



INDEPENDENT
MARKET
OPERATOR

IMO Procedure Change and Development Working Group

Agenda

Meeting No.	16
Location:	IMO Board Room Level 17, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date:	6 February 2014
Time:	2.00 – 4.00 pm

Item	Subject	Responsible	Time
1.	WELCOME & APOLOGIES / ATTENDANCE	Chair	5 min
2.	ACTIONS ARISING	Chair	5 min
3.	PC_2013_06: MARKET PROCEDURE FOR CERTIFICATION OF RESERVE CAPACITY	IMO	30 min
4.	PC_2013_09: MARKET PROCEDURE FOR RESERVE CAPACITY PERFORMANCE MONITORING	IMO	30 min
5.	PC_2014_01: MARKET PROCEDURE FOR BALANCING MARKET FORECAST	IMO	10 min
6.	PC_2014_02: MARKET PROCEDURE FOR DECLARATION OF BILATERAL TRADES AND THE RESERVE CAPACITY AUCTION	IMO	10 min
7.	GENERAL BUSINESS	Chair	10 min
8.	NEXT MEETING: TBA	Chair	5 min

Agenda item 2: 2014 IMO Procedure Change and Development WG Action Points

Legend:

Shaded	Shaded action points are actions that have been completed since the last IMOPWG meeting.
Unshaded	Unshaded action points are still being progressed.
Missing	Action items missing in sequence have been completed from previous meetings and subsequently removed from log.

#	Procedure Arising	Action	Status/Progress
107	N/A	When there is a long break between Working Group meetings, the minutes are to be ratified by email.	Ongoing.
138	Market Procedure for Notices and Communications	The IMO to update the Market Procedure for Notices and Communications to reflect the amendments agreed to at the 27 November 2012 meeting.	Underway.
142	N/A	The IMO to publish the minutes of Meeting No. 14 of the Working Group held in April 2013 as final.	Complete.
143	Market Procedure for Certification of Reserve Capacity	The IMO to update the Market Procedure for Certification of Reserve Capacity to reflect the amendments agreed to at the 20 September Working Group meeting and circulate an updated version to Working Group members for review.	Complete. Included on agenda for IMO Procedure Working Group Meeting 16.

#	Procedure Arising	Action	Status/Progress
144	Market Procedure for Reserve Capacity Performance Monitoring	The IMO to update the Market Procedure for Reserve Capacity Performance Monitoring to reflect the amendments agreed to at the 20 September Working Group meeting.	Complete. Included on agenda for IMO Procedure Working Group Meeting 16.
145	N/A	The IMO to review RC_2012_23 for reference to Bilateral Contract sales and purchases payments rather than quantities.	Complete.
146	Market Procedure for Prudential Requirements	The IMO to update the Market Procedure for Prudential Requirements to reflect: a) the amendments agreed to at the 20 September 2013 Working Group meeting; and b) any changes subsequent to submissions on RC_2012_23, prior to being re-circulated to Working Group members for review.	Complete.
147	N/A	The IMO to review invoicing to ensure issues with respect to the Market Customer rebate are resolved.	Complete.
148	Market Procedure for Settlement	The IMO to update the Market Procedure for Settlement to reflect the amendments agreed to at the 20 September 2013 Working Group meeting.	Complete.



INDEPENDENT
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Market Reserve Capacity Procedure:
Certification of Reserve Capacity

VERSION 45



ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY
(WHOLESALE ELECTRICITY MARKET)
REGULATIONS 2004
WHOLESALE ELECTRICITY MARKET RULES
COMMENCEMENT:

This Market Procedure took effect from 8:00am (WST) on the
same date as the Wholesale Electricity Market Rules.

VERSION HISTORY

Version	Effective Date	Notes
1	21 Sep 2006	Market Procedure for Certification of Reserve Capacity
2	27 Jun 2008	Amendments to Market Procedure resulting from PC_2008_04
3	15 Dec 2010	Amendments to Market Procedure resulting from PC_2009_04
4	18 Mar 2013	Amendments to Market Procedure resulting from PC_2012_07
<u>5</u>	<u>XX XXX 2014</u>	<u>Amendments to Market Procedure resulting from PC_2013_06</u>

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1 PROCEDURE OVERVIEW

1.1 Relationship with the Market Rules

1.1.1 This ~~Reserve Capacity~~ Market Procedure for Certification of Reserve Capacity (Procedure) ~~is made has been developed~~ in accordance with clauses 4.9.10 and 4.28C.15 of the Wholesale Electricity Market (WEM) Rules (Market Rules) ~~and should be read in conjunction with chapter 4 of the Market Rules.~~

1.1.2 Reference to particular Market Rules within the Procedure, which are in bold and square brackets [**Clause XX**] are current as at ~~XX XXXX 2014~~ **February 2013**. These references are included for convenience only and are not part of this ~~P~~procedure.

1.1.3 The IMO may modify or extend a date or time set under ~~section~~clause 4.1 of the Market Rules (except the dates and times set by clauses 4.1.18, 4.1.26, 4.1.29 and 4.1.30) in accordance with the requirements outlined in clause 4.1.32.

1.2 Purpose of this Procedure

1.2.1 This Procedure describes the processes that:

- (a) Market Participants must follow when applying for Certified Reserve Capacity [**Clause 4.9.10**] or Early Certified Reserve Capacity [**Clause 4.28C.15**];
- (b) the IMO must follow in processing an application for Certified Reserve Capacity, including how:
 - i. Certified Reserve Capacity is assigned; and
 - ii. Reserve Capacity Obligation Quantities are set [**Clause 4.9.10**]; and
- (c) the IMO must follow in approving Capacity Credits associated with Early Certified Reserve Capacity ~~;~~ [**Clause 4.28C.15**].

1.2.2 This Procedure also specifies the format of data required to be submitted by a Market Participant applying for certification of Reserve Capacity ~~;~~ [**Clause 4.9.3(a)**].

1.3 Application of this Procedure

1.3.1 ~~In this Procedure where obligations are conferred on a Rule Participant that Rule Participant must comply with the relevant obligations in accordance with clauses 2.9.6, 2.9.7 and 2.9.8 of the Market Rules, as applicable. This Procedure applies to:~~

- ~~(a) Market Participants whenever making an application for Early Certified Reserve Capacity or Certified Reserve Capacity; and~~
- ~~(b) The IMO whenever processing an application for Early Certified Reserve Capacity or Certification of Reserve Capacity.~~

1.4 Associated Market Procedures and ~~m~~Market ~~d~~Documents

1.4.1 The following IMO Market Procedures¹ are associated with this Procedure:

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

- (a) Declaration of Bilateral Trades and the Reserve Capacity Auction;
- (b) Reserve Capacity Security;
- (c) Reserve Capacity Testing;
- (d) Reserve Capacity Performance Monitoring;
- (e) Facility Registration, De-Registration and ~~Facility~~-Transfer;
- (f) Rule Participant Registration and De-Registration ~~of Rule Participants~~;
- (g) Balancing Facility Requirements; and
- (h) Notices and Communications.

1.4.2 The following Power System Operation Procedures² are associated with this Procedure:

- (a) Facility Outages.

1.4.3 The following market documents are associated with this Procedure:

- (a) Information for Applicants for Certification ~~of~~ Reserve Capacity³;
- (b) WEMS ~~U~~ser ~~G~~uide⁴; and
- (c) Load for Scheduled Generation – help guide⁵.

1.5 Conventions Used

1.5.1 In this Procedure, the conventions specified in ~~sections~~clauses 1.3 - 1.5 of the Market ~~_~~Rules apply.

1.6 Terminologies and Definitions

1.6.1 A word or phrase defined in the ~~Market Rules, the~~ Electricity Industry Act, the Electricity Industry (Wholesale Electricity Market) or the Regulations or the Market Rules has the same meaning when used in this Procedure.

~~4.6.1~~1.6.2 In addition the following defined terms have the meaning given.

Table 1 - Defined Terms

Term	Definition
<u>DSOC</u>	<u>Declared Sent Out Capacity.</u>
<u>DSOC Owner</u>	<u>In respect of Facilities sharing, or proposing to share, a DSOC the party that holds, or is proposed to hold, the Arrangement for Access to which the DSOC applies.</u>
<u>System Capacity</u>	<u>The group within the IMO responsible for the certification of Reserve Capacity. Contact details for System Capacity are available on the Market Web Site.</u>
Temperature Dependence	The information provided by a Market Participant under

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

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

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

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

Term	Definition
Curve	clause 4.10.1(e)(i) of the Market Rules, as determined by an independent engineering firm.
Wholesale Electricity Market System (WEMS)	An interface system that the IMO uses to administer/operate the Wholesale Electricity Market.

Table 1 – Defined Terms

2 APPLICATIONS FOR CERTIFICATION OF RESERVE CAPACITY

2.1 Submission of Applications

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

hard copy or emailed to [System Capacitysystem.capacity@imowa.com.au](mailto:system.capacity@imowa.com.au) in any of the following formats:

- (a) compressed ZIP files (where the files in the archive must be in any of the formats listed below);
- (b) MS Office (.xlsx, .xls, .docx, doc, pptx or .ppt); or
- (c) Adobe PDF.

2.2 Specific Requirements for Early Certified Reserve Capacity

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

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

2.2.2 An applicant for Early Certified Reserve Capacity must ensure that the IMO holds the benefit of a Reserve Capacity Security equal to the amount specified in clause 4.28C.9 of the Market Rules, within 30 Business Days of receiving notification of the amount of Early Certified Reserve Capacity assigned to the Facility under step ~~3.9.33-8.3~~ **[Clause 4.28C.8]**. For further details of the process for providing a Reserve Capacity Security refer to the Market Procedure for Reserve Capacity Security.

3 PROCESSING OF APPLICATIONS FOR CERTIFICATION OF RESERVE CAPACITY

3.1 Acknowledgement of application

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

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

3.2 Data accuracy and sufficiency assessment

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

- (a) ~~a~~All required information has been provided;
- (b) ~~t~~The information provided is of sufficient detail; and
- (c) ~~i~~nformation has been specifically provided to support the applicant's claims in respect to the capacity of the Facility.

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

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

(b) the applicant must respond to the request as soon as practicable.

3.3 Assessment of application where Facility has previously been assigned Conditional Certified Reserve Capacity

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

(a) whether the application is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned; and

(b) whether the information has remained correct. ~~[Clause 4.9.5].~~

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

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

(a) is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned;

(b) is accurate; and

(c) provides details of network access as required under step 3.3.2,

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

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

3.3.5 Where the IMO determines that ~~a re-lodged application is:~~

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

(b) the information in the re-lodged application is inaccurate,

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

3.4 Timing assessment

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

(a) is not scheduled to first commence operation by 1 October of Year 3 of the relevant Reserve Capacity Cycle, being the date that Reserve Capacity Obligations will apply for that Facility ~~[Clause 4.11.1(c)(ii)];~~ -or

- (b) will cease operation permanently, and hence cease to meet Reserve Capacity Obligations, from a time earlier than 1 August of Year 4 of the relevant Reserve Capacity Cycle [**Clause 4.11.1(c)(iii)**]; or
- (c) is not expected to be a Registered Facility by the time its Reserve Capacity Obligations for the relevant Reserve Capacity Cycle would take effect. [**Clause 4.11.1(f)**].

3.5 Outage assessment

3.5.1 For each application for Certified Reserve Capacity for a Scheduled Generator or Non-Scheduled Generator, the IMO must determine if identify:

- (a) the each Facility that has operated been in Commercial Operation for at least 36 months and has had a Forced Outage rate of greater than 15%, or a combined Planned Outage rate and Forced Outage rate of greater than 30% the applicable percentage specified in the Outage Rate Limit Table over the preceding 36 months; and
- (b) the each Facility that has operated for been in Commercial Operation for less than 36 months, or is yet to commence operation Commercial Operation, and where the IMO has cause to believe that over a period of the first 36 months of Commercial Operation 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 the applicable percentage specified in the Outage Rate Limit Table 30%. [Clause 4.11.1(h)].

3.5.2

3.5.2 The factors the IMO may consider when determining whether a Facility meets the criteria specified in step 3.5.1(b) include, but are not limited to:

- (a) for a Facility that is in Commercial Operation, but has been so for less than 36 months, the Forced Outage rate and the combined Planned Outage rate and Forced Outage rate of the Facility over the period it has been in Commercial Operation;
- (b) the timing and duration of any Forced Outages or Planned Outages taken by the Facility;
- (c) the contents of any Reserve Capacity Progress Report submitted for the Facility;
- (d) the contents of any Reserve Capacity Performance Report submitted for the Facility;
- (e) the contents of any Reserve Capacity Performance Improvement Report submitted for the Facility; and
- (f) any other information provided by a Rule Participant to the IMO for the Facility.

