

Independent Market Operator

IMO PROCEDURE CHANGE AND DEVELOPMENT GROUP

Agenda

Meeting No.	3
Location:	IMO Board Room, Level 3, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date:	Wednesday 25 March 2009
Time:	Commencing at 10.00 am to 12.00pm

Item	Subject	Responsible	Time
1.	WELCOME AND APOLOGIES / ATTENDANCE	Chair	5 min
2.	MINUTES OF PREVIOUS MEETING	Chair	5 min
3.	WORKING GROUP TERMS OF REFERENCE	IMO	10 min
4.	MARKET PROCEDURE FOR REGISTRATION AND DEREGISTRATION OF RULE PARTICIPANTS An amended procedure has been provided for consideration by members.	IMO	15 min
5.	MARKET PROCEDURE FOR RESERVE CAPACITY SECURITY The new procedure has been provided for consideration by members.	IMO	30 min
6.	MARKET PROCEDURE FOR CERTIFICATION OF RESERVE CAPACITY An amended procedure has been provided for consideration by members.	IMO	20 min
7.	MARKET PROCEDURE FOR DECLARATION OF BILATERAL TRADES AND THE RESERVE CAPACITY AUCTION An amended procedure has been provided for consideration by members.	IMO	20 min
8.	NEXT MEETING To be advised.	Chair	5 min

Independent Market Operator

IMO PROCEDURE CHANGE AND DEVELOPMENT GROUP

Minutes

Meeting No.	2
Location:	IMO Office, Level 22, 221 St Georges Terrace, Perth
Date:	Friday 18 April 2008
Time:	Commencing at 10.00am

Attendees		
Dora Guzeleva	IMO (Chair)	
Ronny Garg	Synergy	Proxy for Jenni Conroy
Alistair Butcher	System Management	
Troy Forward	IMO	
Magnus Stensson	IMO	Minutes

Apologies		
Jenni Conroy	Synergy Energy	
Rachael Smith	Alinta	
Yin Heng	Perth Energy	
Andrew Everett	Verve Energy	

Item	Subject	Action
1.	WELCOME AND APOLOGIES / ATTENDANCE Noted apologies from Yin Heng, Rachael Smith, Jenni Conroy and Andrew Everett.	Chair
2.	CLOSED Due to the numerous apologies the Working Group members	

Item	Subject	Action
	<p>present found it inappropriate to proceed with the meeting. As the purpose of this group is to assist and advise the IMO in developing its Market Procedures, the members present agreed that the lack of industry representation at consecutive scheduled meetings made the Working Group ineffective.</p> <p>The Chair will advise MAC of the lack of representation at the Working Group meetings and request that MAC re-assess the composition of the Working Group and decide if its work should continue or if MAC should assess all procedure changes during its regular meetings.</p>	<p>Chair</p>

Terms of Reference

The IMO Procedure Change and Development Group

SCOPE

The Working Group's scope of work includes consideration; assessment and development of changes to IMO Market Procedures which the Market Rules require the IMO to develop. A Report on each Procedure Change proposed by the Working Group will be provided to MAC which demonstrates that the proposed change is consistent with the Wholesale Market Objectives and the Market Rules.

TERMS OF REFERENCE

- Members of the Working Group are appointed and substituted by MAC.
- The members of the Working Group are:

Jacinda Papps (Chair)	-	IMO
Bill Truscott	-	Industry Representative, Alinta Limited
Yin Heng	-	Industry Representative, Perth Energy
Steve Gould	-	Industry Representative, Landfill Gas and Power
Alistair Butcher	-	System Management Representative
John Rhodes	-	Synergy Representative
Andrew Everett	-	Verve Energy Representative
Fiona Edmonds	-	IMO
- An issue can be referred to the Working Group for consideration by MAC or the IMO. Generally, issues referred to the Working Group will relate to proposed Procedure Changes.
- The Working Group will be convened by the Chair upon request from the MAC Chairperson, or as required to complete its Scope of Work within the required timeframes.
- The Working Group will meet as required to provide MAC and the IMO with a detailed analysis and advice regarding the issue referred to them.
- The Working Group will consider and develop, where appropriate, Procedure changes within the timeframes set by the Chair with respect to each proposed Procedure change.
- Procedure Changes proposed by the Working Group must be consistent with the Wholesale Market Objectives and the Market Rules
- Members are expected to attend as many Working Group meetings as practicable.
- MAC may review, amend and extend these terms of reference, as necessary.

ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY
MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

Market Procedure for:

Registration and De-registration of Rule
Participants

Commencement: This Market Procedure is to have effect from 8:00am
(WST) on ##, ####, 2009.

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Version history

21 September 2006	Market Procedure for Registration of Rule Participants as at Market Start
10 June 2008	IMO amended changes to the procedure resulting from Procedure Change Proposal PC_2008_01

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1. Rule Participant Registration and De-Registration Procedure

The Rule Participant Registration and De-Registration Procedure covers the process by which an entity may be registered by the IMO as a Rule Participant. All Rule Participants are able to access the Market Participant Interface (MPI, also known as the Wholesale Electricity Market Systems or WEMS) and Rule Participants that are also Market Participants may provide Reserve Capacity, or Energy to the Wholesale Electricity Market. In addition, this procedure sets out the steps to be taken to terminate an existing Rule Participant's registration. Information that is required to be exchanged, and the timing and sequence of events in relation to the registration and de-registration processes is also described.

1.1 Relationship with the Market Rules

- (a) This Procedure has been developed in accordance with, and should be read in conjunction with sections 2.28 through 2.34 of the Wholesale Electricity Market (WEM) Rules (Market Rules).
- (b) References to particular Market Rules within the Procedure in bold and square brackets [MR XX] are current as at 16 February 2009. These references are included for convenience only and are not part of this procedure.
- (c) This procedure is made in accordance with MR2.31.33.

1.2 Interpretation

In this procedure, unless the contrary intention is expressed:

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

1.3 Purpose

The purpose of this procedure is:

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(a) to describe the steps that an applicant is required to complete to be registered as a Rule Participant;

(b) to describe the steps that the IMO must follow in assessing a Rule Participant application;

(c) to describe the steps that an applicant wishing to de-register as a Rule Participant is required to complete; and

(d) to describe the steps that the IMO must follow in assessing an application to de-register as a Rule Participant.

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1.4 Application

This procedure applies to:

(a) An applicant wishing to register as a Rule Participant;

(b) a Rule Participant wishing to register in an additional Rule Participant class;

(c) a Rule Participant wishing to de-register from one or more classes; and

(d) the IMO in relation to its processing of an application for Rule Participant registration or de-registration.

1.5 Overview of Rule Participant Registration

A Rule Participant is obliged to comply with the Market Rules. To ensure compliance, a Rule Participant must be conversant with the most up-to-date set of Market Rules.

Rule Participants which trade or intend to trade in the WEM are required to register as a Market Participant (i.e. a Market Generator or a Market Customer or both). However, the IMO may exempt an entity with generating capacity from the requirement to register if the generation system fulfils the conditions set out under MR 2.28.16B.

Any entity applying for registration as a Rule Participant must be registered for GST upon submitting its application and also satisfy the criteria outlined in MR 2.28.19.

As listed under MR 2.28.1, the classes of Rule Participant include:

Network Operator;
Market Generator;
Market Customer;
Ancillary Service Provider;
System Management;
Economic Regulation Authority; and
IMO.

As per MR 2.28.16, the IMO may determine that an entity is exempted from the requirement to register in a particular class.

In short, the registration process involves:

- Payment of the applicable registration application fee¹;
- If the registration application is successful, registration as a Rule Participant in the MPI under an appropriate 'short name'² will ensue. Once registered, a Rule Participant is bound by the Market Rules.
- Once a Rule Participant is registered and their 'short name' appears in the MPI Registration screen, registration of facilities can occur (if applicable).
- A contact for the new Rule Participant must be chosen and their details entered into the blank tabs under the headings 'Application' and 'Contacts'.

