Reserve Capacity that have been appropriately entered through the WEMS.
- 7 The IMO must accept applications from Rule Participants for future Reserve Capacity Cycles at any time until the closing date specified for that Reserve Capacity Cycle. (Market Rule 4.9.1)
- 8 The IMO must notify an applicant for certification of Reserve Capacity of receipt of the application within one Business Day of receipt. (Market Rule 4.9.6) Notification will be provided through the WEMS as a Transaction ID.



- 9 The IMO must process all applications for Certification of Reserve Capacity for the current Reserve Capacity Cycle by 5 PM of the last Business Day on

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or before 5 August of Year 1 of that Reserve Capacity Cycle. (Market Rule 4.1.12)

10 The IMO must process all applications for certification of Reserve Capacity for future Reserve Capacity Cycles (ie applications for Conditional Certified Reserve Capacity) within 90 days of the IMO receiving the application.

11 The IMO must notify each applicant of the results of the certification process pertaining to that applicant and include in its notification the information contained in section 1.14. The IMO must notify all applicants by the time and date specified in Step 1.5.9, (Market Rules 4.9.8) This notification will be provided through the WEMS.

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12 The Certification of Reserve Capacity will only take effect once the IMO has issued the notice of Results of Application for Certification of Reserve Capacity listed in Step 1.5.11.

1.6. Application for Certification of Reserve Capacity

1 The information to be included in an Application for Certification of Reserve Capacity is listed in the document "Information for Applications for Certification of Reserve Capacity" on the IMO Website. The information provided must be consistent with the Reserve Capacity Cycle for which the application is being made. The information must be provided for each Facility. (Market Rules 4.9 & 4.10)

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2 All information provided in respect of an application for Certified Reserve Capacity must be provided through the WEMS. Supporting evidence must be submitted to the IMO in both electronic format and in hard copy format. Electronic information must be emailed to imo@imowa.com.au.

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3 The information provided through the WEMS should be entered in accordance with the WEMS User Guides and online help.

1.7. Procedure steps to be followed by an applicant applying for Certification of Reserve Capacity

It must be noted that during each Reserve Capacity Cycle, applications may be submitted for Certified Reserve Capacity that will apply to future Reserve Capacity Cycles in which case any certification granted will be Conditional Certified Reserve Capacity. For example, a proposed Facility can be conditionally certified, but then must be recertified during the Reserve Capacity Cycle corresponding to the period that the Facility is expected to commence operation.

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1 Before submitting an application for Certification of Reserve Capacity, Rule Participants should familiarize themselves with the relevant Market Rules and the related Reserve Capacity procedures.

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2 Before Submitting an application for Certification of Reserve Capacity, the applicant must ensure they are registered as a Rule Participant. The applicant should follow the Participant Registration Procedure which can be found on the IMO Website.

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3 All Facilities, including new Facilities, must be Registered prior to submitting an application for Certification of Reserve Capacity. In respect of new Facilities, the Rule Participant must register the Facility for the purposes of Certified Reserve Capacity. Rule Participants should consult the Facility Registration Procedure and associated Market Rules for this purpose.

4 Rule Participants submitting an application for Certified Reserve Capacity in accordance with Step 1.7.3 must allow an appropriate time for the registration of the Facility to be completed. Rule Participants may submit an application for Facility Registration for the purposes of Reserve Capacity prior to 1 May of Year 1 of the Reserve Capacity Cycle to which the application relates.

5 Rule Participants applying for Certification of Reserve Capacity must make an application to the IMO during the application open period, which is between 9 AM on the first Business Day following 1 May of Year 1 and 5 PM on the last business day falling on or before 20 July of Year 1 of the Reserve Capacity Cycle. (Market Rule 4.9.1)

6 Rule Participants must follow this procedure to apply for Certified Reserve Capacity. (Market Rule 4.9.10)

7 All information provided by a Market Participant in respect of an application for Certified Reserve Capacity must be provided through the WEMS.

8 The Rule Participant application must include the information listed in clause 4.9.3 of the Market Rules. This information is also provided in the "Information for Applications of Certification of Reserve Capacity" document on the IMO Website. The process may require the applicant to provide information to the IMO in a form other than through submission via the WEMS. (Market Rule 4.9.3)

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9 In the case that a Rule Participant is resubmitting an Application for Certification in respect of a Facility that has received Conditional Certified Reserve Capacity, they must also submit details of any Network Access offer(s) and Environmental Approvals in accordance with Market Rule 4.10.1(c)i and 4.10.1(c)ii. This will assist the IMO to make a determination as to whether the Facility will be a Registered Facility during the Reserve Capacity Year and if there are any potentially limiting factors associated with the application.

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10 The Rule Participant should receive notification that the application has been received. This will be in the form of a WEMS receipt. The Rule Participant must maintain a record of this receipt.

11 The Rule Participant must contact the IMO and must resubmit an application in the event that an application has been made to the IMO but the receipt of the application has not been acknowledged by the IMO within one Business Day of the submission. The resubmission of an application must be made during the open period for making applications, which is from 9 AM on the first Business Day following 1 May of Year 1 until 5 PM on the last business day falling on or before 20 July of Year 1 of the Reserve Capacity Cycle.

12 The Rule Participant must make an application for certification for each subsequent Reserve Capacity Cycle. (Market Rule 4.9.5)

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- 13 The Rule Participant must respond to any additional requirements or questions of the Reserve Capacity Procedure and/or the IMO during the processing of its application.

1.8. Procedure steps to be followed by the IMO in Processing an Application for Certification of Reserve Capacity

Acknowledgement of application

- 1 The IMO must notify the applicant within one business day that its application has been received. This will be provided through the WEMS.

Eligibility check

- 2 The IMO must determine whether the applicant is a Market Participant and has either registered the Facility or intends to register the Facility. This requirement will be completed automatically on the premise that the Facility is Registered or that it is Registered for the purposes of Reserve Capacity. (Market Rule 4.8.1)
- 3 The IMO must determine that the Facility is not a Network. (Market Rule 4.8.1)
- 4 If the application fails either of the steps within this Eligibility check, the IMO must reject the application and advise the Market Participant.

Date accuracy and sufficiency check

- 5 The IMO must check all data provided in the application, to determine that:
- (a) All required information has been provided;
 - (b) The information provided is of sufficient depth; and
 - (c) Information has been specifically provided to support the Applicant's claims in respect to the capacity of the Facility.
- 6 The IMO may seek information from Network Operators to confirm the accuracy of data provided to it by the applicant to enable the IMO to determine the Certified Reserve Capacity for a Facility. (Market Rule 4.11.2)
- 7 The IMO 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. (Market Rule 4.11.2)
- 8 If the information provided by the applicant is insufficient or incomplete, the IMO must contact the applicant and request additional data.
- 9 If the information provided by the applicant is sufficient, including any additional information provided by the applicant, the IMO must process the application.

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Reserve Capacity Cycle check

- 10 The IMO must determine whether the application is for the current Reserve Capacity Cycle or for a future Reserve Capacity Cycle.
- 11 If the application is for the current Reserve Capacity Cycle the IMO must proceed to process the application as an application for Certified Reserve Capacity.
- 12 If the application is for a future Reserve Capacity Cycle, the IMO must proceed to process the application as an application for Conditional Certified Reserve Capacity.

Application where Participant has previously been granted Conditional Certified Reserve Capacity

- 13 If the applicant is re-lodging an application and already has Conditional Certified Reserve Capacity the IMO must determine whether the application is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned and whether the information is correct.
- 14 If the application is for re-certification and the Rule Participant has not submitted details of Network Access offer(s) and Environmental Approvals in accordance with Step 1.7.9 of this procedure, the IMO will deem the application to be inconsistent with the initial application by which the Facility received Conditional Certification of Reserve Capacity. This will be deemed to be made on the basis that the Facility detailed in the initial application for Conditional Certified Reserve Capacity would be a Registered Facility in accordance with Market Rule 4.11.1(f) and there were no potentially limiting factors.
- 15 If the re-lodged application is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned and the information is correct, the IMO must confirm the Certified Reserve Capacity or Conditional Certified Reserve Capacity, as appropriate, and report to the applicant as per Steps 1.8.30 or 1.8.31 below.
- 16 If the re-lodged application is not consistent with the information upon which the Conditional Certified Reserve Capacity was assigned or the information is not correct, the IMO must proceed to process the application without regard for the Conditional Certified Reserve Capacity.

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Timing check

- 17 The IMO must determine for which Reserve Capacity Cycle the applicant is requesting Certification and determine if the Facility is scheduled to first commence operations before the time that Reserve Capacity Obligations will apply for that Facility for that Reserve Capacity Cycle. (Market Rule 4.11.1(c))
- 18 The IMO must determine if the Facility will cease operation permanently such that it can no longer meet its Reserve Capacity Obligations before the time that Reserve Capacity Obligations will no longer apply for that Facility for the Reserve Capacity Cycle. (Market Rule 4.11.1(c))

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19 The IMO must set the Reserve Capacity for a Reserve Capacity Cycle at zero for a Facility that is not scheduled to commence operations or that will cease operations as determined in Steps 1.8.17 or 1.8.18, respectively. (Market Rule 4.11.1(c))

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20 The IMO must determine if the Facility is expected to be a Registered Facility by the time its Reserve Capacity Obligations take effect and the IMO must not grant Certified Reserve Capacity to a Facility that is not expected to be registered by that time. (Market Rule 4.11.1 (f))

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Forced outage and planned outage check

21 The IMO must determine if the Facility has operated for at least 36 months and, if so, whether it 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. This must be determined in accordance with the Power System Operating Procedure. (Market Rule 4.11.1 (h))

22 The IMO must determine if the Facility has operated for less than 36 months and, if so, whether 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%. This must be determined in accordance with the Power System Operating Procedure. (Market Rule 4.11.1 (g))

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23 The IMO may consult with System Management to determine the Forced and Planned Outage Rates in respect of Steps 1.8.21 or 1.8.22.

24 If the criteria in Steps 1.8.21 or 1.8.22 of this procedure apply to the Facility, the IMO may seek information from the applicant in respect to the present and future performance of the Facility including:

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

25 The IMO must determine whether or not to grant Certified Reserve Capacity for the Facility if the criteria in Steps 1.8.21 or 1.8.22 of this procedure apply to that Facility. In making this determination the IMO may consider, amongst other factors:

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- (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 outages at the Facility; and
- (c) Whether or not the outages at the Facility are compromising, or are likely to compromise, the security and reliability of the SWIS.

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26 The IMO may consult with System Management in deciding whether or not to refuse to grant Certified Reserve Capacity for a Facility where the criteria

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in Steps 1.8.21 or 1.8.22 of this procedure may apply to that Facility. (Market Rule 4.11.1 (h))

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27 If the IMO determines not to grant Certified Capacity Credits to the Facility it must advise the applicant of this decision.

28 If the IMO determines that it may grant Certified Capacity Credits to the Facility, the IMO must proceed to process the application.