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

3.5.4 For each Facility that meets the criteria specified identified in step 3.5.1, the IMO must notify the applicant that it has breached, or that the IMO has cause to believe that it will breach, the applicable outage threshold in the Outage Rate Limit

- ~~Table step 3.5.4.~~ The ~~is~~ notification must be provided to the applicant at least 15 Business Days prior to the deadline in step ~~3.9.13-8.4.~~
- 3.5.5 Each notification issued under step ~~3.5.43-5.3~~ may include a request for additional information from the applicant in relation to the present and future performance of the Facility that the IMO considers is relevant to the exercise of its discretion under clause 4.11.1(h) of the Market Rules, including but not limited to:
- (a) the causes of the outages;
 - (b) the steps being taken, or that have been taken, to reduce the level of outages; and
 - (c) the expected level of future outages.
- ~~(e) If additional information is requested the notification must include the date by which the IMO requires the information to be provided [Clause 4.11.1B(a)].~~
- ~~3.5.6 The IMO may consult with System Management in relation to the outage rates of any Facility identified in step 3.5.1.~~
- ~~3.5.7~~ 3.5.6 The IMO may decide not to assign any Certified Reserve Capacity, or to assign a lesser quantity of Certified Reserve Capacity than it would otherwise assign in accordance with this Procedure, to a Facility that meets the criteria specified identified in step 3.5.1 [Clause 4.11.1(h)]. ~~In making this determination, the IMO may consider any information gathered in steps 3.5.4 and 3.5.5 and may also consider, amongst other factors:~~
- ~~(a) the actions being taken by the Market Participant to reduce the level of outages at the Facility;~~
 - ~~(b) the likelihood that these actions will reduce the level of outages of the Facility; and~~
 - ~~(c) whether or not the outages of the Facility are compromising, or are likely to compromise, the ability of the Facility to contribute to the security and reliability of the SWIS.~~
- 3.5.7 In making the decision in step 3.5.6, the IMO:
- (a) may consider any information provided by the Market Participant in response to a request made in step 3.5.5;
 - (b) may consider the information described in clause 4.11.1B(b) of the Market Rules;
 - (c) may consult with System Management and any person the IMO considers suitably qualified to provide an opinion on issues relevant to the exercise of the IMO's discretion;
 - (d) must be satisfied that its decision would not, on balance, be contrary to the Wholesale Market Objectives; and
 - (e) may consider the factors listed in clause 4.11.1C(b) of the Market Rules.
- 3.5.8 Where the IMO ~~determines~~makes a decision under step 3.5.6 not to assign any Certified Reserve Capacity to a Facility, or to assign a lesser quantity of ~~not assign~~ Certified Reserve Capacity to a Facility than it would otherwise assign in accordance with this Procedure, it ~~must notify the applicant of its decision and the reasons for its decision in accordance with the process in section 3.8, otherwise the IMO must continue to process the application in accordance with the steps outlined in this Procedure.~~the IMO must publish the reasons for its decision on the

Market Web Site to the extent those reasons do not contain any confidential information [Clause 4.11.1A]. This must occur by the deadline specified in clause 4.1.15A of the Market Rules.

3.6 Balancing Facility Requirements

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

3.7 Facilities sharing a Declared Sent Out Capacity

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

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

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

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

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

- (a) within one Business Day, acknowledge receipt of the response by email; and
- (b) for each affected Facility:
 - i. within one Business Day, notify the Market Participant by email of the share of the DSOC assigned to the Facility by the DSOC Owner; and

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

- ii. for the purposes of steps 4.2.1 and 5.2.1, replace the level of unconstrained access provided in the application for Certified Reserve Capacity with the level specified for the Facility by the DSOC Owner in its response.

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

3.7.3.8 Facility-specific assessment

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

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

3.8.3.9 Notifications regarding Certified Reserve Capacity

3.8.13.9.1 The IMO must provide each applicant for certification of Reserve Capacity with a notification of whether the IMO has assigned Certified Reserve Capacity to the Facility for the Reserve Capacity Cycle~~their submission has been approved or rejected:~~

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

3.8.23.9.2 If the IMO assigns Certified Reserve Capacity to a Facility the notification provided to the Facility must include the information specified in clause 4.9.9 of the Market Rules. [~~Clause 4.11.1(i)~~] Note that some of this notification to applicants may be provided through the WEMS.

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

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

4.1 Plant capability assessment

4.1.1 The IMO must determine its reasonable expectation of the maximum sent out capacity, after netting off capacity required to serve Intermittent Loads, embedded loads and Parasitic Loads, for each Facility from 1 October of Year 3 of the Reserve Capacity Cycle until the end of July of Year 4 of the Reserve Capacity

Cycle, ~~after netting off capacity required to serve Intermittent Loads, embedded loads and Parasitic Loads,~~ assuming an ambient temperature of 41°C. If an applicant nominates more than one fuel under clause 4.10.1(e)(v)(1)(ii) of the Market Rules, the IMO must determine this quantity for each fuel independently, and for the purposes of this Procedure use the minimum of those quantities [Clause 4.11.1(a)].

4.1.2 The maximum sent out capacity determined in step 4.1.1 must not exceed the sum of the capacities specified by the Market Participant under clauses 4.10.1(e)(ii) and 4.10.1(e)(iii) of the Market Rules. ~~[Clause 4.11.1(b)].~~

4.1.3 In determining the maximum sent out capacity in step 4.1.1, the IMO must have regard to the following information, as applicable:

- (a) the historical sent out generation of the Facility, as observed from Meter Data Submissions;
- (b) the results of Reserve Capacity Tests that have been conducted during the previous twelve months;
- (c) technical specifications for the Facility, as provided by ~~an~~ the original equipment manufacturers or an engineering contractor; and
- (d) the Temperature Dependence Curve for the Facility.

4.2 Network access assessment

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

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

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

4.3 Assessment of fuel supply, staffing constraints and other restrictions

4.3.1 The IMO must assess:

- (a) the details and evidence of firm and non-firm fuel supplies provided by the applicant under clause 4.10.1(e)(v) of the Market Rules; and
- (b) any restrictions on the availability of the Facility due to staffing constraints or other restrictions, as specified by the applicant under clause 4.10.1(g) of the Market Rules,

to determine whether it reasonably expects that the Facility is likely to be available at the level of capacity determined in step 4.1.1 ~~for Peak Trading Intervals on Business Days.~~ ~~[Clause 4.11.1(a)].~~

4.3.2 When making a determination in step 4.3.1 the IMO must consider:

- (a) must consider the expected operational characteristics of the Facility; and

(b) must consider the potential impacts that limitations on the availability of the Facility may have on its ability to contribute to Power System Adequacy; and

(c) may consider the water requirements for the Facility.

~~4.3.24.3.3~~ If the IMO reasonably expects in step 4.3.1 that the Facility is not likely to be available ~~for Peak Trading Intervals on Business Days~~ at the level of capacity determined in step 4.1.1, it may determine that the Facility is likely to be available ~~for Peak Trading Intervals on Business Days~~ at a lower level of capacity.

~~4.3.34.3.4~~ If an applicant ~~nominates more than one fuel under clause 4.10.1(e)(v)(1)(ii) of the Market Rules provides details and evidence that the Facility can operate on an alternative fuel source~~, the IMO must ~~assess this information to~~ determine whether it reasonably expects that the Facility is likely to be available on each fuel, considered independently, at the level of capacity determined in step 4.1.1 ~~for 12 hours of continuous operation~~.

~~4.3.44.3.5~~ If the IMO reasonably expects in step ~~4.3.44.3.3~~ that the Facility is ~~not~~ likely to be available ~~on each fuel for 12 hours of continuous operation~~ at the level of capacity determined in step 4.1.1, the Facility will ~~not~~ be considered to be a dual fuel Facility for the purpose of Certified Reserve Capacity.

~~4.3.5~~ ~~The IMO may also review the water requirements for the Facility to determine whether it reasonably expects that the Facility is likely to be available at the level of capacity determined in step 4.1.1 for Peak Trading Intervals on Business Days.~~

4.4 Environmental approval assessment

4.4.1 Where a Facility, or part of the Facility, has yet to enter service, the IMO must assess the evidence of Environmental Approvals, or evidence that the necessary Environmental Approvals will be granted in time to meet its Reserve Capacity Obligations, to ensure that:

- (a) the Environmental Approvals that have been granted or are being applied for will allow operation at the level of capacity determined in step 4.1.1; and
- (b) it reasonably expects that the Environmental Approvals will be in place in time for the Facility to meet its Reserve Capacity Obligations.

4.4.2 If the IMO reasonably expects that the Environmental Approvals that have been granted or are being sought are insufficient to support availability ~~for Peak Trading Intervals on Business Days~~ at the level of capacity determined in step ~~4.1.14.1.1~~, it may determine that the Facility is likely to be available ~~for Peak Trading Intervals on Business Days~~ at a lower level of capacity.

4.5 Assignment of Certified Reserve Capacity

4.5.1 Based on the outcome of assessments in sections 4.1, to 4.4, the IMO must assign a quantity of Certified Reserve Capacity to a Facility according to its reasonable expectation of the amount of Reserve Capacity likely to be available from the Facility ~~during daily peak demand times~~ from 1 October in Year 3 to 31 July in Year 4 of the Reserve Capacity Cycle, assuming an ambient temperature of 41°C [Clause 4.11.1(a)]. This will be set to the minimum of:

- (a) the quantity level nominated by the applicant in its application;
- (b) a lesser quantity of capacity as determined in step 3.5.6, if applicable;
- ~~(b)~~(c) the maximum sent out capacity of the Facility as determined in step 4.1.1;
- ~~(e)~~(d) the level of unconstrained access as assessed in step 4.2.1;

~~(d)~~(e) a lower level of capacity as determined in step ~~4.3.34.3.2~~, if applicable; and
~~(e)~~(f) a lower level of capacity as determined in step 4.4.2, if applicable.

~~4.5.2 The IMO may consult with System Management as required in assigning Certified Reserve Capacity to a Facility under clause 4.11.1(a).~~

4.6 Initial Reserve Capacity Obligation Quantity

4.6.1 The IMO must determine whether there are periods of time during which staffing or other factors will limit the Facility's ability to provide energy upon request.

4.6.2 The IMO must set the initial Reserve Capacity Obligation Quantity for the Facility at a level equal to the Certified Reserve Capacity except for those periods of time determined at step ~~4.6.14.6.1~~, in which case the IMO may set the initial Reserve Capacity Obligation Quantity at a lower level for those periods. **[Clause 4.12.4]**.

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

5.1 Consideration of nomination to use the methodology under clause 4.11.2(b)

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

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

5.2 Network access assessment

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

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

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

5.3 Assessment of independent expert report

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

(a) the configuration of the Facility that was considered in developing the report;

- (b) the level of network access available, or expected to be available, to the Facility as assessed in step 5.2.1;
 - (c) the observed sent out generation of similar Facilities, if applicable;
 - (d) any restrictions on the availability of the Facility due to staffing constraints or other restrictions, as specified by the applicant under clause 4.10.1(g) of the Market Rules; and
 - (e) any other factors that the IMO considers relevant.
- 5.3.2 If in step 5.3.1, the IMO considers the independent expert report to be inaccurate, it may determine alternative estimates of the expected energy that would have been sent out by the Facility had it been in operation with the configuration proposed in the application for Certified Reserve Capacity to be used in the Relevant Level Methodology ~~[-~~ **[Appendix 9 Step 10]**.

5.4 Assignment of Certified Reserve Capacity

- 5.4.1 The IMO must assign a quantity of Certified Reserve Capacity equal to the minimum of:
- (a) the Relevant Level, determined in accordance with the Relevant Level Methodology prescribed in Appendix 9 of the Market Rules;
 - (b) the level of unconstrained access as assessed in step 5.2.1; and
 - 5.4.1(c) a lesser quantity of capacity as determined in step 3.5.6, if applicable.
- ~~**[Clause 4.11.2(b)]**~~

5.5 Initial Reserve Capacity Obligation Quantity

- 5.5.1 The IMO must set the initial Reserve Capacity Obligation Quantity to zero for an Intermittent Generator ~~[-~~ **[Clause 4.12.4(aA)]**.
- 5.5.2 For a generation system that is not an Intermittent Generator that has sought to be certified under clause 4.11.2(b) of the Market Rules, the IMO must:
- (a) identify whether there are periods of time during which staffing or other factors will limit the Facility's ability to operate at full output; and
 - (b) set the initial Reserve Capacity Obligation Quantity for the Facility at a level equal to the Certified Reserve Capacity except for those periods of time determined at step 5.5.2(a), in which case the IMO may set the initial Reserve Capacity Obligation Quantity at a lower level for those periods ~~[-~~ **[Clause 4.12.4]**.

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

6.1 Assessment of availability restrictions

- 6.1.1 The IMO must assess the availability limits specified by the applicant under clause 4.10.1(f) of the Market Rules and must reject any application where the specified availability limits are less than the minimum requirements specified in that clause.
- 6.1.2 The IMO must allocate each Facility to an Availability Class ~~where:~~ in accordance with clause 4.11.4 of the Market Rules.
- ~~(a) Facilities that are available for at least 24 hours but less than 48 hours are allocated to Availability Class 4;~~

- ~~(b) Facilities that are available for at least 48 hours but less than 72 hours are allocated to Availability Class 3; and~~
- ~~(c) Facilities that are available for greater or equal to 72 hours are allocated to Availability Class 2. [Clauses 4.11.4 & Appendix 3]~~

6.2 Facility capability assessment

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

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

- (a) the previous performance of the Facility, where applicable, including the results of Reserve Capacity Tests;
- (b) evidence of contracts with Associated Loads provided by the applicant;
- (c) evidence that loads are being actively pursued to be associated with a Demand Side Programme, ~~if applicable~~;
- (d) the Relevant Demand for the Facility, or loads that are expected to be associated with the Facility, determined in accordance with clause 4.26.2C of the Market Rules;
- (e) any restrictions on the availability of the Facility due to staffing constraints or any other restrictions, as specified by the applicant under clause 4.10.1(g) of the Market Rules;
- (f) the past history of the applicant in procuring DSM capacity; and
- (g) any other factors that the IMO considers relevant.

6.3 Assignment of Certified Reserve Capacity

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

6.4 Initial Reserve Capacity Obligation Quantity

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

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



INDEPENDENT
MARKET
OPERATOR



Market Procedure: Reserve Capacity Performance Monitoring

VERSION 4



ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY
(WHOLESALE ELECTRICITY MARKET)
REGULATIONS 2004
WHOLESALE ELECTRICITY MARKET RULES

COMMENCEMENT:

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

VERSION HISTORY

Version	Effective Date	Notes
1	21 September 2006	Market Procedure at Market Start
2	15 October 2008	Amendments to Market Procedure resulting from PC_2008_07
3	18 April 2011	Amendments to Market Procedure resulting from PC_2010_05
4	XX XXXX 2014	Amendments to Market Procedure resulting from PC_2013_09

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1 PROCEDURE OVERVIEW

1.1 Relationship with the Market Rules

1.1.1 This Reserve Capacity Performance Monitoring Market Procedure (Procedure) is made in accordance with clause 4.27.12 of the Wholesale Electricity Market (WEM) Rules (Market Rules).