The process for registering facilities is outlined in the Market Procedure for: Facility Registration, Facility de-Registration and Facility Transfer.

Table 1-1 lists those entities which must register as a Rule Participant and those which have the option of doing so. [MR2.28.14 & MR2.28.15].

¹ Registration application fees are listed at: http://www.imowa.com.au/10_5_1_registration_documents.htm

² A 'short name' is the approved abbreviated form of a Rule Participant's name used in the MPI.

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Table 1-1: Types of Rule Participants

Role of the Applicant after Energy Market Commencement	Situation	Rule Participation	Rule Participant Class if Registered
Owns, controls, or operates a transmission or distribution network which forms part of the South West Interconnected System or is electrically connected to that system.	System Management has informed the IMO that it does not require information about the facility to maintain Network System Security and Reliability. [MR 2.28.3(a)]	Optional	Network Operator
	No Market Participant Registered Facilities are directly connected to the Network. [MR 2.28.3(b)]	Optional	Network Operator
	The IMO has exempted the person from the requirement to register. [MR 2.28.16]	Optional	Network Operator
	All other situations [MR 2.28.2]	Compulsory	Network Operator
From some time after Energy Market Commencement, intends to own, control or operate a transmission or distribution network which forms part of the South West Interconnected System or is electrically connected to that system.	All situations. [MR 2.28.4]	Optional	Network Operator
Owns, controls, or operates a generating facility with a rated capacity of greater than or equal to 10 MW which is electrically connected to a transmission or distribution network which forms part of the South West Interconnected System or is electrically connected to that system.	The IMO has exempted the person from the requirement to register. [MR 2.28.16]	Optional	Market Generator
	All other situations [MR 2.28.6]	Compulsory	Market Generator
Owns, controls, or operates a generating facility with a rated capacity of less than 10 MW, but greater than or equal to 0.005 MW, which is electrically connected to a transmission or distribution network which forms part of the South West Interconnected System or is electrically connected to that system.	All situations [MR 2.28.7]	Optional	Market Generator
From some time after Energy Market Commencement, intends to own, control or operate a generating facility with a rated capacity of greater than or equal to 0.005 MW which will be electrically connected to a transmission or distribution network which forms part of the South West Interconnected System or is electrically connected to that system.	All situations [MR 2.28.8]	Optional	Market Generator
Sells electricity to Contestable Customers from facilities electrically connected to a transmission or distribution network which forms part of the South West	The IMO has exempted the entity from the requirement to register. [MR 2.28.16]	Optional	Market Customer

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Role of the Applicant after Energy Market Commencement	Situation	Rule Participation	Rule Participant Class if Registered
Interconnected System or is electrically connected to that system.	All other situations [MR 2.28.10]	Compulsory	Market Customer
From some time after Energy Market Commencement, intends to sell electricity to customers in respect of facilities electricity connected to a transmission or distribution network which forms part of the South West interconnected system or is electrically connected to that system.	All situations [MR 2.28.11]	Optional	Market Customer
Any other person who sells or purchases electricity or another service contemplated by the Market Rules to or from the IMO.	The IMO has exempted the entity from the requirement to register. [MR 2.28.16]	Optional	Market Generator or Market Customer, as determined by the IMO.
	All other situations [MR 2.28.13]	Compulsory	Market Generator or Market Customer, as determined by the IMO.

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1.6 Procedure Steps to be followed by the Applicant

In order to be registered as a Rule Participant as well as obtain access to the Wholesale Electricity Market Systems (WEMS or MPI), an applicant must complete the Application to Register for WEMS Access form and submit it to the IMO. The form will provide the IMO with the information necessary to issue the applicant with a digital certificate, which is required for access to the WEMS.