Determination of Certified Reserve Capacity

29 The IMO must use the methodology contained in the following Sections of this procedure for setting the Certified Reserve Capacity of a Facility:

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(a) For existing non-intermittent and intermittent generation Facility – Section 1.9

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(b) For existing Curtailable Loads and Dispatchable Loads – Section 1.10

(c) For new non-intermittent generation Facility – Section 1.11

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(d) For new intermittent generation Facility – Section 1.12

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(e) For new Curtailable Loads and Dispatchable Loads– Section 1.13

Reporting to Applicant

30 The IMO must assemble the results of its determinations from the certification process and produce a report of its results consistent with the requirements of Section 1.14 of this procedure. (Market Rules 4.9.5 & 4.9.9)

31 If the application was for Certified Reserve Capacity, the IMO must deliver its report to the applicant by 5 August of Year 1 of that Reserve Capacity Cycle. (Market Rule 4.9.6)

32 If the application was for Conditional Certified Reserve Capacity the IMO must deliver its report to the applicant within 90 days of the application having been received.

1.9. Procedure steps to be followed by the IMO in setting the Certified Reserve Capacity for an existing non-intermittent generation Facility and for an existing intermittent generation Facility

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1 The IMO must complete its certification of an existing non-intermittent or intermittent generating Facility based on the following steps using the information provided by the applicant and based on any other information that the IMO may require to make its determinations.

Assessment of potentially limiting factors

2 The IMO must determine whether the Facility has failed any test conducted in accordance with Market Rule 4.25 and, if so, determine:

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(a) Whether the test results were a reasonable indication of the capacity expected to be available for supply from the Facility when it is operating normally;

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(b) Whether there are any mitigating circumstances such that the test results are not a reasonable indication of the capacity expected to be available for supply from the Facility when it is operating normally; and

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(c) The level of capacity indicated by the tests, taking account of any mitigating circumstances, that is expected to be available from the Facility when it is operating normally.

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3 The IMO must determine whether there are any restrictions on the capacity expected to be available due to staffing or availability and, if so, what level of capacity is expected to be available. (Market Rule 4.10.1(g))

4 The IMO must determine whether the Facility will be subject to a Network Control Service contract and, if so, whether the capacity that the Facility can usefully contribute is likely to be limited by transmission constraints. (Market Rule 4.11.1(g))

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5 The IMO must determine whether there are any other reasons to think that the Facility may not be able to provide the level of reserve capacity nominated by the Market Participant.

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Selection of assessment methodology

6 The IMO must determine whether the applicant has nominated, in accordance with Market Rule 4.10.1(i), for the capacity of its Facility to be assigned in accordance with the methodology described in Market Rule 4.11.2(b).

7 If the applicant has nominated the methodology described in Market Rule 4.11.2(b), then the IMO must determine whether it 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 applies.

8 In making the determination in Step 1.9.7, the IMO may consider the Assessment of potentially limiting factors.

9 If the IMO 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 applies, then the IMO must set the Certified Reserve Capacity in accordance with steps 1.9.12 to 1.9.15 ("Methodology A"), otherwise it must set the Certified Reserve Capacity in accordance with steps 1.9.17 to 1.9.18 ("Methodology B").

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10 If the application for Certified Reserve Capacity relates to an Intermittent generating Facility, the IMO must use assessment "Methodology B".

11 If the applicant has not nominated the methodology in Market Rule 4.11.2(b), then the IMO must set the Certified Reserve Capacity in accordance with Methodology A.

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Methodology A for setting Certified Reserve Capacity

- 12 The IMO must determine the maximum sent out capacity, net of embedded and parasitic loads that can be guaranteed to be available for supply to the network from the Facility when it is operated normally at an ambient temperature of 41°C. (Market Rules 4.10.1(e) & 4.11.1(b))
- 13 The IMO must determine the maximum sent out capacity, net of embedded and parasitic loads, beyond the capacity described in Step 1.9.12 that can be made available for supply to the network from the Facility at an ambient temperature of 41°C allowing for any restrictions on the availability of that capacity, including limitations on duration. (Market Rules 4.10.1(e) & 4.11.1(b))
- 14 The IMO may consult with System Management as required.
- 15 Based on the outcome of Steps 1.9.12 to 1.9.13, and the Assessment of potentially limiting factors, the IMO must determine its reasonable expectation of the amount of Reserve Capacity likely to be available from the Facility during daily peak demand times from 1 December in Year 3 to 31 July in Year 4 of the Reserve Capacity Cycle, assuming an ambient temperature of 41°C. (Market Rule 4.11.1(a))
- 16 For the purposes of Step 1.9.15 'daily peak demand times' are taken to have the same meaning as Peak Trading Intervals as defined in the Market Rules.

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Methodology B for setting Certified Reserve Capacity

- 17 The IMO must set the Relevant Level in respect of a Facility at a point in time which is determined by the IMO as follows:
- (a) take all the Trading Intervals that fell within the last three years up to, and including, the last Hot Season;
 - (b) determine the amount of electricity (in MWh) sent out by the Facility in accordance with metered data submissions received by the IMO in accordance with Market Rule 8.4 during these Trading Intervals;
 - (c) If the Generator has not entered service, or if it entered service during the period referred to in 1.9.17(a), estimate the amount of electricity (in MWh) that would have been sent out by the Facility, had it been in service, for all Trading Intervals occurring during the period referred to in 1.9.17(a) which are prior to it entering service;
 - (d) set the Relevant Level as double the sum of the quantities determined in 1.9.17(b) and 1.9.17(c) divided by 52,560.
- 18 In the case where three years of data is not available, the Market Participant may have the quantity, determined in accordance with Step 1.9.17(b), estimated by an independent expert which has been accredited by the IMO in accordance with Step 1.5.2 of this procedure. The independent expert must use any and all data available to the Market Participant, to evaluate the expected amount of electricity in accordance with Step 1.9.17 above. The intention should be to validate any models and results based on the data available for the period of operation.

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19 In respect of Step 1.9.17 above, the IMO will use metered data provided in accordance with Market Rule 8.4 where possible. If meter data is not available, the IMO may consult with System Management to obtain appropriate SCADA data records to determine the Relevant Level. The IMO may also set the Relevant Level to take into account embedded and parasitic loads.

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20 The IMO must set the Certified Reserve Capacity of the Facility equal to the Relevant Level determined in the above step, while considering the outcome of Steps 1.9.17 through 1.9.19 and the Assessment of Potentially Limiting Factors.

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Assignment of Certified Reserve Capacity

21 The IMO must assign Certified Reserve Capacity to the Facility equal to the minimum of the level nominated by the applicant, or the level determined at Step 1.9.15 or 1.9.20, as appropriate.

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Initial Reserve Capacity Obligation Quantity

22 The IMO must determine whether there are periods of time during which staffing or other factors will limit the Facility's ability to operate at full output.

23 IMO must set the Initial Reserve Capacity Obligation at a level equal to the Certified Reserve Capacity except for those periods of time determined at Step 1.9.22, in which case the IMO may set the Initial Reserve Capacity Obligation at a lower level.

24 The IMO must set the Initial Reserve Capacity Obligation quantity to zero for an Intermittent generating Facility. (Market Rule 4.12.2.aA)

1.10. Procedure steps to be followed by the IMO in setting the Certified Reserve Capacity for an existing, Curtailable Load or Dispatchable Load

1 The IMO must complete its certification of an existing Curtailable Load or Dispatchable Load based on the following steps using the information provided by the applicant and based on any other information that the IMO may require to make its determinations.

Availability classes

2 The IMO must assess each capacity block and accept only those where:

- (a) The maximum number of hours per year that the block is available to provide Reserve Capacity is not less than 24; and
- (b) The maximum number of hours per day that the block is available to provide Reserve Capacity is not less than four.

3 Each accepted capacity block is to be allocated to an Availability Class where:

- (a) Blocks that are available for at least 24 hours but less than 48 hours are allocated to Availability Class 4;

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- (b) Blocks that are available for at least 48 hours but less than 72 hours are allocated to Availability Class 3;
- (c) Blocks that are available for at least 72 hours but less than 96 hours are allocated to Availability Class 2;
- (d) Blocks that are available for at least 96 hours are allocated to Availability Class 1;

Assessment of potentially limiting factors

- 4 The IMO must determine whether there are any restrictions on the capacity expected to be available due to staffing or availability and, if so, what level of capacity is expected to be available. (Market Rule 4.10.1(g))
- 5 The IMO must determine whether the Facility will be subject to a Network Control Service contract and, if so, whether the capacity that the Facility can usefully contribute is likely to be limited by transmission constraints. (Market Rule 4.11.1(g))
- 6 The IMO must determine whether there are any other reasons to think that the Facility may not be able to provide the level of reserve capacity nominated by the Market Participant.

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Assignment of Certified Reserve Capacity

- 7 Where the applicant has specified the Reserve Capacity expected to be available from a capacity block, the IMO is to assign Certified Reserve Capacity for that capacity block equal to the expected Reserve Capacity subject to the assessment of potentially limiting factors.
- 8 Where the applicant has specified the Stipulated Default Load for any capacity block, the IMO is to determine the expected load reduction based on historic load data and assign Certified Reserve Capacity to that capacity block equal to that expected load reduction subject to the assessment of potentially limiting factors.
- 9 Where the applicant has indicated that the Reserve Capacity is to be in the form of a Demand Side Programme, the IMO must assign Certified Reserve Capacity in consideration of Market Rule 4.8.3. The following must be considered in the assignment of Certified Reserve Capacity:
 - (a) No Intermittent Load may be included in the Demand Side Programme. (Market Rule 4.8.3(a))
 - (b) The Loads comprising the Demand Side Programme must be registered as Curtailable Loads if they are to count towards satisfying the relevant Reserve Capacity Obligations of the Demand Side Programme and must not have been separately awarded Capacity Credits. (Market Rule 4.8.3(b))
 - (c) As the Loads comprising the Demand Side Programme are registered, the IMO must assign Certified Reserve Capacity and Reserve Capacity Obligations to those Facilities and must correspondingly reduce the Certified Reserve Capacity and Reserve Capacity

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Obligations associated with the Demand Programme Side during the time those Facilities are registered. (Market Rule 4.8.3(c))

- (d) After accounting for the modifications in 1.10.9(c), if at any time a Market Customer has Reserve Capacity Obligations associated with its Demand Side Programme then, for settlement purposes, the Demand Side Programme must be treated by the IMO as a Facility that has failed to satisfy its Reserve Capacity Obligations. (Market Rule 4.8.3(d))

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Initial Reserve Capacity Obligation Quantity

- 10 The Assigned Certified Reserve Capacity for each capacity block must be available for the number of hours per year that does not exceed the maximum specified by the applicant for that capacity block.
- 11 The Assigned Certified Reserve Capacity for each capacity block must be available for the number of hours per day that does not exceed the maximum specified by the applicant for that capacity block.
- 12 The Initial Reserve Capacity Obligation must take account of any staffing and other restrictions that may limit the ability of the Facility to provide energy upon request.

1.11. Procedure steps to be followed by the IMO in setting the Certified Reserve Capacity for a new non-intermittent generating Facility

- 1 The IMO must complete its certification for a new non-intermittent generating Facility based on the following steps using the information provided by the applicant and based on any other information that the IMO may require to make its determinations.