1.1.2 References to particular Market Rules within the Procedure in bold and square brackets [**Clause XX**] are current as of **XX XXXX 2014**. These references are included for convenience only, and are not part of this Procedure.

1.2 Purpose of this Procedure

1.2.1 The purpose of the Procedure is to describe the steps for conducting Reserve Capacity performance monitoring as required under the Market Rules.

1.3 Application of this Procedure

1.3.1 In this Procedure where obligations are conferred on a Rule Participant that Rule Participant must comply with the relevant obligations in accordance with clauses 2.9.6, 2.9.7 and 2.9.8 of the Market Rules, as applicable.

1.4 Associated Market Procedures and market documents

1.4.1 The following Market Procedures are associated with this Procedure:

(a) Notices and Communications.

1.4.2 The following market documents (available on the Market Web Site¹) are associated with this Procedure:

(a) Reserve Capacity Performance Report template;

(b) Reserve Capacity Performance Report worksheet template;

(c) Reserve Capacity Performance Improvement Report template; and

(d) Reserve Capacity Progress Report template.

1.5 Conventions used

1.5.1 In this Procedure the conventions specified in sections 1.3 to 1.5 of the Market Rules apply.

1.6 Terminologies and definitions

1.6.1 A word or phrase defined in the Electricity Industry Act, the Electricity Industry (Wholesale Electricity Market) Regulations or the Market Rules has the same meaning when used in this Procedure.

1.6.2 In addition the following defined terms have the meaning given.

Table 1 – Defined Terms

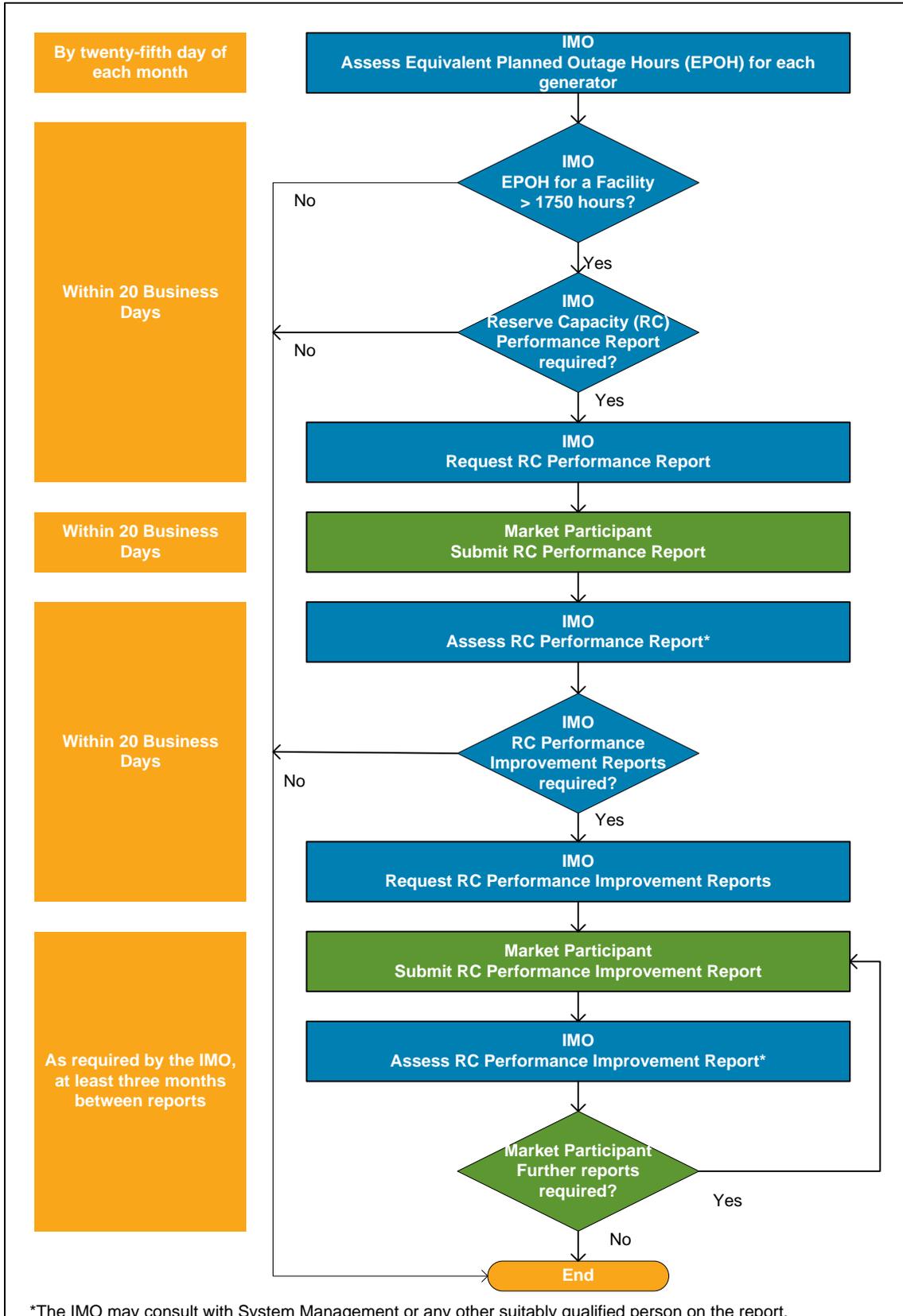
Term	Definition
Planned Commissioning	In respect of a new Facility that is yet to commence operation, the original date provided to the IMO by the

¹ See <http://imowa.com.au/market-participants/information-for-participants/user-access/market-forms>.

Term	Definition
Test Completion Date	Market Participant under clause 4.10.1(c)(iii)(7) of the Market Rules for the Facility.
Reserve Capacity Performance Improvement Report	A report including the information specified in clause 4.27.4A of the Market Rules, provided by a Market Participant to the IMO under clause 4.27.5(b) in response to a request made under clause 4.27.3(b).
Reserve Capacity Performance Report	A report including the information specified in clause 4.27.4 of the Market Rules, provided by a Market Participant to the IMO under clause 4.27.5(a) in response to a request made under clause 4.27.3(a).
Reserve Capacity Progress Report	A report provided by a Market Participant to the IMO under clause 4.27.10 of the Market Rules in respect of a Facility that is yet to commence operation.
System Capacity	The group within the IMO responsible for Reserve Capacity performance monitoring. Contact details for System Capacity are available on the Market Web Site.

2 RESERVE CAPACITY PERFORMANCE MONITORING

2.1 Reserve Capacity performance monitoring process overview



2.2 Reserve Capacity performance monitoring process

- 2.2.1 By the twenty-fifth day of each month, the IMO must assess the number of Equivalent Planned Outage Hours taken in the preceding 12 Trading Months by each Scheduled Generator or Non-Scheduled Generator assigned Capacity Credits for the current Capacity Year **[Clause 4.27.2]**.
- 2.2.2 If the number of Equivalent Planned Outage Hours determined for a Facility in step 2.2.1 exceeds 1750 hours the IMO must, within 20 Business Days, decide whether to require the provision of a Reserve Capacity Performance Report from the Market Participant holding Capacity Credits for that Facility. In making its decision the IMO:
- (a) must take into account if and when Reserve Capacity Performance Reports or Reserve Capacity Performance Improvement Reports have been received or requested previously for the Facility;
 - (b) must assess whether the number of Equivalent Planned Outage Hours taken by the Facility in the previous 12 Trading Months was attributable to specific, infrequent events or is indicative of an underlying performance deficiency, and may consider any matters it considers relevant in making this assessment; and
 - (c) may consult with System Management **[Clauses 4.27.3(a) and 4.27.3A]**.
- 2.2.3 If the IMO decides in step 2.2.2 that a report is required, the IMO must as soon as practicable notify the relevant Market Participant by email that it must provide to the IMO a Reserve Capacity Performance Report for the Facility.
- 2.2.4 A Market Participant must provide a Reserve Capacity Performance Report requested in step 2.2.3 by email to System Capacity within 20 Business Days of being requested to do so. The report must:
- (a) use the Reserve Capacity Performance Report template published by the IMO on the Market Web Site;
 - (b) provide the information described in clauses 4.27.4(a) and 4.27.4(b) of the Market Rules in an attachment, using the Reserve Capacity Performance Report worksheet template published by the IMO on the Market Web Site;
 - (c) meet the information requirements specified in the templates; and
 - (d) be signed by an Authorised Officer of the Market Participant **[Clause 4.27.5(a)]**.
- 2.2.5 The IMO must acknowledge by email the receipt of a Reserve Capacity Performance Report within two Business Days.
- 2.2.6 If the IMO receives a Reserve Capacity Performance Report that contains a manifest error or omission, the IMO must as soon as practicable notify the Market Participant by email that the report is invalid and request the provision of an updated report.
- 2.2.7 A Market Participant that receives a notification from the IMO under step 2.2.6 must provide to the IMO a valid report that corrects the manifest error or omission as soon as practicable. The date on which the Market Participant provides the updated report becomes the new date of receipt for the purposes of this Procedure.

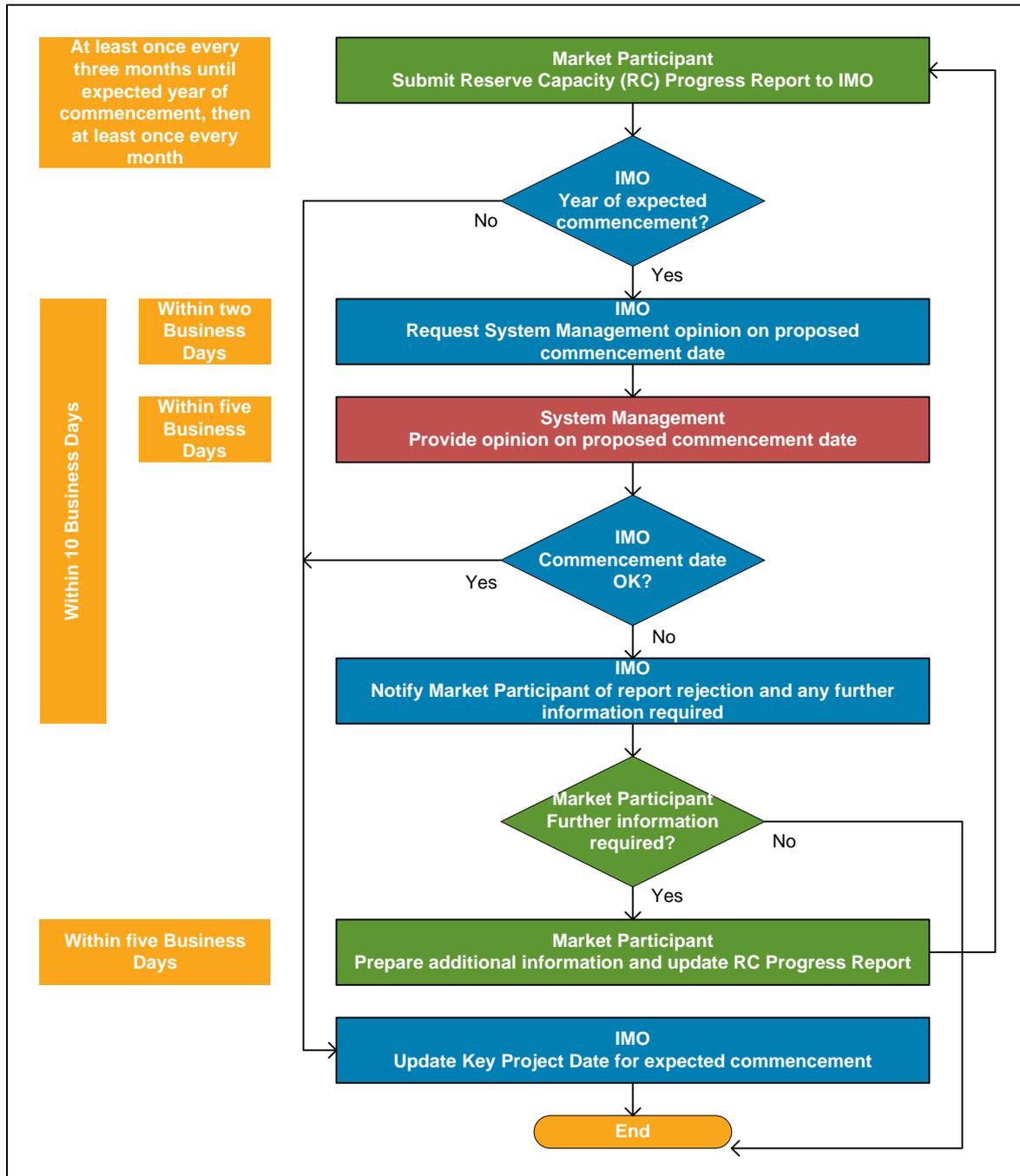
- 2.2.8 Within 20 Business Days of receiving a valid Reserve Capacity Performance Report, the IMO must decide whether to require the Market Participant to provide one or more Reserve Capacity Performance Improvement Reports for the Facility. In making its decision the IMO:
- (a) must take into consideration the information provided in the Reserve Capacity Performance Report;
 - (b) must assess whether the number of Equivalent Planned Outage Hours taken by the Facility in the relevant 12 Trading Month period was attributable to specific, infrequent events or is indicative of an underlying performance deficiency, and may consider any matters it considers relevant in making this assessment; and
 - (c) may consult with System Management [**Clauses 4.27.3(b) and 4.27.3A**].
- 2.2.9 If the IMO decides in step 2.2.8 that Reserve Capacity Performance Improvement Reports are required for a Facility, the IMO must as soon as practicable notify the relevant Market Participant by email. The notification must specify:
- (a) the Facility for which Reserve Capacity Improvement Reports are required; and
 - (b) the date by which each report must be provided to the IMO,
- where:
- (c) the due date for the first report must be at least three months from the date the relevant Reserve Capacity Performance Report was provided to the IMO;
 - (d) the due date for each subsequent report must be at least three months after the due date for the previous report; and
 - (e) the due date for the last report must be no later than 36 months after the due date for the first report.
- 2.2.10 A Market Participant must, by the specified due dates, provide by email to System Capacity each Reserve Capacity Performance Improvement Report requested in step 2.2.9, unless the Market Participant has been notified by the IMO in step 2.2.14 that the report is not required. Each report must:
- (a) use the Reserve Capacity Performance Improvement Report template published by the IMO on the Market Web Site;
 - (b) meet the information requirements specified in the template; and
 - (c) be signed by an Authorised Officer of the Market Participant [**Clause 4.27.5(b)**].
- 2.2.11 The IMO must acknowledge via email the receipt of a Reserve Capacity Performance Improvement Report within two Business Days.
- 2.2.12 If the IMO receives a Reserve Capacity Performance Improvement Report that contains a manifest error or omission, the IMO must as soon as practicable notify the Market Participant by email that the report is invalid and request the provision of an updated report.
- 2.2.13 A Market Participant that receives a notification from the IMO under step 2.2.12 must provide to the IMO a valid report that corrects the manifest error or omission as soon as practicable. The date on which the Market Participant provides the

updated report becomes the new date of receipt for the purposes of this Procedure.