1. *The Application to Register for WEMS Access form:* After completing the form, the applicant is to submit the signed form to the IMO along with the applicable Registration application fee³. The following information is also required:

- entity's name and contact details;
- applicable registration class;
- the name of the main user (other users may be added after the registration has been approved)

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

- by two of the entity's Directors; or
- one Director and the Company Secretary from the entity; or

³ see the IMO website at http://www.imowa.com.au/10_5_1_registration_documents.htm

- if the entity has only one sole director, by that Director.

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The signatories to the Application to Register for WEMS Access form do not have to be named as contact person or user for the WEMS.

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The Application to Register for WEMS Access form contains an undertaking to comply with the obligations set out in the Market Rules and a declaration as to the accuracy of information provided to the IMO.

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2. Recipient Created Tax Invoice: The applicant will need to enter into an Agreement for the IMO to Issue Recipient Created Tax Invoices⁴ (RCTIs). The Agreement will need to be signed by a person within the organisation with the authority to enter into such an agreement on behalf of the organisation, in the presence of a witness able to independently verify the identity of the signatory and the signatory's position within the organisation.

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

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3. Invoice for registration application fee: Upon receiving an invoice from the IMO for the Registration application fee, the applicant must pay the fee within the timelines provided on the invoice. Should the applicant prefer to issue an RCTI for the registration fee instead of receiving an invoice from the IMO the applicant must inform the IMO upon applying for registration and upon signing the Agreement for the IMO to issue RCTIs by both parties and issue an RCTI covering the Registration application fee (and any subsequent facility registration fees). A copy of this RCTI must be sent to the IMO.

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4. Digital Certificate and accessing WEMS: On receipt of a valid Digital Certificate from the IMO, the applicant will be able to access the WEMS via the internet in order to enter their details in the system as a Rule Participant. To access the WEMS, the applicant must log into the web server from their internet browser and have the IMO-issued digital certificate installed in their browser. Information on accessing and logging onto the WEMS will accompany the Digital Certificate.

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Upon successfully logging into the WEMS, the Market Participant Interface Home Page will be displayed. To apply for registration as a Rule Participant, the applicant will be

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⁴ The template Agreement is available from the IMO website at http://www.imowa.com.au/10_5_1_market_forms.htm

required to complete the on-line forms in the Registration menu. These forms are listed under different category display tabs, namely:

- Application;
- Contacts;
- Users;
- Prudential Support;
- Financials; and
- Facilities.

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

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Application for Authorisation to Participate

The Application display in WEMS is for the applicant to record general application details, such as organisation information and to confirm certain requirements. The fields to be completed by the applicant in the Application Display are described in section 3.4 of the User Manual which includes an illustration of the Application Display screen on the WEMS. Upon initial login, this is the only screen able to be viewed by a new Rule Participant. Once further details have been submitted and approved by the IMO, further screens will become accessible.

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Contacts

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

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Users

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

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Prudential Support

Applicants should refer to the separate Prudential Support Procedure for information on the requirements for Prudential Support. The fields to be completed in the Prudential Support Display are described in section 3.7 of the User Manual including an illustration of the Prudential Support Display screen in WEMS.

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Financial Details

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

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Facilities

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

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Submitting Application Details and Supporting Information

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

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

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

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

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

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The applicant must, if requested by the IMO, provide additional information with respect to any information which, in the IMO's view, was inadequate, [MR2.31.4]

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

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Upon approval by the IMO, the applicant will become a Rule Participant in a particular Rule Participant Class from the date and time indicated in the notification of registration, [MR2.31.10]

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1.7 Procedure steps to be followed by the IMO

1. On receipt of an applicant's Application to Register for WEMS Access, the IMO must review and check the validity of the application details.

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2. Where the details provided on the Application to Register for WEMS Access form are complete, the IMO will assign the applicant a 'short name' and create a new user for the purpose of accessing WEMS. The IMO will also set the required access privileges for the applicant.

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3. The IMO will issue the required Digital Certificate(s) for the applicant, and provide the applicant with information on accessing WEMS to complete the application process.