Assessment of potentially limiting factors

- 2 The IMO must determine whether there are any restrictions on the capacity expected to be available due to staffing or availability and, if so, what level of capacity is expected to be available. (Market Rule 4.10.1(g))
- 3 The IMO must determine whether the Facility will be subject to a Network Control Service contract and, if so, whether the capacity that the Facility can usefully contribute is likely to be limited by transmission constraints. (Market Rule 4.11.1(g))
- 4 The IMO must determine whether there are any other reasons to think that the Facility may not be able to provide the level of reserve capacity nominated by the Market Participant.

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Methodology for setting Certified Reserve Capacity

- 5 The IMO must determine the maximum sent out capacity, net of embedded and parasitic loads that can be guaranteed to be available for supply to the network from the Facility when it is operated normally at an ambient temperature of 41°C. (Market Rules 4.10.1(e) & 4.11.1(b))

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6 The IMO must determine the maximum sent out capacity, net of embedded and parasitic loads, beyond the capacity described in Step 1.11.5 that can be made available for supply to the network from the Facility at an ambient temperature of 41°C allowing for any restrictions on the availability of that capacity, including limitations on duration. (Market Rules 4.10.1(e) & 4.11.1(b))

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7 The IMO may use the information provided by the Rule Participant or any other information deemed appropriate, which is required to set the level of Certified Reserve Capacity of the Facility.

8 Based on the outcome of Steps 1.11.5 to 1.11.7, and the Assessment of potentially limiting factors, the IMO must determine its reasonable expectation of the amount of Reserve Capacity likely to be available from the Facility during daily peak demand times from 1 December in Year 3 to 31 July in Year 4 of the Reserve Capacity Cycle, assuming an ambient temperature of 41°C. (Market Rule 4.11.1(a))

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9 For the purposes of Step 1.11.8 'daily peak demand times' are taken to have the same meaning as Peak Trading Intervals as defined in the Market Rules.

Assignment of Certified Reserve Capacity

10 If the application is for the current Reserve Capacity Cycle, the IMO must assign Certified Reserve Capacity to the Facility equal to the minimum of the level determined at Step 1.11.8 or the level nominated by the applicant.

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11 If the application is for a future Reserve Capacity Cycle, the IMO must assign Conditional Certified Reserve Capacity to the Facility equal to the minimum of the level determined at Step 1.11.8 or the level nominated by the applicant.

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12 If the application is for re-certification and the IMO is satisfied that the application which has been re-lodged is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned the information is correct then the IMO must confirm the Certified Reserve Capacity, or Conditional Certified Reserve Capacity, depending on the Reserve Capacity Cycle for which the application is being made, that was previously assigned by the IMO.

13 If the application is for re-certification and the Rule Participant has not submitted details of Network Access offer(s) and Environmental Approvals in accordance with Step 1.7.9 of this procedure, the IMO will deem the application to be inconsistent with the initial application by which the Facility received Conditional Certification of Reserve Capacity. This will be deemed to be made on the basis that the Facility detailed in the initial application for Conditional Certified Reserve Capacity would be a Registered Facility in accordance with Market Rule 4.11.1(f) and there were no potentially limiting factors.

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14 If the re-lodged application is not consistent with the information upon which the Conditional Certified Reserve Capacity was assigned or the information is not correct, the IMO must proceed to process the application without regard for the Conditional Certified Reserve Capacity.

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Initial Reserve Capacity Obligation Quantity

- 15 The IMO must determine whether there are periods of time during which staffing or other factors will limit the Facility's ability to operate at full output.
- 16 IMO must set the Initial Reserve Capacity Obligation at a level equal to the Certified Reserve Capacity except for those periods of time determined at Step 1.11.15, in which case the IMO may set the Initial Reserve Capacity Obligation at a lower level.

1.12. Procedure steps to be followed by the IMO in setting the Certified Reserve Capacity for a new intermittent generating Facility

- 1 The IMO must complete its certification for a new intermittent generating Facility based on the following steps using the information provided by the applicant and based on any other information that the IMO may require to make its determinations.
- 2 If the applicant has submitted a report, in accordance with clause 4.10.3 of the Market Rules, prepared by an expert accredited by the IMO, the IMO must set Certified Reserve Capacity for the Facility based upon the estimate provided by the expert. (Market Rule 4.11.1(e))
- 3 If the applicant has not submitted a report in accordance with Clause 4.10.3 of the Market Rules, the IMO will set the Certified Reserve Capacity to zero.

Assessment of potentially limiting factors

- 4 The IMO must determine whether there are any restrictions on the capacity expected to be available due to staffing or availability and, if so, what level of capacity is expected to be available. (Market Rule 4.10.1(g))
- 5 The IMO must determine whether there are any other reasons to think that the Facility may not be able to provide the level of reserve capacity nominated by the Market Participant.

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Assignment of Certified Reserve Capacity

- 6 If the application is for the current Reserve Capacity Cycle, for an Intermittent Generator that has not commenced operation, the IMO must assign Certified Reserve Capacity as the amount determined in Step 1.12.2, subject to Steps 1.12.4 and 1.12.5 (where applicable).
- 7 If the application is for a future Reserve Capacity Cycle, the IMO must assign Conditional Certified Reserve Capacity as the amount determined in Step 1.12.2, subject to Steps 1.12.4 and 1.12.5 (where applicable).
- 8 If the application is for re-certification of Conditional Certified Reserve Capacity and the IMO is satisfied that the application which has been re-lodged is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned and the information is correct then the IMO must confirm the Certified Reserve Capacity, or Conditional Certified Reserve Capacity, depending on the Reserve Capacity Cycle for

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which the application is being made, that was previously assigned by the IMO.

9 If the application is for re-certification and the Rule Participant has not submitted details of Network Access offer(s) and Environmental Approvals in accordance with Step 1.7.9 of this procedure, the IMO will deem the application to be inconsistent with the initial application by which the Facility received Conditional Certification of Reserve Capacity. This will be deemed to be made on the basis that the Facility detailed in the initial application for Conditional Certified Reserve Capacity would be a Registered Facility in accordance with Market Rule 4.11.1(f) and there were no potentially limiting factors.

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10 If the re-lodged application is not consistent with the information upon which the Conditional Certified Reserve Capacity was assigned or the information is not correct, the IMO must proceed to process the application without regard for the Conditional Certified Reserve Capacity.

Initial Reserve Capacity Obligation Quantity

11 The Initial Reserve Capacity Obligation for a new intermittent generator is zero.

1.13. Procedure steps to be followed by the IMO in setting the Certified Reserve Capacity for a new Curtailable Load or Dispatchable Load

1 The IMO must complete its certification of a new Curtailable Load or Dispatchable Load based on the following steps using the information provided by the applicant and based on any other information that the IMO may require to make its determinations.

Availability classes

2 The IMO must assess each capacity block and accept only those where:

- (a) The maximum number of hours per year that the block is available to provide Reserve Capacity is not less than 24; and
- (b) The maximum number of hours per day that the block is available to provide Reserve Capacity is not less than four.

3 Each accepted capacity block is to be allocated to an Availability Class where:

- (a) Blocks that are available for at least 24 hours but less than 48 hours are allocated to Availability Class 4;
- (b) Blocks that are available for at least 48 hours but less than 72 hours are allocated to Availability Class 3;
- (c) Blocks that are available for at least 72 hours but less than 96 hours are allocated to Availability Class 2;

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- (d) Blocks that are available for at least 96 hours are allocated to Availability Class 1;

Assessment of potentially limiting factors

- 4 The IMO must determine whether there are any restrictions on the capacity expected to be available due to staffing or availability and, if so, what level of capacity is expected to be available. (Market Rule 4.10.1(g))
- 5 The IMO must determine whether the Facility will be subject to a Network Control Service contract and, if so, whether the capacity that the Facility can usefully contribute is likely to be limited by transmission constraints. (Market Rule 4.11.1(g))
- 6 The IMO must determine whether there are any other reasons to think that the Facility may not be able to provide the level of reserve capacity nominated by the Market Participant.

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Assignment of Certified Reserve Capacity

- 7 Where the applicant has specified the Reserve Capacity expected to be available from a capacity block, the IMO is to assign Certified Reserve Capacity for that capacity block equal to the expected Reserve Capacity subject to the assessment of potentially limiting factors.
- 8 Where the applicant has specified the Stipulated Default Load for any capacity block, the IMO is to determine the expected load reduction based on expected load data and assign Certified Reserve Capacity to that capacity block equal to that expected load reduction subject to the assessment of potentially limiting factors.
- 9 Where the applicant has indicated that the Reserve Capacity is to be in the form of a Demand Side Programme, the IMO must assign Certified Reserve Capacity in consideration of Market Rule 4.8.3. The following must be considered in the assignment of Certified Reserve Capacity:
- (a) No Intermittent Load may be included in the Demand Side Programme. (Market Rule 4.8.3(a))
- (b) The Loads comprising the Demand Side Programme must be registered as Curtailable Loads if they are to count towards satisfying the relevant Reserve Capacity Obligations of the Demand Side Programme and must not have been separately awarded Capacity Credits. (Market Rule 4.8.3(b))
- (c) As the Loads comprising the Demand Side Programme are registered, the IMO must assign Certified Reserve Capacity and Reserve Capacity Obligations to those Facilities and must correspondingly reduce the Certified Reserve Capacity and Reserve Capacity Obligations associated with the Demand Programme Side during the time those Facilities are registered. (Market Rule 4.8.3(c))
- (d) After accounting for the modifications in (c), if at any time a Market Customer has Reserve Capacity Obligations associated with its Demand Side Programme then, for settlement purposes, the Demand

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Side Programme must be treated by the IMO as a Facility that has failed to satisfy its Reserve Capacity Obligations. (Market Rule 4.8.3(d))

Initial Reserve Capacity Obligation Quantity

- 10 The Assigned Certified Reserve Capacity for each capacity block must be available for the number of hours per year that does not exceed the maximum specified by the applicant for that capacity block.
- 11 The Assigned Certified Reserve Capacity for each capacity block must be available for the number of hours per day that does not exceed the maximum specified by the applicant for that capacity block.
- 12 The Initial Reserve Capacity Obligation must take account of any staffing and other restrictions that may limit the ability of the Facility to vary its demand upon request.

1.14. Procedure steps to be followed by the IMO in advising an applicant of its Certified Reserve Capacity

The IMO is to provide the following information to the applicant on the results of applications for Certification of Reserve Capacity. (Market Rules 4.9.5 & 4.9.9)

- 1 **Identity of Market Participant and Facility** – The identity of Market Participant making the application and the identification of the Facility for which the results apply. Deleted: facility
- 2 **Application of Results for Facility** – The Reserve Capacity Cycle to which the result applies. (Market Rule 4.9.5)
- 3 **Conditional Certified Reserve Capacity** – In the case of Certified Reserve Capacity relating to a future Reserve Capacity Cycle, the conditions of continued certification, including the requirements for reapplying for certification. (Market Rule 4.9.5)
- 4 **Certified Reserve Capacity** – The amount of Certified Reserve Capacity to apply to the Facility. (Market Rule 4.9.9) Deleted: facility.
- 5 **Initial Reserve Capacity Obligations** – The Initial Reserve Capacity Obligations associated with the Certified Reserve Capacity. (Market Rule 4.9.9)
- 6 **Reserve Capacity Security Deposit Requirements** – Any Reserve Capacity Security Deposit required as a condition of the Facility holding the Certified Reserve Capacity. (Market Rule 4.9.9) Deleted: facility
- 7 **Calculation Basis for Certification** – The calculations upon which the IMO's determination is based.