- 2.2.14 If a Market Participant has been notified under step 2.2.9 that it is required to provide Reserve Capacity Performance Improvement Reports, but the IMO, after further consideration, decides that it no longer requires one or more of the requested reports, then the IMO must as soon as practicable notify the Market Participant by email that those reports are no longer required.
- 2.2.15 The IMO may consult with System Management on the implications of a Reserve Capacity Performance Report or Reserve Capacity Performance Improvement Report. **[Clause 4.27.6]**
- 2.2.16 The IMO may consult with any person the IMO considers suitably qualified to provide an opinion on a Reserve Capacity Performance Report or Reserve Capacity Performance Improvement Report. The IMO may ask the person to provide an opinion on the report generally, or to limit the scope of the opinion to specified matters covered in the report. **[Clause 4.27.6]**
- 2.2.17 If the IMO engages a person in step 2.2.16 to provide an opinion on a Reserve Capacity Performance Report or Reserve Capacity Performance Improvement Report, the IMO must as soon as practicable provide by email to the relevant Market Participant a notification that specifies:
- (a) the report on which the IMO is seeking the opinion;
 - (b) the identity of the person engaged to provide the opinion;
 - (c) the scope of the IMO's request;
 - (d) an estimate of the cost of engaging the person, which is payable by the Market Participant; and
 - (e) an estimate of the date by which payment of this cost will be required.
- 2.2.18 If the IMO makes a payment to a person for providing an opinion on a Reserve Capacity Performance Report or Reserve Capacity Performance Improvement Report, the IMO must as soon as practicable provide to the relevant Market Participant:
- (a) by email, evidence of the costs incurred by the IMO for the provision of the opinion; and
 - (b) by mail and email, an invoice for the amount of the IMO's costs.
- 2.2.19 A Market Participant that receives an invoice under step 2.2.18 must pay the amount owed to the IMO within 10 Business Days. Payment must be by direct bank transfer to the IMO bank account specified on the invoice **[Clause 4.27.6]**.

3 RESERVE CAPACITY PROGRESS REPORTS

3.1 Reserve Capacity Progress Reports process overview



3.2 Reserve Capacity Progress Reports process

3.2.1 A Market Participant must provide, by email to System Capacity, a Reserve Capacity Progress Report for a Facility that is yet to commence operation:

- (a) at least once every three months between the date the Capacity Credits are confirmed under clause 4.20.5A of the Market Rules and the start of the

calendar year in which the Planned Commissioning Test Completion Date falls [**Clause 4.27.10(a)**]; and

- (b) at least once every month between the start of the calendar year in which the Planned Commissioning Test Completion Date falls and the date the IMO notifies the Market Participant, under clause 4.13.14 of the Market Rules, that the need to maintain the Reserve Capacity Security for the Facility has ceased [**Clause 4.27.10(b)**].

3.2.2 A Reserve Capacity Progress Report provided by a Market Participant to the IMO must:

- (a) use the Reserve Capacity Progress Report template published by the IMO on the Market Web Site;
- (b) include any changes to Key Project Dates for the Facility [**Clause 4.27.11**];
- (c) meet any other information requirements specified in the template; and
- (d) be signed by an Authorised Officer of the Market Participant.

3.2.3 The IMO must acknowledge by email the receipt of a Reserve Capacity Progress Report within two Business Days.

3.2.4 If the IMO receives a Reserve Capacity Progress Report that contains a manifest error or omission, the IMO must as soon as practicable notify the Market Participant by email that the report is invalid and request the provision of an updated report.

3.2.5 A Market Participant that receives a notification from the IMO under step 3.2.4 must provide to the IMO a valid report that corrects the manifest error or omission as soon as practicable. The date on which the Market Participant provides the updated report becomes the new date of receipt for the purposes of this Procedure.

Reserve Capacity Progress Reports required under clause 4.27.10(a)

3.2.6 If a Market Participant provides a valid Reserve Capacity Progress Report to the IMO in accordance with clause 4.27.10(a) of the Market Rules, then the IMO must revise the date referred to in clause 4.10.1(c)(iii)(7) of the Market Rules in accordance with the date proposed by the Market Participant as soon as practicable [**Clause 4.27.11A**].

Reserve Capacity Progress Reports required under clause 4.27.10(b)

3.2.7 Within two Business Days of receiving

- (a) a valid Reserve Capacity Progress Report required under clause 4.27.10(b) of the Market Rules; or
- (b) a valid, revised Reserve Capacity Progress Report required under clause 4.27.11D of the Market Rules,

the IMO must provide the relevant details to System Management by email and request System Management's opinion on whether the Facility is unlikely to have completed all Commissioning Tests by the date proposed by the Market Participant [**Clause 4.27.11B**].

3.2.8 If System Management receives a request from the IMO under step 3.2.7 then System Management must provide the requested opinion to the IMO by email within five Business Days.

- 3.2.9 If System Management advises the IMO, in response to a request made under step 3.2.7, that it does not consider the Facility is unlikely to have completed all Commissioning Tests by the date proposed by the Market Participant, then the IMO must revise the date referred to in clause 4.10.1(c)(iii)(7) of the Market Rules in accordance with the date proposed by the Market Participant as soon as practicable **[Clause 4.27.11B]**.
- 3.2.10 If System Management advises the IMO, in response to a request made under step 3.2.7, that it considers the Facility is unlikely to have completed all Commissioning Tests by the date proposed by the Market Participant, then the IMO must reject the proposed change to the Key Project Dates **[Clause 4.27.11B]**.
- 3.2.11 If the IMO rejects a proposed change to the Key Project Dates for a Facility, the IMO must, within 10 Business Days of receiving the relevant Reserve Capacity Progress Report, notify the Market Participant by email of its decision **[Clause 4.27.11C]**. The notification:
- (a) must provide reasons why the dates have been rejected; and
 - (b) may require the Market Participant to provide additional information or revised Key Project Dates in an updated Reserve Capacity Progress Report **[Clause 4.27.11D]**.
- 3.2.12 Supporting evidence that may be requested by the IMO in step 3.2.11(b) may include, but is not limited to:
- (a) network access agreements;
 - (b) local government approvals;
 - (c) evidence of execution of fuel supply and transport contracts;
 - (d) evidence of financial approvals;
 - (e) relevant construction and operational licenses;
 - (f) independent construction schedules for the plant, network and fuel supply facilities;
 - (g) repair and/or rework schedules;
 - (h) photographs of construction works;
 - (i) evidence of environmental test completion;
 - (j) evidence of network connection tests completion as indicated in the Network Access Code;
 - (k) full load testing results;
 - (l) practical completion certificates; and
 - (m) quality assurance certificates.
- 3.2.13 A Market Participant must provide an updated Reserve Capacity Progress Report requested in step 3.2.11(b) by email to System Capacity within five Business Days of being requested to do so.



INDEPENDENT
MARKET
OPERATOR

Wholesale Electricity Market Procedure Change Proposal

Procedure Change ID: PC_2014_01

Change requested by

Name:	Kate Ryan
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Organisation:	IMO
Address:	Level 17, 197 St Georges Terrace, Perth
Date submitted:	DD Month 2014
Urgency:	2-medium
Procedure change title:	Changes to Market Procedure for Balancing Market Forecasts
Market Procedure(s) affected:	Market Procedure for Balancing Market Forecasts

Introduction

The IMO or System Management, as applicable, may initiate the Procedure Change Process by developing a Procedure Change Proposal. Rule Participants may notify the IMO or System Management, as applicable, where they consider an amendment or replacement of a Market Procedure would be appropriate.

If an Amending Rule requires the IMO or System Management to develop new Market Procedures or to amend or replace existing Market Procedures, then the IMO or System Management, as applicable, is responsible for the development, amendment, or replacement of Market Procedures so as to comply with the Amending Rule.

Market Procedures:

- (a) must:
- i. be developed, amended or replaced in accordance with the process in the Wholesale Electricity Market (WEM) Rules (Market Rules);
 - ii. be consistent with the Wholesale Market Objectives;
 - iii. be consistent with the Market Rules, the Electricity Industry Act and the Regulations; and



- (b) may be amended or replaced in accordance with clause 2.10 and must be amended or replaced in accordance with clause 2.10 where a change is required to maintain consistency with Amending Rules.

The Wholesale Market Objectives are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

Details of Procedure Change Requested

1. Provide a reason for the proposed new, amended or replacement Market Procedure:

Background

The *Market Procedure for Balancing Market Forecasts* (Market Procedure) was developed in accordance with clause 7A.3.20 of the Market Rules. The Market Procedure supports the determination and publication of the Balancing Forecast by the IMO, including outlining information requirements from System Management to enable the preparation of the Forecast Balancing Merit Order (BMO) and Balancing Forecasts. The information provided under this Market Procedure is taken into account by Market Participants in the preparation of their Balancing Submissions.

In particular the Market Procedure describes the processes which the IMO follows in:

- (a) preparing and providing the Forecast BMO to System Management;
- (b) assigning priority to Facilities in case there is a tie in the Forecast BMO; and
- (c) preparing and publishing, for each Trading Interval of the Balancing Horizon, forecasts of:
 - i. the Relevant Dispatch Quantity;

- ii. the aggregate output of all Non-Scheduled Generators;
- iii. the Balancing quantities expected to be provided by each Market Participant;
- iv. anonymous aggregate price-quantity supply curves; and
- v. the expected Balancing Price.

Proposed Amendments

Since the Balancing Market Commencement Day, the IMO has gained practical experience in the preparation and publication of forecasts which has demonstrated the need for minor amendments in the Market Procedure.

Clause 7A.3.15 of the Market Rules outlines that System Management may provide the IMO forecast EOI Quantities for Non-Scheduled Generators. Step 2.3.1 of the Market Procedure is currently drafted to imply that the receipt of this information is mandated under the Market Rules. The IMO proposes to amend step 2.3.1 of the Market Procedure such that it aligns with the existing clause 7A.3.15 of the Market Rules.

Additionally, step 2.7.1(c) of the Market Procedure states that the forecast EOI Quantities for Non-Scheduled Generators received from System Management or the relevant value from Balancing Submissions would be published. The use of forecast EOI Quantities currently excludes the forecast output of Facilities in the Balancing Portfolio. In practical implementation, the IMO publishes the aggregate forecast output of all Non-Scheduled Generators (including those in the Balancing Portfolio) as received from System Management under clause 7.6A.2(e) of the Market Rules. Accordingly, the IMO proposes to amend this step of the Market Procedure to provide clarity on the actual information published and ensure consistency with the underlying principle.

The IMO also proposes to amend step 2.2.1 of the Market Procedure to clearly indicate that the generation and assignment of random numbers for the determination of the Forecast BMO is undertaken on the Scheduling Day.

The IMO has taken the opportunity to:

- (a) remove references to Verve Energy in the Market Procedure in response to the changes arising from the Rule Change Proposal *RC_2013_18: Market Rule changes arising from the merger of the Electricity Retail Corporation and Electricity Generation Corporation*; and
- (b) make other minor editorial improvements to the Market Procedure.

Call for Submissions

The IMO is seeking submissions regarding this proposal. The submission period is 20 Business Days from the publication of this Procedure Change Proposal. Submissions must be delivered to the IMO **by 5:00 PM** on **DD Month 2014**.

The IMO prefers to receive submissions by email to market.development@imowa.com.au using the submission form available on the following webpage: <http://www.imowa.com.au/procedure-changes>.

Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator
Attn: Group Manager, Development & Capacity
PO Box 7096
Cloisters Square, Perth WA 6850
Fax: (08) 9254 4399

2. Provide the wording of the amended Procedure

The proposed amended Market Procedure is provided as an attachment to this proposal.

3. Describe how the proposed changes to the Market Procedure would be consistent with the Market Rules, the Electricity Industry Act and Regulations

The proposed amended Market Procedure has been reviewed as a whole by the IMO to ensure compliance of the Market Procedure with the relevant provisions in the:

- Electricity Industry Act;
 - Electricity Industry (Wholesale Electricity Market) Regulations; and
 - Market Rules.
-

4. Describe how the proposed changes to the Market Procedure would be consistent with the Wholesale Market Objectives

The steps described in the proposed amended *Market Procedure for Balancing Market Forecasts* outline how the IMO will determine and publish Balancing Forecasts and Forecast BMOs.