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Market Procedures Published by the Minister

I, FRANCIS LOGAN, Minister for Energy for the State of Western Australia, under regulation 9(2) of the Electricity Industry (Wholesale Electricity Market) Regulations 2004 hereby approve the publication of the Certification of Reserve Capacity Procedure contained in this document.

This Market Procedure is to have effect from 8:00am (WST) on the same date as the Wholesale Electricity Market Rule, in which this procedure is made in accordance with, commences.

.....

Dated at Perth this day of 2006.

ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY
MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

Market Procedure for:
Declaration of Bilateral Trades and
the Reserve Capacity Auction

Version 1

This Market Procedure is to have
effect from 8:00am (WST) on [day]
[Month] 2008

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¶
Market Procedures Published
by the Minister¶

¶
I, FRANCIS LOGAN, Minister
for Energy for the State of
Western Australia, under
regulation 9(2) of the Electricity
Industry (Wholesale Electricity
Market) Regulations 2004
hereby approve the publication
of the Market procedure for:
Declaration of Bilateral Trades
and the Reserve Capacity
Auction contained in this
document.¶

¶
This Market Procedure is to
have effect from 8:00am (WST)
on [day] [month] 2006 ... [1]

1. **Bilateral Trade Declaration and Reserve Capacity Auction Procedure**

The Bilateral Trade Declaration Procedure covers the process by which Rule Participants must propose, in the form of a Declaration, the level of Certified Reserve Capacity they intend to trade bilaterally, and the process by which the IMO processes the declaration and assign Reserve Capacity. The procedure includes an overview of the process, the information that is required to be exchanged, and the timing and sequence of events.

This procedure is made in accordance with Chapter 4 and Appendix 3 of the Market Rules.

1.1. Interpretation

In this procedure, unless the contrary intention is expressed:

- (a) terms used in this procedure have the same meaning as those given in the Wholesale Electricity Market Rules (made pursuant to Electricity Industry (Wholesale Electricity Market) Regulations 2004);
- (b) to the extent that this procedure is contrary or inconsistent with the Market Rules, the Market Rules shall prevail to the extent of the inconsistency;
- (c) a reference to the Market Rules or Market Procedures includes any associated forms required or contemplated by the Market Rules or Market Procedures; and
- (d) words expressed in the singular include the plural or vice versa.

1.2. Purpose

The purposes of this procedure are:

- (a) to describe the steps that a Market Participant holding Reserve Capacity is required to complete in order to declare the composition of their Reserve Capacity for the purposes of bilateral trades, the Reserve Capacity Auction and pre-existing Special Price Agreements.
- (b) to describe the steps that the IMO must follow in assessing Bilateral Trade Declarations.
- (c) to describe the steps that the IMO must follow in determining which bilateral trades will be accepted, if a Reserve Capacity Auction will be required, and if so how much Reserve Capacity will be required in the Reserve Capacity Auction.

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1.3. Application

This procedure applies to a Market Participant who has been assigned Certified Reserve Capacity and wishes to operate in the Wholesale Electricity Market in Year 3 of the Reserve Capacity Cycle.

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1.4. Overview of Bilateral Trade Declaration

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Market Participants holding Certified Reserve Capacity are required to Declare the amount of Certified Reserve Capacity they:

- wish to trade bilaterally;
- wish to enter into the Reserve Capacity Auction process;
- have held under pre-existing Special Price Arrangements; and
- do not wish to make available to the Wholesale Market.

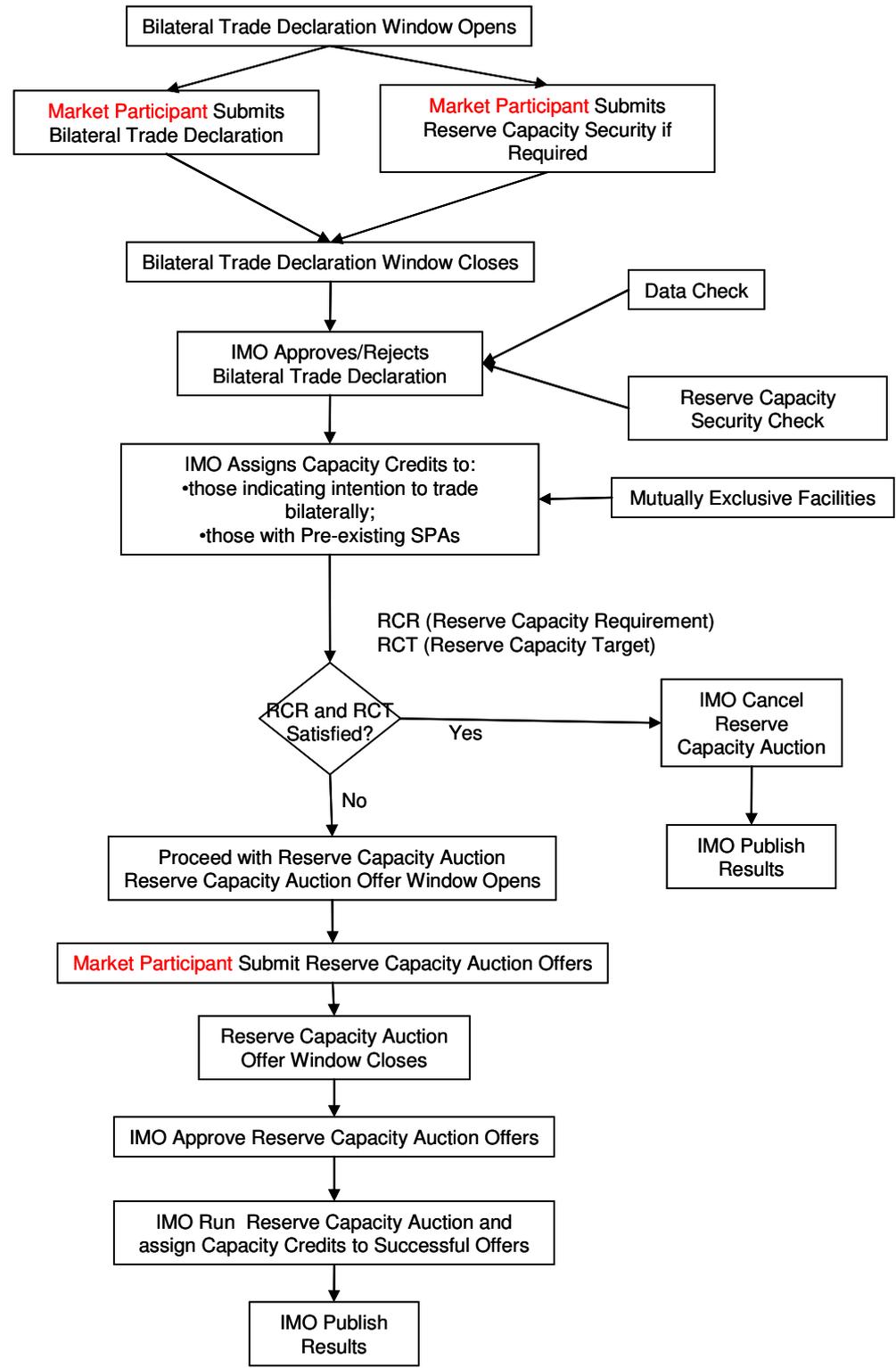
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The Declaration of Bilateral Trades must be submitted to the IMO no later than 5 PM on the last business day falling before 10 August of Year 1 of the relevant Reserve Capacity Cycle in the case of subsequent Reserve Capacity Cycles.

The submission of Bilateral Trade Declaration information will allow the IMO to determine if a Reserve Capacity Auction is required, and how much reserve capacity will be required in the Auction.

This market procedure also outlines the process by which bilateral trades are assigned a priority order under the Market Rules, and the mechanism by which Trade offers are accepted.

The following diagram illustrates the main components of the process. Actions required of Market Participants are identified with red text font.



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1.5. Procedure Steps to be followed by the Market Participant holding Certified Reserve Capacity submitting a Bilateral Trade Declaration and providing Reserve Capacity Security.

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The Market Participant must obtain the

1 The Market Participant must have received Certified Reserve Capacity in respect of the Facility and must make a submission to the IMO in respect of their intention to offer their Certified Reserve Capacity through the Bilateral Trade Declaration process or the Reserve Capacity Auction if one is held. The submission is made in accordance with Market Rule 4.14.

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2 The IMO will open the window for Bilateral Trade Declarations in the WEMS on the first Business Day following the close of Certification of Reserve Capacity window. The Certification of Reserve Capacity window closes at 5:00PM of the last Business Day falling on or before 20 July of Year 1 of the Reserve Capacity Cycle. (Market Rule 4.1.11)

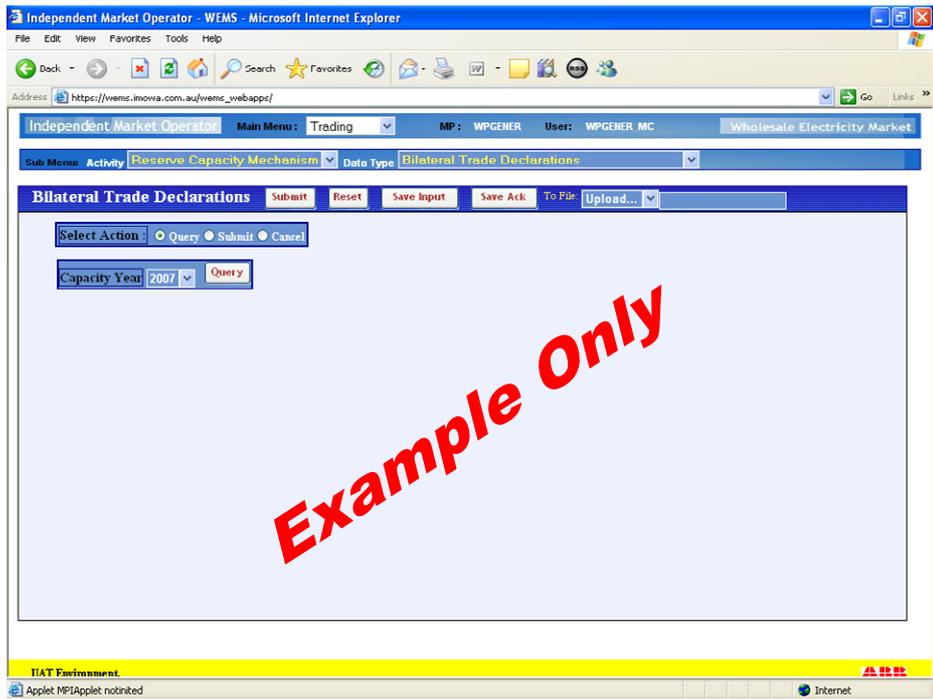
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3 The Market Participant must ensure that it makes a submission in respect of its Facilities no later than 5 PM of the last Business Day falling on or before 10 August of Year 1 of the relevant Reserve Capacity Cycle. (Market Rule 4.1.14)

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4 The Market Participant must make its submission through the WEMS using the appropriate functionality. The Market Participant should also refer to the WEMS User Guide provided by the IMO.