The IMO considers that the steps are drafted in a way that does not change the operation of objectives of the Market Rules, but rather supplements the Market Rules by outlining the processes to be followed by the IMO. As a result, the IMO considers that the proposed amended Market Procedure as a whole is consistent with the Wholesale Market Objectives.

Procedure Change ID: PC_2014_01

Received Date: **DD Month** 2014



INDEPENDENT
MARKET
OPERATOR



Market Procedure: Balancing Market Forecasts

VERSION 42



ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY
(WHOLESALE ELECTRICITY MARKET)
REGULATIONS 2004
WHOLESALE ELECTRICITY MARKET RULES
COMMENCEMENT:

This Market Procedure took effect from 8:00am (WST) on the
same date as the Wholesale Electricity Market Rules.

VERSION HISTORY

Version	Effective Date	Notes
1	Balancing Market Commencement Day	Market Procedure for Balancing Market Forecast
2	DD Month YYYY	Amendments to Market Procedure resulting from PC_2014_01

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1 PROCEDURE OVERVIEW

1.1 Relationship with the Market Rules

~~1.1.1~~ ~~This *Market Procedure for Balancing Market Forecasts (Procedure)* is made in accordance with clause 7A.3.20 of the Wholesale Electricity Market (WEM) Rules (Market Rules).~~

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~~1.1.1.2~~ ~~This Procedure ~~This Market Procedure for Balancing Market Forecast (Procedure)~~ should be read in conjunction with sections 7A.3.15 to 7A.3.21 of the Wholesale Electricity Market (WEM) Rules (Market Rules).~~ ~~Market Rules.~~

~~1.1.3~~ Reference to particular Market Rules within the Procedure in bold and square brackets [**Clause XX**] are current as of ~~Balancing Market Commencement Day~~ **DD Month YYYY**. These references are included for convenience only and are not part of this Procedure.

~~1.1.2~~

1.2 Purpose of this Procedure

1.2.1 This Procedure sets out the processes the ~~Independent Market Operator~~ (IMO) must follow in:

- (a) ~~P~~preparing and providing the Forecast Balancing Merit Order (BMO) to System Management in accordance with clauses 7A.3.16 and 7A.3.17(b) ~~of the Market Rules~~;
- (b) ~~A~~ssigning priority to Facilities in the case where there is a tie in the Forecast BMO; and
- (c) ~~P~~preparing and publishing the Balancing Forecast in accordance with clauses 7A.3.19 to 7A.3.21 ~~of the Market Rules~~ including the Balancing Quantities expected to be provided by each Market Participant [**Clause 7A.3.17(a)**].

1.3 Application of this Procedure

1.3.1 This Procedure applies to the IMO in relation to the processes it must follow in preparing and publishing the Forecast BMO, the Balancing Forecast and the Balancing Quantities expected to be provided by each Market Participant.

1.3.2 In this Procedure, where obligations are conferred on a Rule Participant, as outlined in step 1.3.1, that Rule Participant must comply with the relevant obligations in accordance with clauses 2.9.6, 2.9.7 and 2.9.8 ~~of the Market Rules~~, as applicable.

1.4 Associated Market Procedures ~~and Market Documents~~

1.4.1 The following ~~IMO~~ Market Procedures ~~available on the Market Web Site~~¹, are associated with this Procedure:

- (a) IMS Interface, ~~Market Procedure~~.

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¹<http://www.imowa.com.au/rules/imo-wem-procedures-and-other-documents>

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1.5 Conventions Used

1.5.1 In this Procedure, the conventions specified in clauses 1.3 - 1.5 of the Market Rules apply.

1.6 Terminologies and Definitions

1.6.1 A word or phrase defined in the ~~Market Rules, the~~ Electricity Industry Act, ~~or the~~ Electricity Industry (WEM) Regulations ~~or the Market Rules~~ has the same meaning when used in this Procedure. In addition the following defined terms have the meaning given.

Table 1 – Defined Terms

Term	Definition
Market Participant Interface	2 The M market _s Systems portals maintained by the IMO for the purpose of enabling interactions between Market Participants and the IMO systems.

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2.1.1

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2.1.2.1.6.2 For clarity throughout this Procedure the:

- (a) Forecast BMO refers to the BMO for future Trading Intervals in the Balancing Horizon; and
- (b) BMO refers to the last Forecast BMO generated for a Trading Interval before the Trading Interval commences. Note that the IMO must provide a BMO to System Management in accordance with clause 7A.3.6 between 15 to 30 minutes before the start of the Trading Interval to which the BMO relates.

3.2 BALANCING FORECASTS

3.1.2.1 Background

3.1.2.1.1 The IMO is required to:

- (a) determine a Forecast BMO for each future Trading Interval in the Balancing Horizon [Clause 7A.3.16];
- (b) determine the Balancing Quantities expected to be provided by each Market Participant for each future Trading Interval in the Balancing Horizon whenever it prepares a Forecast BMO [Clause 7A.3.17(a)];
- (c) determine the Balancing Forecast for each Trading Interval in the Balancing Horizon, where sufficient information has been made available [Clause 7A.3.19];
- (d) update the Balancing Forecast using, to the extent practicable, the latest information available to the IMO [Clause 7A.3.20(a)];

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- (e) by the end of every half hour, publish on the Market Website a Balancing Forecast for each future Trading Interval in the Balancing Horizon **[Clause 7A.3.21(b)]**; and
- (f) as soon as practicable, publish any aggregate forecast output of Non-Scheduled Generators which is received from System Management **[Clause 7A.3.21(c)]**.

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3.1.22.1.2 The Forecast BMO for a Trading Interval is the BMO determined from the latest Balancing Submissions available to the IMO for the Trading Interval. The purpose of the Forecast BMO is to enable:

- (a) System Management to develop and assess the implications, including system security and system constraints, of likely generation dispatch schedules in future Trading Intervals of the Balancing Horizon;
- (b) Market Participants, in preparing their Balancing Submissions, to take account of the Balancing Quantities expected to be dispatched in future Trading Intervals of the Balancing Horizon (including to meet their obligations in accordance with clauses 7A.2.8(a) and 7A.2.9(a)(i) of the Market Rules, as applicable);
- (c) Market Participants, in preparing their Balancing Submissions, to take account of aggregated Balancing Price-Quantity supply curves for future Trading Intervals of the Balancing Horizon (including to meet their obligations in accordance with clauses 7A.2.8(a) and 7A.2.9(a)(i) of the Market Rules, as applicable);
- (d) System Management, for a Trading Interval for which the BMO is not available, to determine the appropriate levels of dispatch for Balancing Facilities **[Clause 7.6.2B]**; and
- (e) the IMO, for a Trading Interval for which the Pricing BMO and the BMO are not available, to determine the Balancing Price from the most recent Forecast BMO **[Clause 7A.3.13(b)]**.

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3.1.32.1.3 The Balancing Forecast includes forecasts, for each Trading Interval during the Balancing Horizon, of the:

- (a) Relevant Dispatch Quantity, in MW, at the end of the Trading Interval (as provided by System Management under clause 7A.3.15 of the Market Rules);
- (b) aggregate output, in MW, at the end of the Trading Interval, of all ~~Non-Non~~-Scheduled Generators which are Balancing Facilities (as provided by System Management under clause 7A.3.15 of the Market Rules); and
- (c) Balancing Price determined under clause 7A.3.10 of the Market Rules.

3.1.42.1.4 The purpose of the Balancing Forecast is to provide Market Generators with information upon which to make an assessment regarding the making or updating of a Balancing Submission in accordance with clauses 7A.2.8(a) and 7A.2.9(a)(i) of the Market Rules, as applicable.

3.22.2 Preparation of the Forecast BMO

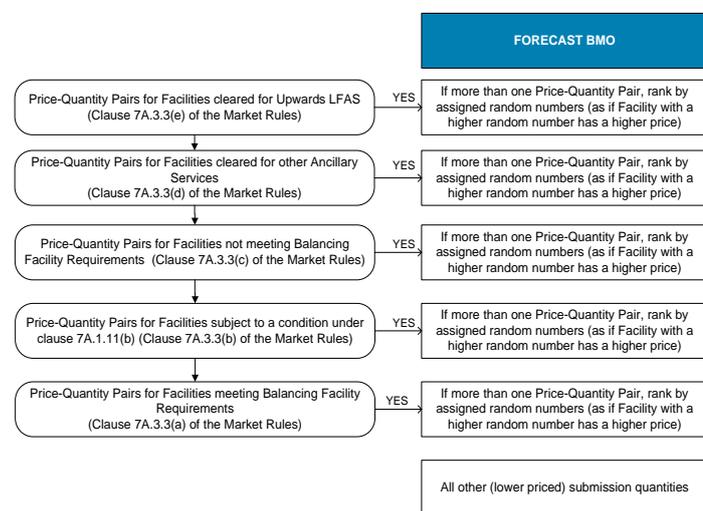
2.2.1 On the Scheduling Day, the IMO must generate and assign a unique random number to each Balancing Facility, including the Balancing Portfolio. The IMO must use this number as described in step 2.2.2(e) of this Procedure to determine the order of identically priced Price-Quantity pairs in the Forecast BMO.

~~3.2.12.2.2~~ Each half hour, the IMO must determine the Forecast BMO for each future Trading Interval in the Balancing Horizon by:

- (a) converting the price in each Balancing Price-Quantity Pair for a Balancing Facility that is not in the ~~Verve Energy~~ Balancing Portfolio to a Loss Factor Adjusted Price **[Clause 7A.3.1]**;
- (b) where System Management provides a forecast ~~End of Interval (EOI)~~ Quantity in accordance with clause 7A.3.15 ~~of the Market Rules~~ for a Non-Scheduled Generator that is the subject of a ~~Facility~~ Balancing Submission, altering the quantity in that Balancing Submission to the most recent forecast value provided by System Management to the IMO;
- (c) creating a table of all of the quantities from Balancing Submissions in steps 2.2.1(a) and 2.2.1(b), with corresponding Loss Factor Adjusted Prices, and all of the quantities and corresponding prices from ~~Verve Energy Portfolio~~ Balancing Submissions ~~for the Balancing Portfolio~~;
- (d) sorting the table of quantities and corresponding prices created in step 2.2.1(c) in order of lowest to highest price; and
- (e) where any Price-Quantity ~~pP~~airs in the table created in step 2.2.1(d) have an identical price, breaking the tie in accordance with clause 7A.3.3 ~~of the Market Rules~~ as follows:
 - i. where that price equals either the Alternate Maximum STEM Price or the Maximum STEM Price, sorting the affected Price-Quantity ~~pP~~airs in the order shown in Figure 1 as if the Facility with the highest random number had the highest price.;

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FIGURE 14: RANKING QUANTITIES PRICED AT THE [ALTERNATE] MAXIMUM STEM PRICE²



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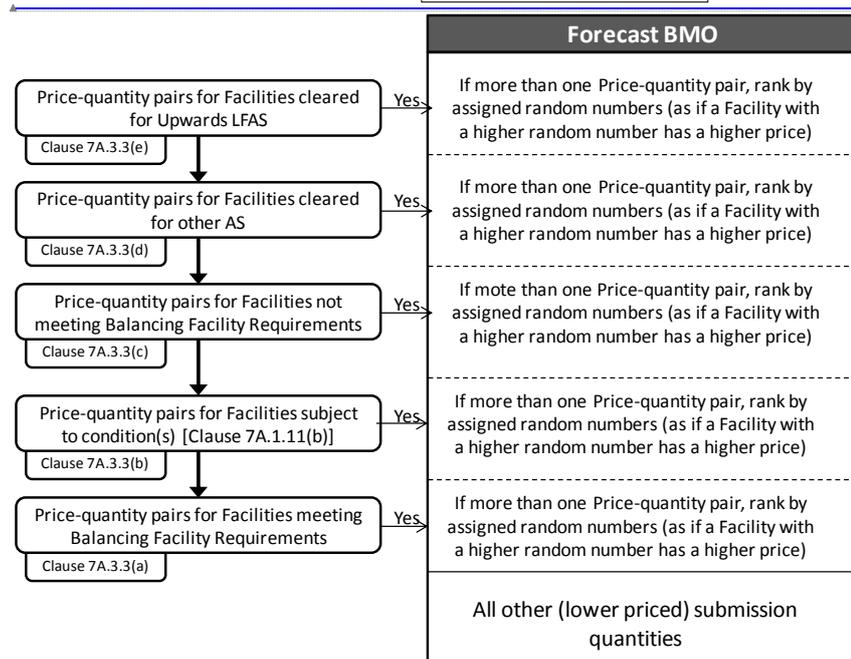
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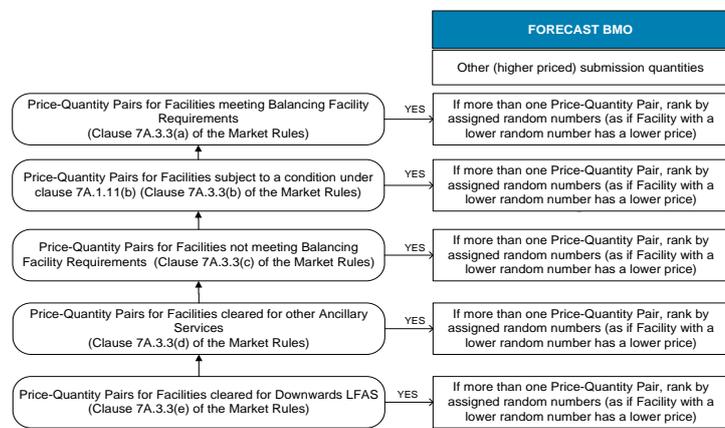


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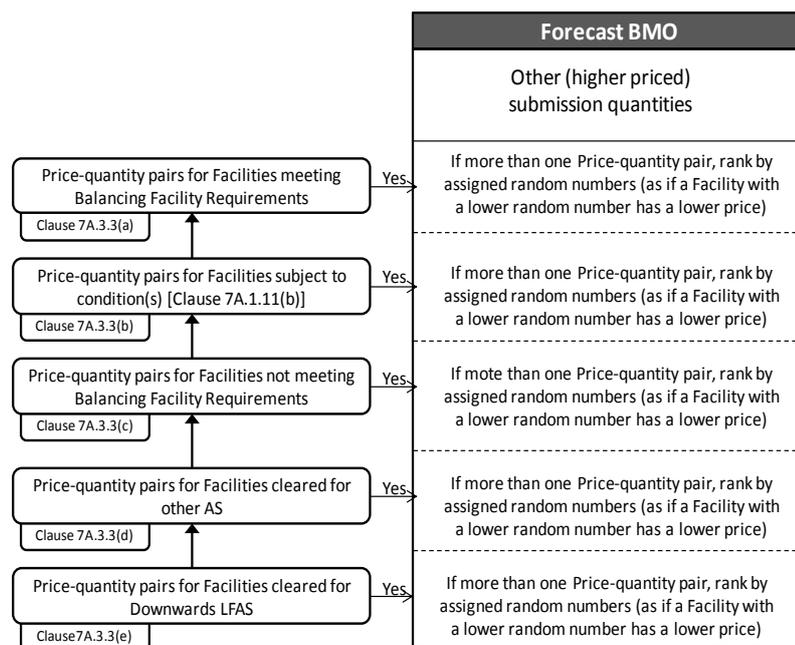
- ii. where that price equals the Minimum STEM Price, sorting the affected Price-Quantity Pairs in the following order shown in Figure 2 as if the Facility with the lowest random number had the lowest price.

² Random numbers in this table are assigned as per section 2.8 of this Market Procedure

FIGURE 2: RANKING QUANTITIES PRICED AT THE MINIMUM STEM PRICE³



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- iii. where that price does not equal the Minimum STEM Price, the Maximum STEM Price or the Alternate Maximum STEM Price, sorting the affected quantities in ascending order using the random number assigned to the Facility by the IMO in step [2-82.2.1](#) of this Procedure as if the Facility with the lowest random number had the lowest price.

³ Random numbers in this table are assigned as per section 2.8 of this Market Procedure

~~3.2.2.2.3~~ In preparing the Forecast BMO, the IMO must to the extent practical use the most recent Balancing Submissions available to it **[Clause 7A.3.20(a)]**.

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~~3.3.2.3~~ Forecast Non-Scheduled Generation **EOI** Quantities

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~~3.3.4.2.3.1~~ System Management may provide Tthe IMO ~~will receive~~ forecast EOI Quantities ~~for~~ Non-Scheduled Generators for each future Trading Interval in the Balancing Horizon **[Clause 7A.3.15]** ~~from System Management in accordance with clause 7A.3.15. If System Management provides this information, it must do so in accordance with the Market Procedure for IMS Interface.~~

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~~3.4.2.4~~ Forecast Relevant Dispatch Quantities

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~~3.4.4.2.4.1~~ System Management must provide Tthe IMO ~~will receive~~ forecast Relevant Dispatch Quantities for each future Trading Interval in the Balancing Horizon **[Clause 7A.3.15]** ~~from System Management in accordance with clause 7A.3.15~~ System Management must provide this information in accordance with the Market Procedure for IMS Interface.

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~~3.5.2.5~~ Preparation of Forecast Balancing Prices and Quantities

~~3.5.4.2.5.1~~ The IMO must determine the forecast Balancing Price for each future Trading Interval in the Balancing Horizon by:

- (a) calculating the forecast marginal dispatch quantity by increasing by 1 MW the most recent forecast Relevant Dispatch Quantity supplied by System Management;
- (b) iterating through the Forecast BMO from the lowest Price-Quantity ~~p~~Pair upwards, summing the MW quantities until the total equals or exceeds the forecast marginal dispatch quantity determined in step 2.5.1(a); and
- (c) setting the forecast Balancing Price to the price of the last Price-Quantity ~~p~~Pair in the Forecast BMO determined in step 2.5.1(b) or, if the forecast marginal dispatch quantity exceeds the MW sum of all the Price-Quantity ~~P~~pairs, the highest price in the Forecast BMO.

~~3.5.2.2.5.2~~ The IMO must determine forecast Balancing Quantities for each future Trading Interval in the Balancing Horizon by:

- (a) iterating through the Forecast BMO from the lowest Price-Quantity ~~P~~pair upwards, summing the MW quantities, or part thereof, until the total equals the most recent forecast Relevant Dispatch Quantity supplied by System Management; and
- (b) calculating a forecast Balancing Quantity for each Balancing Facility by summing the Price-Quantity ~~P~~pairs, or part thereof, from step 2.5.2(a) for the relevant Facility; or
- (c) where in step 2.5.2(a) the MW sum of all the Price-Quantity ~~p~~Pairs in the Forecast BMO is less than the forecast Relevant Dispatch Quantity, setting the forecast Balancing Quantity to the sum of all of the Facility's quantities within the Forecast BMO.

~~2.5.3~~ The IMO must exclude Ramp Rate Limits and SOI Quantities from the calculations described in steps 2.5.1 and 2.5.2 of this Procedure.

~~3.5.3~~

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~~3.6.2.6~~ Provision of the Forecast BMO to System Management



~~3.6.12.6.1~~ The IMO must provide to System Management, in accordance with the Market Procedure for IMS Interface ~~Market Procedure~~, for each future Trading Interval of the Balancing Horizon:

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- (a) the Forecast BMO determined in Section 2.2 of this Procedure, but excluding price information for each Price-Quantity ~~p~~Pair;
- (b) the applicable Facility Ramp Rate Limit associated with each Price-Quantity ~~p~~Pair; and
- (c) any other information which the IMO is required to provide to System Management in accordance with the Market Procedure for IMS ~~Interface~~ Market Procedure.

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~~3.7.2.7~~ Publication of Balancing Forecast Information to Market Participants

~~3.7.12.7.1~~ The IMO must publish the following information on the Market Participant Interface for each future Trading Interval in the Balancing Horizon:

- (a) the Forecast BMO prepared in Section 2.2 of this Procedure in the form of anonymous ~~P~~price-~~Q~~quantity supply curves;
- (b) the most recent forecast Relevant Dispatch Quantity provided by System Management to the IMO in accordance with clause 7A.3.15 of the Market Rules;
- (c) the aggregate forecast output of all Non-Scheduled Generators for the Trading Day, received from System Management in accordance with clause 7.6A.2(e) of the Market Rules; the sum of the most recent forecast EO Quantities for Non-Scheduled Generator Facilities provided by System Management to the IMO in accordance with clause 7A.3.15 or, if no forecasts have been provided, the sum of all Non-Scheduled Generator Facility quantities in applicable Balancing Submissions;
- (d) the forecast Balancing Price determined in Section 2.5 of this Procedure; and
- (e) the forecast Balancing Quantities determined in Section 2.5.2 of this Procedure for Facilities owned or operated by the Market Participant in accordance with clause 7A.3.17(a) of the Market Rules.

~~3.8~~ Random number assignment

~~Prior to the start of each Trading Day, the IMO must assign a unique random number to each Balancing Facility, including the Verve Energy Balancing Portfolio. The IMO must use this number as described in step 2.2.1(e) of this Procedure to determine the order of identically priced Price-Quantity pairs in the Forecast BMO.~~

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~~3.8.1~~

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~~3.9.2.8~~ Unavailable ~~i~~information

~~3.9.12.8.1~~ In the event that System Management does not provide the IMO with a forecast Relevant Dispatch Quantity for a Trading Interval under clause 7A.3.15 of the Market Rules, the IMO must continue to publish forecasts of Balancing Prices and Balancing Quantities based on previously issued forecasts for the Trading Interval. If no previously issued forecasts are available for the relevant Trading Interval, then the IMO must cease publication of forecast Balancing Prices and Balancing Quantities.



INDEPENDENT
MARKET
OPERATOR

Wholesale Electricity Market Procedure Change Proposal

Procedure Change ID: PC_2014_02

Change requested by

Name:	Kate Ryan
Phone:	9254 4357
Fax:	9254 4399
Email:	kate.ryan@imowa.com.au
Organisation:	IMO
Address:	Level 17, 197 St Georges Terrace, Perth
Date submitted:	DD Month 2014
Urgency:	2-medium
Procedure change title:	Changes to Market Procedure for Declaration of Bilateral Trades and Reserve Capacity Auction
Market Procedure(s) affected:	Market Procedure for Declaration of Bilateral Trades and Reserve Capacity Auction

Introduction

The IMO or System Management, as applicable, may initiate the Procedure Change Process by developing a Procedure Change Proposal. Rule Participants may notify the IMO or System Management, as applicable, where they consider an amendment or replacement of a Market Procedure would be appropriate.

If an Amending Rule requires the IMO or System Management to develop new Market Procedures or to amend or replace existing Market Procedures, then the IMO or System Management, as applicable, is responsible for the development, amendment, or replacement of Market Procedures so as to comply with the Amending Rule.

Market Procedures:

- (a) must:
- i. be developed, amended or replaced in accordance with the process in the Wholesale Electricity Market (WEM) Rules (Market Rules);
 - ii. be consistent with the Wholesale Market Objectives;
 - iii. be consistent with the Market Rules, the Electricity Industry Act and the Regulations; and



- (b) may be amended or replaced in accordance with clause 2.10 and must be amended or replaced in accordance with clause 2.10 where a change is required to maintain consistency with Amending Rules.

The Wholesale Market Objectives are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

Details of Procedure Change Requested

1. Provide a reason for the proposed new, amended or replacement Market Procedure:

Background

The *Market Procedure for Declaration of Bilateral Trades and Reserve Capacity Auction* (Market Procedure) outlines the processes to be followed by Market Participants with respect to submitting Bilateral Trade Declarations and Reserve Capacity Offers. The Market Procedure also details the process that the IMO follows in assessing Bilateral Trade Declarations, determining if a Reserve Capacity Auction will be required and the process for clearing the Reserve Capacity Auction.

Proposed Amendments

The Rule Change Proposal *RC_2013_18: Market Rule changes arising from the merger of the Electricity Retail Corporation and Electricity Generation Corporation* replaced references to Verve Energy in the Market Rules with Synergy. This amendment affects all Market Procedures that contain references to Verve Energy including this Market Procedure.

The IMO has amended step 2.2.4 of the Market Procedure to replace the reference to Verve Energy with Synergy.

The IMO has also taken the opportunity to make minor changes to improve the clarity of the

Market Procedure and update it to reflect the IMO's new style and format.

Call for Submissions

The IMO is seeking submissions regarding this proposal. The submission period is 20 Business Days from the publication of this Procedure Change Proposal. Submissions must be delivered to the IMO **by 5:00 PM** on **DD Month 2014**.

The IMO prefers to receive submissions by email to market.development@imowa.com.au using the submission form available on the following webpage: <http://www.imowa.com.au/procedure-changes>.

Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator

Attn: Group Manager, Development & Capacity
PO Box 7096
Cloisters Square, Perth WA 6850
Fax: (08) 9254 4399

2. Provide the wording of the amended Procedure

The proposed amended Market Procedure is provided as an attachment to this proposal.

3. Describe how the proposed changes to the Market Procedure would be consistent with the Market Rules, the Electricity Industry Act and Regulations

The proposed amended Market Procedure has been reviewed as a whole by the IMO to ensure compliance of the Market Procedure with the relevant provisions in the:

- Electricity Industry Act;
- Electricity Industry (Wholesale Electricity Market) Regulations; and
- Market Rules.

4. Describe how the proposed changes to the Market Procedure would be consistent with the Wholesale Market Objectives

The IMO considers that the proposed amendments do not change the current operation or interpretation of the Market Rules. As a result, the IMO considers that the proposed amended Market Procedure as a whole is consistent with the Wholesale Market Objectives.

Procedure Change ID: PC_2014_02

Received Date: **DD Month** 2014



INDEPENDENT
MARKET
OPERATOR



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

VERSION 23



ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY
(WHOLESALE ELECTRICITY MARKET)
REGULATIONS 2004
WHOLESALE ELECTRICITY MARKET RULES
COMMENCEMENT:

This Market Procedure took effect from 8:00am (WST) on the same date as the Wholesale Electricity Market Rules.

VERSION HISTORY

VERSION	EFFECTIVE DATE	NOTES
1	01 January 2010	New Reserve Capacity Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction following PC_2009_05
2	25 February 2013	Amendments to Reserve Capacity Procedure resulting from PC_2012_06
<u>3</u>	<u>DD Month YYYY</u>	<u>Amendments to Market Procedure resulting from PC_2014_02</u>

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1 PROCEDURE OVERVIEW

1.1 Relationship with the Market Rules

1.1.1 This Market Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction Procedure (Procedure) is made in accordance with clauses 4.14.11 and 4.17.9 of the Wholesale Electricity Market (WEM) Rules (Market Rules).

1.1.2 Reference to particular Market Rules within the Procedure, which are in bold and square brackets [**Clause XX**] are current as of DD Month¹ January YYYY²2013. These references are included for convenience only and are not part of this Procedure.

1.2 Purpose of this Procedure

1.2.1 This Procedure outlines the processes that Market Participants holding Certified Reserve Capacity must follow to:

- (a) submit a Bilateral Trade Declaration; and
- (b) submit a Reserve Capacity Offer into the Reserve Capacity Auction.

1.2.2 This Procedure describes the processes that the IMO must follow to:

- (a) assess and process Bilateral Trade Declarations;
- (b) determine if a Reserve Capacity Auction will be required and if so, how much Reserve Capacity will be required in the Reserve Capacity Auction; and
- (c) clear the Reserve Capacity Auction.