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5 The Market Participant must ensure that a person with appropriate authority makes the Bilateral Trade Declaration and Reserve Capacity Auction submissions. The Market Participant will be required to provide the IMO

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with a list of staff with an appropriate level of Authority to make this submission. In the case where a submission is not made by a WEMS User with the appropriate level of Authority, the IMO may reject the application.

6 If the Market Participant has not received confirmation of receipt of their application from the IMO within one Business Day the applicant must contact the IMO to arrange for resubmission or resolution of any problems. (Market Rule 4.14.7)

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7 The Market Participant must, if requested by the IMO, provide additional information to the IMO with respect to information that is missing from the application, which was inadequately specified, or which is required to enable the IMO to prioritise Bilateral Trades in respect of Market Rule 4.14.6

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8 If supplementary information is requested by the IMO, the Market Participant should endeavour to assist the IMO with due consideration to the timeframe and implications set out in Market Procedure 1.7 below.

9 If a Market Participant is required to provide Reserve Capacity Security, the Market Participant must provide the relevant Reserve Capacity Security to the IMO in accordance with the Market Rules and the Market Procedure: Reserve Capacity Security.

Deleted: <#>Information to be included in the Bilateral Trade Declaration Form¶
The information to be included in a Bilateral Trade Declaration Form Application for Certification of Reserve Capacity includes the following items to be provided by the Rule Participant making the application to the IMO. The information provided must be consistent with the Reserve Capacity Cycle for which the application is being made. The information must be provided for each Facility. ¶
<#>Identity of Market Participant and Contact Details – The identity and contact information of the Market Participant Contact ¶
<#>Details of Facility to which the Bilateral Trade Declaration Refers to:¶
<#>Name of Facility;¶
<#>Total Certified Reserve Capacity of the Facility.¶

1.6. Information to be included in the Bilateral Trade Declaration

The information to be included in a Bilateral Trade Declaration must be consistent with the Reserve Capacity Cycle for which the application is being made. The information must be provided for each Facility.

1 Declaration of Certified Reserve Capacity

(a) A declaration detailing the total amount of Reserve Capacity to be made available in a Reserve Capacity Auction (if held) where the amount to be made available is not to include Reserve Capacity covered by a pre-existing Special Price Arrangement. The declaration should also include the Availability Class to which the quantity of Certified Reserve Capacity refers. (Market Rule 4.14.1(a))

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(b) A declaration detailing the total amount of Reserve Capacity covered by a pre-existing Special Price Arrangement that the Market Participant intends will not be traded bilaterally. The declaration should also include the Availability Class to which the quantity of Certified Reserve Capacity refers. (Market Rule 4.14.1(b))

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(c) A declaration detailing the total amount of Reserve Capacity the Market Participant intends will be traded bilaterally. The declaration should also include the Availability Class to which the quantity of Certified Reserve Capacity refers. (Market Rule 4.14.1(c))

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(d) A declaration detailing the total amount of Reserve Capacity that will not be made available to the market, where this amount cannot include Reserve Capacity covered by a pre-existing Special Price Agreement. The Declaration should also include the Availability Class

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to which the quantity of Certified Reserve Capacity refers. (Market Rule 4.14.1(d))

2 For the purposes of the WEMS.

- (a) Registered (R) means the Facility exists and is operational.
- (b) Committed (C) means "Under Construction".
- (c) Proposed (P) means proposed.

3 Evidence of Construction Status – If a Rule Participant wishes for their facility to be considered "Under Construction" as opposed to "Proposed", they must provide supporting evidence to the IMO. Details of the requirements are included at Appendix 1.

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4 If a Market Participant wishes to raise their Facility Status from Proposed to Under Construction, they must submit an application to change their Facility Status. Changes to the Registration of a Facility must be completed in accordance with the Market Rules and the Facility Registration Market Procedure. The Market Participant must ensure that sufficient time is allowed for the change in registration details to be approved by the IMO. If these changes cannot be approved before the Bilateral Trade Declaration window closes (Procedure Step 1.5.3), the Facility will be considered as Proposed for the purposes of the Bilateral Trade Declaration.

Deleted: <#>Undertaking and Declaration – A statement by a suitably authorised representative of the Market Participant's organisation that the information provided is accurate and that the Market Participant agrees to comply with the obligations set out in the Market Rules. ¶ Procedure Steps to be followed by Electricity Generation Corporation when declaring Certified Reserve Capacity - The amount of Reserve Capacity that Electricity Generation Corporation intends to trade bilaterally, specified at Procedure Step

5 If a Market Participant makes a claim that its Facility is in the Under Construction stage, the IMO must determine if the Market Participant has provided appropriate evidence in support of its claim. If the IMO determines that the Facility is not in the Under Construction phase, it will not approve the Facility Registration request and the Bilateral Trade Declaration will be accepted on the basis that the Facility is designated as Proposed.

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6 Subject to Procedure Step 1.1.1, if the Bilateral Trade Declaration is compliant with this procedure and with the Market Rules the IMO must accept the Bilateral Trade Declaration.

Deleted: above must be not less than Electricity Generation Corporation's Certified Reserve Capacity corrected for peak load (in accordance with Market Rule 4.14.4(a) and 4.14.5) and not less than the Minimum Frequency Keeping Capacity. (Market Rule 4.14.4)¶ <#>Procedure Steps to be followed by the IMO in processing a Bilateral Trade Declaration Form.¶ The IMO must review the information provided in the Bilateral Trade Declaration Form to ensure that the information is consistent with that required by Market Rule 4.14.1. The IMO should make reasonable endeavours to complete this within one Business Day of Receipt of the Form. This Market Procedure is concerned with the validity of the declaration and does not deal with the allocation of

7 For the Electricity Generation Corporation the amount of Certified Reserve Capacity that Electricity Generation Corporation intends to trade bilaterally, specified at Procedure Step 1.6.1(c) above must be made in accordance with Market Rule 4.14.4.

Reserve Capacity Security

8 For Facilities that require Reserve Capacity Security, the Market Participant must ensure that it has provided sufficient and appropriate Reserve Capacity Security to the IMO prior to submitting a Bilateral Trade Declaration and in accordance with the requirements of the Market Rules and the associated Market Procedure for Reserve Capacity Security.

1.7. Procedure Steps to be followed by the IMO in Accepting a Bilateral Trade Declarations.

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The IMO must review the information provided in the Bilateral Trade Declaration to ensure that the information is consistent with the requirement of Market Rule 4.14.1. The IMO should make reasonable endeavours to complete this within one Business Day of Receipt of the Bilateral Trade Declaration. This part of the Market Procedure is concerned with the validity of the declaration and does not deal with the Assignment of Capacity Credits. The assignment of Capacity Credits is detailed in part of Section 1.10 below.

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1 By 9.00 AM on the first Business Day following the close of the Certification of Reserve Capacity Window, the IMO must open the Bilateral Trade Declaration window in the WEMS.

2 The close of the Certification of Reserve Capacity Window is 5:00PM on of the last Business Day falling on or before 20 July of Year 1 of the Reserve Capacity Cycle. (Market Rule 4.1.11)

3 The IMO must close the Bilateral Trade Declaration window no later than 5 PM of the Business Day falling on or before 10 August of Year 1 of the relevant Reserve Capacity Cycle. (Market Rule 4.1.14)

Data accuracy and sufficiency check

4 The IMO must check all data provided in Bilateral Trade Declarations to determine that:

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- (a) All required information has been provided (Market Rule 4.14.7);
- (b) the applicant is a Market Participant (Market Rule 4.14.7);
- (c) the Facility referred to in the Bilateral Trade Declaration has been assigned Certified Reserve Capacity and if so, the quantity and Availability Classes to which Certified Reserve Capacity has been assigned (Market Rule 4.14.7);
- (d) both the total quantity of Certified Reserve Capacity held by the Market Participant, and the Availability Class to which that Certified Reserve Capacity refers to is less than or equal to that included in the Bilateral Trade Declaration Form (Market Rule 4.14.7);
- (e) the Facility to which the submission refers is not subject to a Network Control Service Contract. Market Rule (Market Rule 4.14.3)

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5 The IMO must endeavour to resolve any discrepancy in consistency of the information provided within one business day of receipt. (Market Rule 4.14.7)

6 The IMO must make a determination of the “Status” of the Facility using the information submitted by the Rule Participant and the guidelines detailed at Appendix 1 of this Procedure. If the IMO determines that the Facility Status claims of the Rule Participant are not supported, the IMO must not accept the application for change to the Facility Registration Details and process the Bilateral Trade Declaration as if the Facility has a Proposed Status.

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7 If the IMO cannot make a determination of the “Status” of the Facility so that the Facility Status takes effect before the close of the Bilateral Trade

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Declaration window (Procedure Step 1.7.3), the IMO must reject any change to Facility Status in the Registration application and process the Bilateral Trade Declaration as if the Facility has a Status of Proposed.

8 If the information provided by the Market Participant is consistent with that required in Market Rule 4.14, the IMO must accept the Bilateral Trade Declaration submission within one business day of receipt. (Market Rule 4.14.7)

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9 If the IMO cannot establish what a Market Participant's intentions are with respect to all or part of its Certified Reserve Capacity within one business day, the IMO must determine that:

- (a) the Market Participant's Certified Reserve Capacity corresponding to pre-existing Long Term Special Price Arrangements cannot be traded bilaterally (Market Rule 4.14.7(c)i); and
- (b) the Market Participants Certified Reserve Capacity not covered by pre-existing Long Term Special Price Arrangements will be treated as being unavailable to the market (Market Rule 4.14.7(c)ii).

Reserve Capacity Security

10 If Reserve Capacity Security is required in respect of a Facility, the IMO must determine if appropriate Reserve Capacity Security has been provided. The IMO must use the Reserve Capacity Security Procedure and the Market Rules for this purpose. In the event that the IMO determines that appropriate Reserve Capacity Security has not been provided, the IMO must deem that Bilateral Trade Declaration as invalid and reject it from the Capacity Credit assignment process.

11 The IMO must document all Bilateral Trade Declarations that were deemed valid ("Approved" in the WEMS), and all Bilateral Trade Offers that were deemed invalid ("Rejected" in the WEMS).

12 Bilateral Trade Offers that are deemed invalid are rejected from the bilateral trade process and the subsequent Capacity Credit assignment process.

1.8. Procedure steps to be followed by Market Participants and by the IMO when the IMO requests additional Bilateral Trade information.

1 Under Market Rule 4.14, the IMO may request additional or clarifying information from a Market Participant. The IMO must request this information by facsimile, email or in writing in such a manner as to expedite the process of clarification while giving consideration to the timeframe associated with the eligibility of Bilateral Trade Declarations.

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2 The request should, in detail, outline the information that is needed by IMO to proceed with the acceptance process of Bilateral Trade Declarations.

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3 If a request is made by the IMO for additional information, the Market Participant must notify the IMO of receipt of the request within One Hour of receiving the request.

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4 If the IMO does not receive notification of receipt of the request within one hour of sending the request, the IMO must re-submit the request, preferably in both the original form of request and by at least one other form. If the Market Participant fails to respond to the second request for information within one hour, the IMO must consider the Offer in the same context as Offers listed at Procedure Step 1.7.9.

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5 On receiving a request for additional information, the Market Participant must respond to the IMO by making necessary adjustments to their Bilateral Trade Declaration and providing other information as necessary by Facsimile or email. The Market Participant must respond within two hours of receiving the request for additional information.

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6 If the IMO has received notification of receipt of the request by the Market Participant and does not receive the requested information within two hours, the IMO must consider the Offer in the same context as an Offers listed in Procedure Step 1.7.9.

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1.9. Procedure steps to be followed by the IMO in determining valid Bilateral Trades (Mutually Exclusive Facilities)

The IMO must use this procedure to determine which Bilateral Trade Declarations will be approved. Here, valid Bilateral Trade Declarations are those offers that have met the criteria for Section 1.7 above and can be entered into the Capacity Credit assignment process. The outcome of this process will also help the IMO to determine if a Reserve Capacity Auction is required, and if so, how much Reserve Capacity will be required in the Auction.

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1 The IMO must review the listing of information regarding Bilateral Trade Declarations (in the WEMS) and the Certified Reserve Capacity Applications and identify any Facilities that cannot exist simultaneously. In the event that two or more Facilities are identified subject to this clause, the IMO must not accept more than one Bilateral Trade Declaration. The Bilateral Trade Declaration that will be used in the Capacity Credit assignment process is determined following the methodology described below and all other Bilateral Trade Declarations in respect of the Reserve Capacity in question must be rejected. The methodology for determining which Bilateral Trade Declaration will be accepted for use in the Capacity Credit assignment process is (Market Rule 4.14.6):

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(a) Facilities that are operational or are under construction will be accepted ahead of other Facilities; then

(b) if more than one Facility remains, then Facilities that can demonstrate having secured financing will be accepted ahead of other Facilities; then

(c) if more than one Facility remains, then Facilities with the greatest quantity of Certified Reserve Capacity will be accepted ahead of Facilities with lower Certified Reserve Capacity; then

(d) if more than one Facility remains, then Facilities identified in Expressions of Interest will be accepted ahead of other Facilities; then

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- (e) if more than one Facility remains, then the IMO will accept one based on the order in which they applied for Certified Reserve Capacity, including applications for Conditional Certified Reserve Capacity.

If the determination of priority order proceeds to step 1.9.1(b) above, the IMO may request supporting information from each Market Participant under Section 1.8 of this Market Procedure.

This Procedure Step 1.1.1, may be undertaken using the functionality of the WEMS.

2 The IMO must ensure that mutually exclusive Facilities are identified within the WEMS before Capacity Credits are assigned in accordance with Procedure Step 1.10. This will allow the WEMS to assign Capacity Credits to the appropriate Facilities.

3 The functionality of the WEMS must take into account Mutually Exclusive Facilities when assigning Capacity Credits.

1.10. Procedure steps to be followed by the IMO in Assigning Capacity Credits to valid Bilateral Trade Declarations

This procedure outlines the process the IMO will use to Assign Capacity Credits to Approved Bilateral Trade declarations.

1 The IMO must use the WEMS to assign Capacity Credits to those Facilities who have indicated their intention to bilaterally trade their Capacity Credits. This must be completed for accepted ("Approved") Bilateral Trade Declarations and the IMO must make this determination and publish the results no later than 5:00PM on the first Business Day following the notification time in Market Rule 4.1.14 (Market Rule 4.1.15)

2 The notification time referred to in Procedure Step 1.10.1, and Market Rule 4.1.14 is no later than 5PM of the last Business Day falling on or before 10 August of Year 1 of the relevant Reserve Capacity Cycle.

3 The IMO must undertake the Assignment of Capacity Credits in Accordance with Appendix 3 of the Market Rules and must ensure that Mutually Exclusive Facilities have been considered in accordance with Procedure Step 1.9 and the Market Rules.

4 Any Bilateral Trade Declaration that was not deemed valid, or was not accepted in the above process is deemed to have been rejected.

5 If it is determined that a Shortfall exists for any Availability Class, the IMO must run a Reserve Capacity Auction.

2. Market Procedures for Reserve Capacity Auction

2.1. Procedure steps to be followed by the IMO to determine whether a Reserve Capacity Auction is to be held.

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Deleted: and recorded by the IMO along with details as appropriate (Market Participant and Facility details and availability class for example).¶ Valid submissions of Certified Reserve Capacity that are covered by a pre-existing Special Price Agreement that the respective Market Participant intends will not be traded bilaterally in Accordance with Market Rule 4.14.1(b) should be determined from Step

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Deleted: and recorded by the IMO along with details as appropriate (Market Participant and Facility details and availability class for example).¶ Valid Submissions of Certified Reserve Capacity that are intended by the respective Market Participant to be traded bilaterally in accordance with Market Rule 4.14.1(c) should be determined from Step

Deleted: and recorded by the IMO along with details as appropriate (Market Participant and Facility details and availability class for example).¶ Valid submissions of Certified Reserve Capacity that are not to be made available to t (... [2]

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Deleted: Participant and Facility details and availability class for example)

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Deleted: Offers¶ This procedure outlines the process the IMO will use to accept Bilateral Trade Of (... [4]

Deleted: <#>The IMO must publish whether or not a Reserve Capacity Auction is required in accordance w (... [5]

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A Reserve Capacity Auction will be held if insufficient capacity has been offered through existing special price arrangements and/or Bilateral Trade Declarations to meet the forecast Reserve Capacity Requirement and if Certified Reserve Capacity has been offered for an auction.

1 For each Availability Class, the IMO is to determine the Reserve Capacity Target for the Capacity Year in accordance with Market Rule 4.5.10(b)(i).

Deleted: Step 1.10.2(d) above and

2 For each availability Class, the IMO is to determine the amount of Reserve Capacity covered by pre-existing Special Price Arrangements that will not be traded bilaterally. (Market Rule 4.14.1(b)).

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3 The IMO must determine the amount of Reserve Capacity that market Participants may trade bilaterally. (Market Rule 4.14.9)

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4 The IMO must determine the amount of Reserve Capacity that Market Participants intend to make available in the Reserve Capacity Auction. (Market Rule 4.14.1(a))

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5 The IMO must schedule a Reserve Capacity Auction if:

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(a) the quantity determined in Step 2.1.1 for any Availability Class exceeds the sum of the quantities determined in Steps 2.1.2 and 2.1.3.

(b) the quantity determined in Step 2.1.4 exceeds zero for any Availability Class;

2.2. Procedure steps to be followed by the IMO to announce that a Reserve Capacity Auction is to be held.

1 The IMO must publish a notice as to whether the Reserve Capacity Auction will be cancelled. This must be published by 5pm of the last business day falling on or 18 August of Year 1 in the case of subsequent Reserve Capacity Cycles. (Market Rule 4.1.16)

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2 If the Reserve Capacity Auction is cancelled, the IMO must publish a notice in accordance with Market Rule 4.15.1 which provides the following information:

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(a) that the Reserve Capacity Auction has been cancelled;

(b) the Reserve Capacity Requirement;

(c) the total amount of Certified Reserve Capacity;

(d) the total amount of Certified Reserve Capacity that would have been made available in the Reserve Capacity Auction had one been held; and

(e) the total amount of Certified Reserve Capacity covered by pre-existing Special Price Arrangements.

3 If the Reserve Capacity Auction is confirmed, the IMO must publish a notice in accordance with Market Rule 4.15.2 which provides the following information:

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- (a) that the Reserve Capacity Auction will be held;
- (b) the Reserve Capacity Auction Requirement, where this equals the Reserve Capacity Requirement less the total amount of Certified Reserve Capacity which:
 - (i) the IMO has notified Market Participants can be traded bilaterally under Market Rule 4.14.9; or
 - (ii) is covered by a pre-existing Special Price Arrangement;
- (c) the amount of Reserve Capacity required to be procured via the auction from each Availability Class;
- (d) the dates during which the IMO will accept Reserve Capacity Offers; and
- (e) the date on which the Reserve Capacity Auction results will be published.

2.3. Procedure steps to be followed by a Market Participant in making an offer into a Reserve Capacity Auction.

- 1 The Market Participant must use the Reserve Capacity Auction Offers Screen in the WEMS to submit a Reserve Capacity Offer. (Market Rule 4.17.2)
- 2 The Market Participant must provide the following information in the Reserve Capacity Auction Offer: (Market Rule 4.18.1)
 - (a) the identity of the Market Participant submitting the Reserve Capacity Offer;
 - (b) the identify of the Market Participant's Facility covered by the Reserve Capacity Offer; and
 - (c) a single Price-Quantity Pair for each Facility except for Interruptible Loads, Curtailable Loads and Dispatchable Loads, where a single Price-Quantity Pair is to be included for each block of Certified Reserve Capacity associated with the Facility.
- 3 The Market Participant must provide the following information in respect to each Reserve Capacity Price-Quantity Pair: (Market Rule 4.18.2)
 - (a) the identity of the Facility to which it relates;
 - (b) an offer price in units of dollars per megawatt per year between zero and the Maximum Reserve Capacity Price;
 - (c) a quantity in units of megawatts equal to the amount determined in accordance with Market Rule 4.14.10 in respect of that Facility; and
 - (d) the Availability Class of that Price-Quantity Pair, as specified by the IMO in assigning Certified Reserve Capacity to that Facility in

Deleted: <#>The IMO must advise all Market Participants directly who had indicated that they intended to make Reserve Capacity Available in a Reserve Capacity Auction of its decision as to whether the Auction has been confirmed or cancelled.¶
<#>Procedure steps to be followed by the IMO to accept an offer from a Market Participant.¶

<#>The IMO must prepare and publish a Reserve Capacity Offer Form on its website;¶
<#>Upon receipt of a Reserve Capacity Offer, the IMO must determine whether the offer is (Market Rule 4.17.4):¶
<#>consistent with the requirements of the Market Rules including Market Rule 4.14.10;¶
<#>contains all of the information required under Market Rule 4.18; and¶
<#>is on a Reserve Capacity Offer Form.¶
<#>The IMO must determine if the quantity in the Reserve Capacity Offer is consistent with that identified in the bilateral trade declaration process and with the total quantity of Certified Reserve Capacity assigned to the Facility under consideration.¶
<#>If the Offer meets the requirements detailed at Steps 2.3.2 and 2.3.3 the IMO must accept the Offer as valid, otherwise the IMO must reject the Offer as invalid. (Market Rule 4.17.4)¶
<#>Within one working day of receipt of a Reserve Capacity Offer, the IMO must contact the Market Participant by facsimile or email to confirm receipt of the Offer and to advise whether the offer has been accepted as valid or rejected as invalid. (Market Rule 4.17.3)¶

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accordance with Market Rule 4.11.