1.3 Application of this Procedure

1.3.1 In this Procedure, where obligations are conferred on a Rule Participant that Rule Participant must comply with the relevant obligations in accordance with clauses 2.9.6, 2.9.7 and 2.9.8 of the Market Rules, as applicable.

1.4 Associated Market Procedures and Market Documents

1.4.1 The following ~~IMO~~ Market Procedures are associated with this Procedure:

- (a) Certification of Reserve Capacity;
- (b) Maximum Reserve Capacity Price; and
- (c) Reserve Capacity Security.

1.4.2 The following ~~M~~market ~~D~~documents, available on the Market Web Site, are associated with this Procedure:

- (a) MPR ~~U~~user Guide¹
- (b) WEMS MPI ~~U~~user Guide²

¹ Available at http://www.imowa.com.au/registration_information

² Available at <http://www.imowa.com.au/publications-and-reporting-general-documents>

1.5 Conventions Used

- 1.5.1 In this Procedure the conventions specified in clauses 1.3 and 1.5 of the Market Rules apply.
- 1.5.2 The ~~Appendices~~ appendix contained within this Procedure form part of the Procedure and ~~are~~ is legally enforceable.

1.6 Terminologies and Definitions

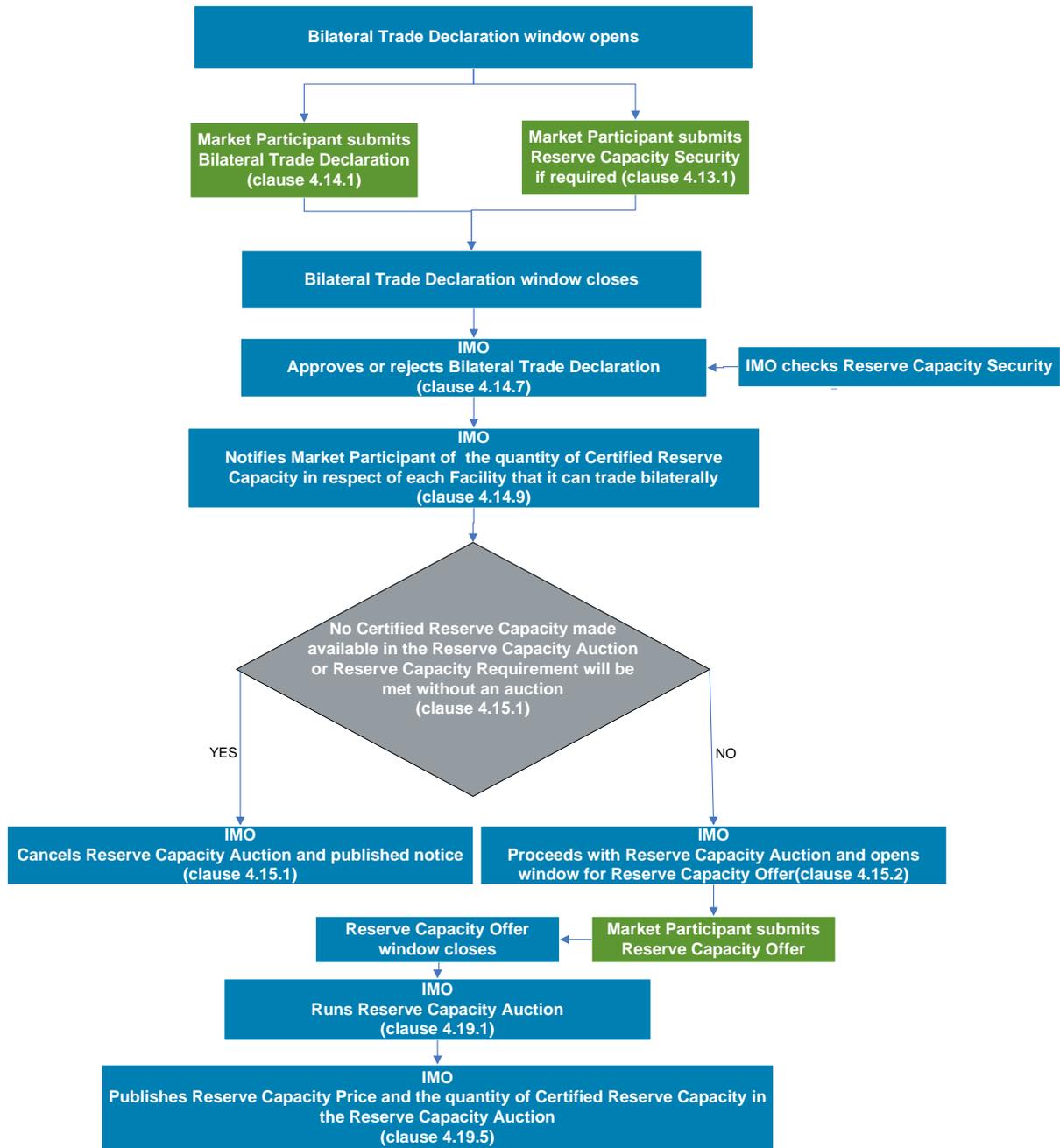
- 1.6.1 A word or phrase defined in the ~~Market Rules, the~~ Electricity Industry Act, ~~or~~ the Electricity Industry (WEM) Regulations or the Market Rules has the same meaning when used in this Procedure. In addition, the following defined terms have the meanings given.

Table 1 – Defined Terms

Term	Definition
Bilateral Trade Declaration	-A submission made by a Market Participant holding Certified Reserve Capacity to the IMO in accordance with clause 4.14.1 <u>of the Market Rules.</u>
Reserve Capacity Facility Status	The status of a Facility for the purposes of the Reserve Capacity Mechanism, being “Proposed” , “Committed” or “In-Service” , <u>as outlined in Appendix 1.</u>
WEMS (Wholesale Electricity Market System)	The IT interface system that the IMO uses to administer/operate the Wholesale Electricity Market.
<u>WEMS Market Participant Interface P1</u>	2 The WEMS Market Participant Interface, the interface used by Market Participants to access WEMS. The market portals maintained by the IMO for the purpose of enabling interactions between Market Participants and the IMO systems.
MPR	The Market Participant R registration S system, a component of the WEMS MPI and the central point for all of the Participant and Facility Registration related activities related to operating in the WEM.

Table – Defined Terms

Figure 1 – Bilateral Trade Declaration and Reserve Capacity Auction process



32 BILATERAL TRADE DECLARATIONS

3.4.2.1 Submission of Bilateral Trade Declarations

3.4.12.1.1 The IMO must:

- (a) open the window for Bilateral Trade Declarations in ~~the~~ WEMS at 8:00 AM on the first Business Day following the date specified in Clause 4.1.12(b) of the Market Rules; and
- (b) close the window for Bilateral Trade Declarations in WEMS at 5:00 PM on the last Business Day falling on or before the date specified in clause 4.1.14(c) of the Market Rules~~2~~ September of Year 1 of the relevant Reserve Capacity Cycle [Clause 4.1.14].

3.4.22.1.2 A Market Participant must submit a Bilateral Trade Declaration in respect of each of its Facilities assigned Certified Reserve Capacity for the current Reserve Capacity Cycle by no later than 5:00 PM of the last Business Day falling on or before the date specified in step 2.1.1(b)~~2~~ September of Year 1 of the relevant Reserve Capacity Cycle. [Clauses 4.14.1 and 4.1.14].

2.1.3 A Market Participant must submit Bilateral Trade Declarations through the WEMS MPI, unless an alternative format is specified by the IMO.

3.4.32.1.4 The IMO must provide a confirmation of receipt through an automated response in WEMS.

3.4.42.1.5 If a Market Participant has not received confirmation of receipt of its application from the IMO within one Business Day, the Market Participant must:

- (a) contact the IMO to determine whether there has been an issue with the application; and
- (b) arrange for resubmission of the application, or part of the application, to the IMO, if required.

3.4.52.1.6 If a Market Participant is required under clause 4.13.1 of the Market Rules to provide ~~a~~ Reserve Capacity Security for a Facility, the Market Participant must provide the relevant Reserve Capacity Security to the IMO in accordance with the process outlined in the Market Rules and the *Market Procedure*: for Reserve Capacity Security.

3.4.62.1.7 Where a Market Participant which:

- (a) specifies under clause 4.14.1(c) of the Market Rules to trade its Certified Reserve Capacity bilaterally; and
- (b) is required under clause 4.13.1 of the Market Rules to provide ~~a~~ Reserve Capacity Security for a Facility,

does not provide in full the required amount of Reserve Capacity Security by 5:00 PM on the last Business Day before 2 September of Year 1 of the relevant Reserve Capacity Cycle [Clause 4.1.13(b)(i)], the Certified Reserve Capacity for the Facility will lapse [Clause 4.13.9]. This will invalidate the Bilateral Trade Declaration in respect of that Facility.

3.4.72.1.8 For the purpose of accepting Bilateral Trade Declarations, the IMO must use the Reserve Capacity Facility Status for a Facility that is recorded in the MPR at the time that the Bilateral Trade Declaration is submitted. Further information on the Reserve Capacity Facility Status and the process for applying for “Committed” status is included within Appendix 1.

3.22.2 Information to be Included in Bilateral Trade Declarations

~~3.2.12.2.1~~ ~~The information to be included by a~~ A Market Participant must ensure that the information to be included in a Bilateral Trade Declaration ~~must be is~~ consistent with the Reserve Capacity Cycle for which the application is being made.

~~3.2.2~~ ~~AA~~ A Market Participant must specify the following quantities of Reserve Capacity for each Facility (expressed in MW to a precision of 0.001 MW), as required under clause 4.14.1 of the Market Rules, in the Bilateral Trade Declaration:

~~(a)~~ ~~the total amount of Reserve Capacity intended to be made available in a Reserve Capacity Auction for the current Reserve Capacity Cycle (if held) where the amount to be made available is not to include Reserve Capacity covered by a pre-existing Special Price Arrangement;~~

~~(b)~~ ~~the total amount of Reserve Capacity covered by a pre-existing Special Price Arrangement that the Market Participant intends will not be traded bilaterally;~~

~~(c)~~ ~~the total amount of Reserve Capacity the Market Participant intends will be traded bilaterally; and~~

~~(d)~~ ~~2.2.2~~ ~~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. [Clause 4.14.1]~~

~~3.2.32.2.3~~ The Market Participant must ensure that the sum of the quantities as required under clause 4.14.1 of the Market Rules in step 2.2.2 for a Facility is must equal to the Certified Reserve Capacity for that Facility for the current Reserve Capacity Cycle **[Clause 4.14.1]**.

~~3.2.42.2.4~~ Synergy must ensure that ~~T~~the amount of Reserve Capacity that ~~Verve Energy it~~ intends to trade bilaterally, as required under clause 4.14.1(c) of the Market Rules, specified at procedure step 2.2.2(c), must be is made in accordance with the requirements outlined in clauses 4.14.4 and 4.14.5 of the Market Rules.

3.32.3 Assessment and Processing of Bilateral Trade Declaration Submissions

~~3.3.12.3.1~~ The IMO must review the information provided in a Bilateral Trade Declaration for a Facility within one Business Day of receipt of the Bilateral Trade Declaration.

~~3.3.22.3.2~~ In reviewing the information under step 2.3.1, the IMO must check all data provided in a Bilateral Trade Declaration to confirm that:

(a) the applicant is a Market Participant;

(b) the Facility referred to in the Bilateral Trade Declaration has been assigned Certified Reserve Capacity;

(c) all information required under clause 4.14 of the Market Rules has been provided;

(d) the total quantity of Certified Reserve Capacity held by the Market Participant is equal to that included in the Bilateral Trade Declaration **[Clause 4.14.1]**; and

(e) the Facility to which the submission refers is not subject to a Network Control Service Contract. **[Clause 4.14.3]**

3.42.4 Resolution of Discrepancies

3.4.12.4.1 The IMO must endeavour to resolve, with the Market Participant, any discrepancy in the consistency of the information provided in a Bilateral Trade Declaration, within one Business Day of receipt. **[Clause 4.14.7(a)]**.

3.4.22.4.2 In seeking to resolve a discrepancy under step 2.4.1, the IMO may request additional ~~or clarifying~~ information from a Market Participant. The request should outline the information that is needed by the IMO to proceed with its consideration of the Bilateral Trade Declaration.

3.4.32.4.3 Upon receiving a request for additional information under step 2.4.2, the Market Participant must respond to the IMO by making necessary adjustments to its Bilateral Trade Declaration and providing additional ~~other~~ information as necessary.

3.4.42.4.4 If the IMO cannot establish what a Market Participant's intentions are with respect to all or part of its Certified Reserve Capacity within the time specified for resolving discrepancies in clause 4.14.7(a) of the Market Rules 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; and
- (b) the Market Participant's Certified Reserve Capacity not covered by pre-existing Long Term Special Price Arrangements will be treated as being unavailable to the market,

and the IMO must notify the Market Participant of this outcome within one Business Day of the deadline for resolving discrepancies specified in clause 4.14.7(a). **[Clause 4.14.7(c)]**.

3.52.5 Mutually Exclusive Facilities

3.5.12.5.1 The IMO must review the information submitted to it in Bilateral Trade Declarations ~~(via the WEMS)~~ and identify any Facilities that cannot exist simultaneously. For example, more than one Market Participant is proposing to build a Facility that will be located at the same site.

3.5.22.5.2 Where the IMO identifies under step 2.5.1 that two or more Facilities cannot simultaneously exist then the IMO cannot accept a non-zero value for the total amount of Reserve Capacity intended to be traded bilaterally (clause 4.14.4(c)) provided under step 2.2.2(c) in respect of more than one of these Facilities and must reject all but one Facility based on the criteria outlined in clause 4.14.6 of the Market Rules.

3.5.32.5.3 The IMO may request supporting information from a Market Participant to support any assessment required under clause 4.14.6 of the Market Rules.