- 4 If a Market Participant has not been advised by the IMO within one working day that its Reserve Capacity Auction Offer has been received it must contact the IMO and arrange for resubmission of the Offer. (Market Rule 4.17.5)
- 5 If the Market Participant is advised by the IMO that its Reserve Capacity Offer is invalid up until the Reserve Capacity Auction Offers window closes, it may submit a revised Reserve Capacity Auction Offer. (Market Rule 4.17.7)

2.4. Procedure steps to be followed by the IMO to accept a Reserve Capacity Auction Offer from a Market Participant.

- 1 Upon receipt of a Reserve Capacity Auction Offer, the IMO must determine whether the offer is (Market Rule 4.17.4):
 - (a) consistent with the requirements of the Market Rules including Market Rule 4.14.10; and
 - (b) contains all of the information required under Market Rule 4.18.
- 2 The IMO must determine if the quantity in the Reserve Capacity Auction Offer is consistent with that identified in the Bilateral Trade Declaration process and with the total quantity of Certified Reserve Capacity assigned to the relevant Facility.
- 3 If the Reserve Capacity Auction Offer meets the requirements detailed at Steps 2.4.1 and 2.4.2 the IMO must accept ("Approve") the Reserve Capacity Auction Offer submission as valid, otherwise the IMO must reject the Reserve Capacity Auction Offer as invalid. (Market Rule 4.17.4)
- 4 Within one working day of receipt of a Reserve Capacity Auction Offer submission, the IMO must contact the Market Participant to confirm receipt of the Reserve Capacity Auction Offer submission and to advise whether the offer has been accepted as valid or rejected as invalid. This may be conducted through the WEMS (Market Rule 4.17.3)

2.5. Procedure Steps to be followed by the IMO to clear a Reserve Capacity Auction

The methodology for clearing a Reserve Capacity Auction is detailed in Appendix 3 of the Market Rules. The following procedure outlines the steps to be undertaken by the IMO in accordance with these Market Rules.

- 1 The IMO must determine if Reserve Capacity Offers have been received for two or more facilities that cannot simultaneously be scheduled.
- 2 If so, the IMO may consider an offer from a Facility identified at Step 2.5.1 if

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- (a) that Facility has been allowed to bilaterally trade in accordance with Market Rule 4.14.6; or
- (b) the IMO has not accepted a non-zero value for any of the Facilities under Market Rule 4.14.6

3 The IMO must apply the Reserve Capacity Auction methodology as detailed in Appendix 3 of the Market Rules. The IMO may use the WEMS to complete this process.

2.6. Procedure steps to be followed by the IMO to publish the results of a Reserve Capacity Auction

1 By the date and time specified in Market Rule 4.1.18, the IMO must publish:

- (a) the Reserve Capacity Price included in the Reserve Capacity Auction results determined in accordance with Market Rule 4.19.1;
- (b) the quantity of Certified Reserve Capacity scheduled from each Facility registered by each Market Participant in the Reserve Capacity Auction results determined in accordance with Market Rule 4.19.1; and
- (c) the extent of any shortfall in any Availability Class.

2.7. Procedure steps to be followed by the Market Participant to notify the IMO of Capacity Credit Assignment

1 By 5:00 PM of the last Business Day falling on or before 20 December of Year 1 of the relevant Reserve Capacity Cycle the Market Participant must notify the IMO of the following information. (Market Rule 4.20.1)

- (a) the total number of Capacity Credits each Facility will provide during the Capacity Year commencing on 1 October of Year 3 of the Reserve Capacity Cycle; and
- (b) the number of those Capacity Credits the Market Participant anticipates the IMO has acquired as a result of the Reserve Capacity Auction subject to paragraph (c);
- (c) the total number of Capacity Credits provided by all the Market Participant's Facilities must be consistent with the sum of:
 - (i) the quantity of Certified Reserve Capacity held by the Market Participant which the IMO has notified the Market Participant it can trade bilaterally under clause 4.14.9;
 - (ii) the quantity of Certified Reserve Capacity held by the Market Participant scheduled by the IMO in the Reserve Capacity Auction, as published in accordance with clause 4.19.5(b);
 - (iii) the quantity of Certified Reserve Capacity held by the Market Participant which remains the subject of pre-existing Long Term

Deleted: <#>The IMO must list all valid offers from Facilities in Availability Class "a" starting with a=1. (ie Facilities that have unrestricted availability).¶
 <#>The IMO must accept offers from the list of valid offers until the capacity requirements of Availability Class "a" are fully met or until there are no other offers which have not been accepted.¶
 <#>Where two or more offers are tied with respect to the selection criteria such that accepting all but one of them would result in the total capacity selected exceeding the total capacity requirement across all Availability Classes then the tied offers are to be accepted according to the following rules until the tie is resolved:¶
 <#>Operating facilities and facilities under construction are to be accepted ahead of facilities that are yet to commence construction; then¶
 <#>Offers are to be accepted in decreasing order of capacity offered; then¶
 <#>Offers for capacity that was included in an Expression of Interest are to be accepted ahead of capacity that was not; then¶
 <#>Offers are to be accepted in the order of the time the offers were received, with the earlier offer being taken first; and then¶
 <#>Offers are to be accepted in the order in the order the capacity secured Certified Reserve Capacity. ¶
 <#>The IMO must add all valid offers from Facilities in Availability Class "2" (a=2) to the list of valid offers (which may also include unused offers from Facilities in Availability Class "a").¶
 <#>The IMO must accept offers from the list of valid offer(... [6]

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Deleted: <#>The IMO must directly advise all Market Participants who made a Reserve Capacity Offer:¶
 <#>the Reserve Capacity Price included in the Reserve Capacity Auction results; and¶
 <#>the quantity of Certified Reserve Capacity scheduled from each Facility registered by that Market Participant in the Reserve Capacity Auction.¶
 <#>In the period between December 21 and January 7, following the Reserve Capacity Auction, the IMO must publish:¶
 <#>the total amount of Capacity Credits held by each sup(... [7]

- Special Price Arrangements and which the Market Participant does not intend to trade bilaterally; and
- (iv) the quantity of Certified Reserve Capacity held by the Market Participant for Facilities subject to Network Control Service Contracts.
- (d) the total number of Capacity Credits which the Market Participant anticipates will be acquired by the IMO from the Market Participant must be consistent with the sum of:
- (i) the quantity of Certified Reserve Capacity held by that Market Participant and scheduled by the IMO in the Reserve Capacity Auction, as published in accordance with clause 4.19.5(b);
- (ii) the quantity of Certified Reserve Capacity held by the Market Participant which remains the subject of pre-existing Long Term Special Price Arrangements and which the Market Participant intends not to trade bilaterally;
- (iii) the quantity of Certified Reserve Capacity held by the Market Participant for Facilities to be subject to Network Control Service Contracts except where these are to be traded bilaterally as defined in clause 4.14.2; and
- (e) Certified Reserve Capacity of one Facility granted approval to trade bilaterally under clause 4.14.9 or scheduled by the IMO in the Reserve Capacity Auction can be provided as Capacity Credits by another Facility registered by the Market Participant covered by a Reserve Capacity Offer submitted by the Market Participant for the auction, but which was not scheduled, provided that the Reserve Capacity is in the same Availability Class or an Availability Class with greater availability than the Availability Class of the Reserve Capacity provided by the original Facility.

2 If the IMO rejects a notice under the Market Rules, then the Market Participant must re-submit the notice as soon as practicable, incorporating any amendments suggested by the IMO, and clauses 4.20.2 to 4.20.4 also apply to the re-submitted notice (Market Rule 4.20.5)

3 The Market Participant must make their submission in respect of Procedure Step 2.7.1 using the WEMS.

2.8. Procedure Steps to be followed by the IMO in Respect of Notifications of Capacity Credits made in Accordance with Procedure Step 1.1

1 The IMO must consider each notice it receives under Procedure Step 2.7.1 (Clause 4.20.1 of the Market Rules) and notify the relevant Market Participant whether it confirms or rejects the notification within one Business Day. (Market Rule 4.20.2)

2 The IMO may only reject a notice under clause 4.20.1 of the Market Rules if the notice is inconsistent with the Market Rules (Market Rule 4.20.3)

3 If the IMO rejects a notice under clause 4.20.1, then it must give the relevant Market Participant its reasons for doing so (Market Rule 4.20.4)

2.9. Procedure steps to be followed by the Market Participant to notify the IMO of acceptance of Long-term Special Price Arrangements

1 Before 5 PM of the last Business Day falling on or before 20 December of Year 1 of the relevant Reserve Capacity Cycle, a Market Participant may nominate to have Capacity Credits it holds which are acquired by the IMO as a result of the Reserve Capacity Auction for the Reserve Capacity Cycle (other than Capacity Credits provided by another Facility in accordance with Procedure Step 2.7.1(e)) covered by a Long Term Special Price Arrangement. (Market Rule 4.22.1).

2 If a Market Participant nominates to have Capacity Credits covered by a Long Term Special Price Arrangement, it must at the same time nominate: (Market Rule 4.22.2)

(a) the level of coverage, in MW and to a precision of 0.005 MW, subject to the limits that:

(i) if the Capacity Credits are provided by a Facility which has not previously provided Capacity Credits, the number of Capacity Credits covered by the arrangement is not to exceed the total Capacity Credits to be provided by the Facility acquired by the IMO as a result of the Reserve Capacity Auction for the Reserve Capacity Cycle determined in accordance with clause 4.20;

(ii) if the Capacity Credits are provided by a Facility which has previously provided Capacity Credits, the number of Capacity Credits covered by the arrangement is not to exceed the lesser of:

1. the total Capacity Credits provided by the Facility acquired by the IMO as a result of the Reserve Capacity Auction for the Reserve Capacity Cycle determined in accordance with clause 4.20; and

2. the increase in the number of Capacity Credits provided by the Facility, whether acquired by the IMO or traded bilaterally, since the previous Reserve Capacity Cycle.

Where the Long Term Special Price Arrangement is conditional on evidence being provided to the IMO prior to that Long Term Special Price Arrangement taking effect that capital costs in excess of 10% of the Maximum Reserve Capacity Price have been incurred on average with respect to the provision of each Capacity Credit covered by the arrangement; and

(b) the term for the Long Term Special Price Arrangement, which must commence on the Reserve Capacity Obligation commencement date determined in accordance with clause 4.1.26 for the Reserve Capacity

- 3 Cycle, end at the completion of a Trading Day ending on 1 October not more than 10 years after the year the obligations commenced..
- 3 Market Participants must use the WEMS to make their submissions in respect of this Procedure Step 2.9

3. Appendix 1 –Guidelines for assessing facility status

‘Proposed’ and ‘Under Construction’ Facility Status

Under the Market Rules, the IMO is required to assign capacity credits to existing Facilities and Facilities that are under construction if the Market Participant intends to bilaterally trade their Certified Reserve Capacity.

Outlined below are the steps that must be taken by Market Participants to allow the IMO to make a determination of the Facility status of the project. This note details the factors the IMO will take into consideration in order for a project to reach the ‘Under Construction’ stage.

- The determination of the Facility status will be made at the time of the Bilateral Trade Declaration Date, which is 5 PM on the last Business Day falling on or before 10 August of Year One of the relevant Reserve Capacity Cycle. (The Bilateral Trade Declaration Date is the time and date that each Market Participant holding Certified Reserve Capacity must provide to the IMO notification as to how much of its Certified Reserve Capacity will be traded bilaterally (in accordance with Clause 4.1.14 of the Market Rules) and how much will be offered into the Reserve Capacity Auction).
- The Market Participant will be given until the Bilateral Trade Declaration Date to provide evidence to the IMO, demonstrating the project has progressed to an ‘Under Construction’ status as opposed to ‘Proposed’.
- It needs to be recognised that the IMO will require sufficient time to resolve any queries, seek clarification or request more detailed information in respect of any evidence supplied by the Market Participant, prior to the Bilateral Trade Declaration Date. This may include site visits by IMO staff.
- To facilitate the consideration of submissions, Market Participants should ensure that any submissions are made at least 10 Business Days prior to the Bilateral Trade Declaration Date.
- Submissions later than 5 PM on the date being 10 Business Days prior to the Bilateral Trade Declaration Date may not be able to be fully assessed by the IMO.
- In the event that the IMO cannot determine the Facility to be ‘Under Construction’, the Facility will be considered as a ‘Proposed’ Facility in the Bilateral Trade Declaration process.