3.62.6 Acceptance and Rejection of Bilateral Trade Declarations ~~Submissions~~

3.6.12.6.1 If the information provided by the Market Participant is consistent with that required in clause 4.14 of the Market Rules, the IMO must notify the Market Participant within one Business Day of receipt that the information is accepted **[Clause 4.14.7(b)]**. This notification may take the form of an automated response within WEMS stating that the Bilateral Trade Declaration ~~submission~~ was accepted.

~~3.6.22.6.2~~ The IMO must reject any Bilateral Trade Declarations that are deemed invalid from the bilateral trade process and the subsequent Capacity Credit assignment process.

~~3.7.2.7~~ Confirmation of Certified Reserve Capacity that may be Traded Bilaterally

~~3.7.12.7.1~~ Where a Market Participant specified a non-zero amount under ~~clause 4.14.1(c), step 2.2.2(c)~~ the IMO must determine the quantity of Certified Reserve Capacity that may be traded bilaterally for each Facility in accordance with the methodology described in Appendix 3 of the Market Rules. ~~[Clause 4.14.9(b)].~~

~~3.7.22.7.2~~ The ~~IMO must ensure that the~~ quantity for each Facility in step 2.7.1 ~~must exclude~~ Certified Reserve Capacity that is associated with pre-existing Long Term Special Price Arrangements or that is not to be made available to the market. ~~[Clause 4.14.9(a)].~~

~~3.7.32.7.3~~ Following the completion of its determination under step 2.7.1, the IMO must notify each Market Participant of the quantity of Certified Reserve Capacity that may be traded bilaterally for each of its Facilities by the date and time specified in clause 4.1.15 of the Market Rules. ~~[Clause 4.14.9].~~

43 RESERVE CAPACITY AUCTION

4.43.1 Confirmation or Cancellation of the Reserve Capacity Auction

4.4.13.1.1 The IMO must run a Reserve Capacity Auction if:

- (a) in applying the methodology described in Appendix 3 of the Market Rules, the IMO determines that a shortfall exists for any Availability Class; and
- (b) one or more Market Participants specified a non-zero quantity provided under ~~clause 4.14.4(a)step 2.2.2(a)~~ of ~~the Market Rules~~this Procedure.

~~3.1.2~~ If the information provided under clauses 4.14 and 4.28C ~~of the Market Rules~~ indicates that no Certified Reserve Capacity is to be made available in the Reserve Capacity Auction for a Reserve Capacity Cycle, or, based on the information received under clause 4.14 ~~of the Market Rules~~, the IMO considers that the Reserve Capacity Requirement for the Reserve Capacity Cycle will be met without an auction, then, ~~by the date and time specified in clause 4.1.16,~~ the IMO must ~~determine that the Reserve Capacity Auction has been cancelled~~ ~~[Clause 4.15.1(a)].~~

~~4.1.2~~ ~~If in step 3.1.2, the IMO determines that the Reserve Capacity Auction has been cancelled, then, by the date and time specified in clause 4.1.16 of the Market Rules, the IMO must~~ publish a notice specifying ~~the information outlined in clause 4.15.1(b) – (e)~~ for that Reserve Capacity Cycle.:

- ~~(a)~~ ~~that the Reserve Capacity Auction has been cancelled;~~
- ~~(b)~~ ~~the Reserve Capacity Requirement;~~
- ~~(c)~~ ~~the total amount of Certified Reserve Capacity;~~
 - ~~(cA)~~ ~~the Capacity Credits assigned, by Facility, under clause 4.28C;~~
- ~~(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)~~~~3.1.3~~ ~~the total amount of Certified Reserve Capacity covered by pre-existing Special Price Arrangements~~ ~~[Clause 4.15.1]~~

~~4.1.33.1.4~~ Where the IMO ~~does not~~ ~~determines~~ under step ~~3.1.2~~ ~~3.1.4~~ that a Reserve Capacity Auction is ~~cancelled~~ ~~required~~ for a Reserve Capacity Cycle, the IMO must, by the date and time specified in clause 4.1.16 of the Market Rules, publish a notice ~~that a Reserve Capacity Auction will be held and specifying~~ ~~containing~~:

- (a) the information ~~required~~ ~~outlined under in clauses~~ ~~clause~~ 4.15.2 ~~(b) and (c)~~ of the Market Rules;
- (b) the dates during which the IMO will accept Reserve Capacity Offers; and
- (c) the date on which the Reserve Capacity Auction results will be published.

4.23.2 Submission of Reserve Capacity Offers

~~4.2.13.2.1~~ Where the IMO accepted a Bilateral Trade Declaration submission from a Market Participant that specified a non-zero quantity of Certified Reserve Capacity under ~~clause 4.14.1(a) of the Market Rules~~ ~~step 2.2.2(a)~~, the Market Participant must submit a Reserve Capacity Offer in respect of that Certified Reserve Capacity.

~~4.2.23.2.2~~ A Market Participant submitting a Reserve Capacity Offer must submit the information:

- (a) during the time period specified in clause 4.1.17 of the Market Rules; and
- (b) through the WEMS MPI, unless an alternative Reserve Capacity Auction form is specified by the IMO and published on the Market Web Site. ~~[Clause 4.17.2].~~

~~4.2.33.2.3~~ The IMO may not accept a Reserve Capacity Offer submitted outside the period specified in clause 4.1.17 of the Market Rules ~~[Clause 4.17.8].~~

~~4.2.43.2.4~~ A Market Participant must provide the information specified in:

- (a) clause 4.18.1 ~~of the Market Rules~~ in its Reserve Capacity Offer; and
- (b) clause 4.18.2 ~~of the Market Rules~~ in respect of each Reserve Capacity Price-Quantity Pair.

~~4.2.53.2.5~~ For the purpose of the Reserve Capacity Auction, the IMO must use the Reserve Capacity Facility Status for a Facility that is recorded in the MPR at the time that the Reserve Capacity Offer is submitted ~~(see Appendix 1 of this Procedure)~~. ~~Further information on the Reserve Capacity Facility Status and the process for applying for "Committed" status is included within Appendix 1.~~

~~4.2.63.2.6~~ Upon receipt of a Reserve Capacity Offer, the IMO must determine whether it:

- (a) is consistent with the requirements of the Market Rules, including ~~clause 4.14.10~~;
- (b) contains all of the information required under clause 4.18 of the Market ~~Rules~~; and
- (c) is in the form required by clause 4.17.2 of the Market Rules. ~~[Clause 4.17.4].~~

~~4.2.73.2.7~~ The IMO must accept the Reserve Capacity Offer as valid if it meets the criteria specified in step 3.2.6, and may reject the Reserve Capacity Offer if one or more of the criteria are not met.

~~4.2.83.2.8~~ Upon receipt of a Reserve Capacity Offer, the IMO must within one Business Day:

- (a) contact the Market Participant to confirm receipt of the Reserve Capacity Offer; and
- (b) ~~advise-notify~~ whether the Reserve Capacity Offer has been accepted as valid or rejected as invalid, ~~with providing~~ reasons for ~~the any~~ rejection ~~provided~~ **[Clause 4.17.3]**.

~~4.2.93.2.9~~ ~~The IMO may notify Advice by the IMO to~~ a Market Participant under step 3.2.8(b) ~~may be provided~~ by an automated response within WEMS or an email.

~~4.2.103.2.10~~ If a Market Participant has not been ~~advised-notified~~ by the IMO within one Business Day that its Reserve Capacity Offer has been received, it must contact the IMO and arrange for resubmission of the Reserve Capacity Offer. **[Clause 4.17.5]**.

~~4.2.113.2.11~~ A Market Participant may not revise or resubmit a Reserve Capacity Offer after the IMO has confirmed receipt of the Reserve Capacity Offer in accordance with clause 4.17.3 of the Market Rules. **[Clause 4.17.6]**.

~~4.2.123.2.12~~ A Market Participant may only submit a revised Reserve Capacity Offer if:

- (a) the IMO has advised the Market Participant that its Reserve Capacity Offer is invalid; or
- (b) the IMO fails to acknowledge receipt of a Reserve Capacity Offer **[Clause 4.17.7]**.

~~4.2.133.2.13~~ A Market Participant must resubmit a Reserve Capacity Offer during the time period specified in clause 4.1.17 of the Market Rules.

4.33.3 Reserve Capacity Auction Clearing

~~4.3.13.3.1~~ The IMO must determine whether Reserve Capacity Offers have been received for two or more Facilities that were identified in step 2.5.1 as being unable to simultaneously exist.

~~4.3.23.3.2~~ The IMO may only consider a Reserve Capacity Offer from a Facility identified under step 3.3.1 where in applying clause 4.14.6 of the Market Rules, the IMO has accepted a non-zero value for that Facility **[Clause 4.19.3(a)]**.

~~4.3.33.3.3~~ The IMO must process the Reserve Capacity Offers:

- (a) by the time and date specified in clause 4.1.18 of the Market Rules; and
- (b) by applying the methodology described in Appendix 3 of the Market Rules. **[Clause 4.19.1]**.

~~4.3.43.3.4~~ The IMO may use the WEMS to complete this process of clearing the Reserve Capacity Auction.

4.43.4 Publication of the Reserve Capacity Auction Outcome

~~4.4.13.4.1~~ By the date and time specified in clause 4.1.18 of the Market Rules, the IMO must publish:

- (a) the Reserve Capacity Price included in the Reserve Capacity Auction results, determined in accordance with clause 4.19.1 of the Market Rules **[Clause 4.19.5(a)]**;
- (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 clause 4.19.1 of the Market Rules **[Clause 4.19.5(b)]**; and

- (c) the capacity shortfall in any Availability Class determined at Step 10 of Appendix 3 of the Market Rules.

APPENDIX 1 ~~APPENDIX 1~~ — Guidelines ~~F~~for Assessing Reserve Capacity Facility Status

The methodologies for accepting Bilateral Trade Declarations and clearing the Reserve Capacity Auction consider the Reserve Capacity Facility Status for a Facility. In particular, Facilities that have a Reserve Capacity Facility Status of ~~“In-Service”~~ or ~~“Committed”~~ **‘committed’** will be ranked higher in some circumstances than Facilities that have a Reserve Capacity Facility Status of ~~“Proposed”~~.

The Reserve Capacity Facility Status is recorded in the MPR ~~within WEMS~~. The status for a Facility can be located on the **‘Reserve Capacity’** tab of the **‘Facility Details’** page.

Due to its relevance to the Bilateral Trade Declaration and Reserve Capacity Auction processes, the process ~~of for the~~ application for ~~“Committed”~~ **‘committed’** status is described in this Appendix.

A.1 Application for ~~“Committed”~~ **‘committed’ status**

- A1.1.1 A Market Participant that wishes to raise its Facility Status from ~~“Proposed”~~ to ~~“Committed”~~ **‘committed’** must submit to the IMO an application to change its Facility Status. The application must be completed by clicking the ~~“Create Change Request”~~ link on the **‘Reserve Capacity’** tab of the **‘Facility Details’** page in the MPR.
- A1.1.2 A Market Participant must make any applications under step A1.1.1 at least 10 Business Days prior to the date on which it intends to submit a Bilateral Trade Declaration or Reserve Capacity Offer. Note that any applications made after this time may not be able to be fully assessed by the IMO by the time required for the Bilateral Trade Declaration or Reserve Capacity Auction processes.
- A1.1.3 Following submission of an application under step A1.1.1, a Market Participant must submit supporting information to the IMO, in writing ~~or by email~~ to system.capacity@imowa.com.au, demonstrating that the Facility is ~~“Committed”~~ **‘committed’**. Supporting information will vary for each Facility but may include:
- evidence of a generation licence as required under ~~Section 7(1) of the #e Electricity Industry Act 2004~~ ~~Sect 7 (1)~~³;
 - formal commitment, including financial approval, on behalf of the company in respect to the project (for example, Board approval);
 - evidence of funding arrangements for the Facility;

³ “A person must not construct or operate generating works except under the authority of a generation licence or an integrated regional licence.”

- (d) financial commitment by the Market Participant to a 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);
- (e) details of planning, construction and environmental applications, approvals and licences;
- (f) access to land, either through ownership or an appropriate leasing agreement;
- (g) a signed contract for civil works (or appropriate alternative), including contractual delivery times;
- (h) 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; and
- (i) for Demand Side Programmes, evidence of capacity already procured (for example, contracts for load curtailment) or evidence of capacity procurement activity (for example, letters of intent or memoranda of understanding).

A1.1.4 The IMO may ~~request consult directly information from with~~ a Market Participant prior to approving ~~“Committed”~~ status.

A1.1.5 Any information provided by a Market Participant to the IMO under step A.1.1.3 must be treated by the IMO as confidential, if so designated by the Market Participant.

A1.1.6 A Market Participant must respond as soon as practicable to any requests for information under step A1.1.4 so as to allow the assessment to be completed by the time required for the Bilateral Trade Declaration or Reserve Capacity Auction processes.

A1.2 Assessment of Applications for ~~“Committed”~~ Status

A1.2.1 Upon receipt of an application to change the Reserve Capacity Facility Status for a Facility, the IMO must:

- (a) consider the supporting information provided by the Market Participant; and
- (b) make a determination as to whether to approve ~~“Committed”~~ status for the Facility.

A1.2.2 If under step A1.2.1 the IMO determines that the Facility is ~~“Committed”~~, the IMO must

- (a) approve the change request; and
- (b) advise the Market Participant of the outcome and the date from which the change will be effective.

A1.2.3 Once the change is effective (as specified in step A1.2.2(b)), a Bilateral Trade Declaration or Reserve Capacity Offer submitted for the Facility will reflect ~~“Committed”~~ status.

A1.2.4 If the IMO rejects the change request or is unable to approve the change request before the Bilateral Trade Declaration or Reserve Capacity Offer submission window closes, the Facility will be considered as ~~“Proposed”~~ for the purposes of the Bilateral Trade Declaration or Reserve Capacity Auction process.