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- It is envisaged that all decisions to classify a project of 'Under Construction' will involve consultation between the Market Participant and the IMO. Any information provided by the Market Participant will be dealt with in a confidential manner if so designated by the Market Participant.

Requirements for Generating Facilities

Factors which will be taken into consideration when assessing whether a project is 'Under Construction' include:

- Financial commitment by the Rule Participant to the primary equipment supplier. (This would usually take the form of a signed contract indicating purchase of the main plant equipment including penalty clauses associated with non-compliance of the purchase agreement).
- Formal commitment, including financial approval, on behalf of the company in respect of the project, for example Board approval.
- Access to land either through ownership or an appropriate leasing agreement; Deleted: and
- A signed contract for civil works (or appropriate alternative), including contractual delivery times, which indicate the construction phase has started; and Deleted: .
- Where a facility is being built primarily to supply energy to one or more foundation customers, evidence that relevant power supply contracts are in place.

Requirements for Demand Side Management (DSM) Capacity

Market Participants wishing to offer Certified Reserve Capacity in the form of Demand Side Management must also submit details of commitment by the company to the IMO in order that the Facility be considered to be 'Under Construction' at the time of the Bilateral Trade Declaration process. Requirements that will be taken into consideration include:

- Formal commitment by the Market Participant that the DSM customers have been signed up and/or are being actively pursued. (For example supporting contractual evidence from the Market Participant including the quantity of DSM procured). Deleted: is
- The track record of the Market Participant in procuring DSM.

Market Procedures Published by the Minister

I, FRANCIS LOGAN, Minister for Energy for the State of Western Australia, under regulation 9(2) of the Electricity Industry (Wholesale Electricity Market) Regulations 2004 hereby approve the publication of the Market procedure for: Declaration of Bilateral Trades and the Reserve Capacity Auction contained in this document.

This Market Procedure is to have effect from 8:00am (WST) on [day] [month] 2006

and recorded by the IMO along with details as appropriate (Market Participant and Facility details and availability class for example).

Valid submissions of Certified Reserve Capacity that are not to be made available to the Market in accordance with Market Rule 4.14.1(c) should be determined from Step

The IMO must document all Bilateral Trade offers that were deemed valid, and all Bilateral Trade Offers that were deemed invalid.

Bilateral Trade Offers that are deemed invalid are rejected from the bilateral trade process.

Procedure steps to be followed by the IMO in accepting valid

Offers

This procedure outlines the process the IMO will use to accept Bilateral Trade Offers. By having first determined which bilateral trades are valid, the IMO can then progress more rapidly with the acceptance process.

The IMO must separate the information contained in the valid bilateral trade list created above into the respective availability classes outlined in the Market Rules. Each accepted capacity block is to be allocated to an Availability Class where:

Blocks that are available for at least 24 hours but less than 48 hours are allocated to Availability Class 4;

Blocks that are available for at least 48 hours but less than 72 hours are allocated to Availability Class 3;

Blocks that are available for at least 72 hours but less than 96 hours are allocated to Availability Class 2;

Blocks that are available for at least 96 hours are allocated to Availability Class 1;

The IMO should determine the priority order in which valid Bilateral Trade Offers will be accepted, starting with Availability Class 1 and using the methodology listed in Appendix 3 of the Market Rules. This procedure to determine which valid Bilateral Trade Offers will be accepted is:

Determine the quantity of required Reserve Capacity for the Availability class. This quantity is Determined in accordance with Appendix 3 of the Market Rules. The required quantity of Reserve Capacity in the Bilateral Trade process equals:

the Target Reserve Capacity for the Availability Class being considered, less

Reserve Capacity that is covered by pre-existing Network Control Service Contracts, less ;

Reserve Capacity that is covered under Long-term Special Price Arrangements; and less

Any Reserve Capacity Surplus from a higher order Availability Class (which is zero when assessing Availability Class 1).

Accept valid Bilateral Trade Offers for the Availability Class under consideration using the following priority schedule until the quantity of required Reserve Capacity for that Availability class is fully met, or there are no other offers left unaccepted:

Accept Bilateral Trade Offers for existing Facilities and Facilities under construction ahead of Facilities that are yet to commence construction, then

Accept Bilateral trade offers in order of decreasing capacity, then

Accept Bilateral Trade that were included in the Expressions of Interest are to be accepted ahead of those not included, then

Accept Bilateral Trade Offers in the order of time they were received, earliest accepted first, then

Accept Bilateral Trade Offers in the order in which the capacity secured Certified Reserve Capacity.

Record all valid Bilateral Trade Offers that were accepted for reporting purposes.

If all valid Bilateral Trade Offers have been accepted and the required Certified Reserve Capacity has not been met, then record the difference as a Shortfall and the Surplus as zero for the Availability Class being considered.

If valid Bilateral Trade Offers have been accepted and the required Certified Reserve Capacity has been met or exceeded, then record the difference as a Surplus and record the Shortfall as zero for the Availability Class being considered. The valid offers that were not accepted are to be entered into the set of offers for the next Availability Class.

Repeat the process from a) through e) for Availability Class 2 through 4 where the level of Reserve Capacity required equals the total Reserve Capacity needed for that Availability Class less the value of the Surplus registered in the prior Availability Class. For example, the Level of Reserve Capacity required for Availability Class 2, equals the total Reserve Capacity needed for Availability Class 2 less the Availability Class 1 Surplus (which may be zero in the case of a Shortfall).

Any Bilateral Trade Offer

The IMO must publish whether or not a Reserve Capacity Auction is required in accordance with Market Rule 4.15.1 and Market Rule 4.15.2. The procedure for publishing this is detailed in Section 2.1 of this procedure.

By 5pm on the first business day following the Bilateral Trade Declaration closing date, the IMO must notify each Market Participant that declared their intention to bilaterally trade Reserve Capacity of the level of Reserve Capacity they can trade bilaterally. (Market Rule 4.14.9)

Draft Market Procedures for Reserve Capacity Auction

Procedure steps to be followed by the IMO to determine whether a reserve capacity auction is to be held.

A reserve capacity auction will be held if insufficient capacity has been offered through existing special price arrangements and/or bilateral trade nominations to meet the forecast capacity requirement and if reserve capacity has been offered for an auction.

The IMO must list all valid offers from Facilities in Availability Class “a” starting with a=1. (ie Facilities that have unrestricted availability).

The IMO must accept offers from the list of valid offers until the capacity requirements of Availability Class “a” are fully met or until there are no other offers which have not been accepted.

Where two or more offers are tied with respect to the selection criteria such that accepting all but one of them would result in the total capacity selected exceeding the total capacity requirement across all Availability Classes then the tied offers are to be accepted according to the following rules until the tie is resolved:

Operating facilities and facilities under construction are to be accepted ahead of facilities that are yet to commence construction; then

Offers are to be accepted in decreasing order of capacity offered; then

Offers for capacity that was included in an Expression of Interest are to be accepted ahead of capacity that was not; then

Offers are to be accepted in the order of the time the offers were received, with the earlier offer being taken first; and then

Offers are to be accepted in the order in the order the capacity secured Certified Reserve Capacity.

The IMO must add all valid offers from Facilities in Availability Class “2” (a=2) to the list of valid offers (which may also include unused offers from Facilities in Availability Class “a”).

The IMO must accept offers from the list of valid offers until the capacity requirements of Availability Class “a=2” are fully met or until there are no other offers which have not been accepted.

Any ties between offers are to be resolved by repeating the procedure in Step 2.5.5.

The IMO must repeat procedure Steps 2.5.6, 2.5.7 and 2.5.8 for Availability Classes “3” and “4” (a=3 and a=4 respectively).

The IMO is to set the Reserve Capacity Price equal to the price of the highest offer price accepted.

While leaving the Reserve Capacity Price unchanged, the IMO must exchange one or more offers not accepted for one or more offers accepted in the auction if:

the total capacity scheduled in the auction exceeds the Reserve Capacity Auction Requirement by more than 100 MW;

the Reserve Capacity Price exceeds zero,

the exchange produces the maximum possible reduction in the total value of offers accepted;

the exchange does not create an overall Reserve Capacity shortfall where none existed; and

in the event that a capacity shortfall exists in one or more Availability Classes, the exchange will not shift a shortfall from an Availability Class with low availability to an Availability Class with high availability.

In the special case that the Reserve Capacity Price (clearing price) equals zero (\$0), the IMO must accept all auction Offers having a price of zero (\$0).

Procedure to be followed by the IMO if an exchange is executed under procedure Step 2.5.11

The IMO is to keep the Reserve Capacity Price at the level established by procedure Section Step 2.5.10.

The IMO is to grant Short Term Special Price Arrangements to any Market Participant in respect of any Capacity Credits acquired by the IMO as a result of a Reserve Capacity Auction where the offer price in the Reserve Capacity Offer for the Certified Reserve Capacity relating to those Capacity Credits exceeded the Reserve Capacity Auction Price.

The IMO is to set the Special Reserve Capacity Price for Capacity Credits covered by the Short Term Special Price Arrangement equal to the offer price in the Reserve Capacity Offer for the Certified Reserve Capacity relating to those Capacity Credits.

The IMO is to set the level of coverage of the Short Term Special Price Arrangement equal the quantity of Capacity Credits associated with a Reserve Capacity Offer to which procedure Step 2.6.2 relates, less the quantity of Capacity Credits associated with the same Reserve Capacity Offer which are to be covered by Long Term Special Price Arrangements in accordance with Market Rule 4.22.1.

The IMO is to set the term of any Short Term Special Price Arrangement to equal the period that the Reserve Capacity Obligations in respect of the Capacity Credits apply as specified in Market Rule 4.1.26 and 4.1.30 for the Reserve Capacity Cycle relating to the Reserve Capacity Auction.

The IMO must directly advise all Market Participants who made a Reserve Capacity Offer:

- the Reserve Capacity Price included in the Reserve Capacity Auction results; and

- the quantity of Certified Reserve Capacity scheduled from each Facility registered by that Market Participant in the Reserve Capacity Auction.

In the period between December 21 and January 7, following the Reserve Capacity Auction, the IMO must publish:

- the total amount of Capacity Credits held by each supplier of Capacity Credits:

- the identity of each Market Participant from whom the IMO procured Capacity Credits in the most recent Reserve Capacity Auction and the total amount procured from that Participant;

- for each Special Price Arrangement for each Facility

 - the amount of Reserve Capacity covered;

 - the term of the Special Price Arrangement; and

 - the Special Reserve Capacity Price applicable to the Special Price Arrangement.

- all Reserve Capacity Offer quantities and prices including details of the bidder and the facility for each Offer.