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4. On receipt of the applicant's details, via the WEMS, for registering as a Rule Participant, the IMO must determine if all the required information has been provided. The IMO will request additional information with respect to information that, in the IMO's view, is not adequate. The IMO will make its request for further information from the applicant via email or in the form of a letter. [MR2.31.4]

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5. The IMO must determine whether it has sufficient information, including any required supporting evidence, to make a determination as to whether or not to register the Rule Participant. The IMO must request further information in respect to any details that, in the IMO's view, should be further explained or evidenced. [MR2.31.4]

6. The IMO must determine whether it is satisfied that the applicant can comply with the requirements of the Market Rules. The Market Rules list those situations which would give rise to the IMO rejecting a registration application [MR2.31.13].
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7. The IMO must determine whether the applicant has previously been de-registered as a Rule Participant following an order from the Energy Review Board and, if so, the IMO must determine whether it is satisfied that the applicant has remedied the reason for the prior de-registration. [MR 2.31.13(e)]
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8. The IMO must determine whether the applicant complies with the requirements set out in clause 2.28.19 of the Market Rules.
9. The IMO must determine whether the required Registration Fee has been paid, following an invoice from the IMO being sent out. [MR 2.31.13(c)]
10. If the applicant informed the IMO (see section 1.5 step 4) that it wished to provide an RCTI instead of being invoiced, the IMO will verify if the required Registration Fee as well as an RCTI covering the Registration Fee has been provided.
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11. The IMO must determine whether to accept or reject the application to register as a Rule Participant. [MR2.31.10]
12. Prior to notifying the applicant, if the IMO determines that it should accept the application, it will notify System Management, that the applicant has applied to become a Rule Participant and that the IMO has accepted the application. System Management must facilitate participation of the applicant in a Rule Participant class. [MR 2.31.22]. System Management must respond to the IMO within five Business Days.
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13. If an applicant applies for Rule Participant Registration in either the Market Generator or Market Customer class the IMO must notify the applicant in writing of the IMO's acceptance or rejection of the application within 20 Business Days [MR2.31.10(b)]. The 20 Business Days starts from the date of notification of receipt of the application or, if additional information was provided to the IMO in accordance with Step 2, from the date of notification of receipt of the additional information.
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14. If an applicant applies for Rule Participant Registration in the Network Operator class the IMO must notify the applicant in writing of the IMO's acceptance or rejection of the application within 5 Business Days [MR2.31.10(c)]. The 5 Business Days start from the date of notification of receipt of the application or, if additional information was provided to the IMO in accordance with Step 2, from the date of notification of receipt of the additional information.
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15. The notification to the applicant concerning whether or not the IMO has approved the admission of the applicant into the Rule Participant Class(es) to which the application relates, will include the following.

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(a) if the application is rejected, the reason for its rejection. [MR 2.31.12]

(b) if the application is accepted, the date and time from which the applicant will become a Rule Participant in a particular class, where the date is to be the latest date requested in the application and the earliest date by which the IMO can facilitate the registration. (Market Rule 2.31.14)

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1. The IMO's determination of an application may be appealed to the Energy Review Board by the applicant. [MR 2.17.1 (e)]

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2. Upon accepting the registration of an entity in a Rule Participant Class, the IMO must record that registration in its Registry of Rule Participants. [MR 2.31.21]

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3. Upon obtaining from a Rule Participant an Agreement for the IMO to Issue Recipient Created Tax Invoices that has been properly executed by the Rule Participant, the IMO will countersign the agreement and provide an original to the Rule Participant.

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

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

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1.9 Additional Users and User Privileges

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

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

Username should be in the form 'initial letter of first name' followed by 'surname' (eg JSMITH for John Smith).

Different users can have different access profiles.⁵

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The user privileges available are:

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

1.10 Overview of Rule Participant De-Registration

De-registration as a Rule Participant retracts the entity's ability to participate in the WEM, access the MPI and removes their obligations under the Market Rules.

Prior to an applicant applying to be de-registered as a Rule Participant they must have undertaken the following steps in the case where they are also a Market Participant:

- The Market Participant must apply to the IMO to have any current capacity credits for its Facilities changed to zero (the Market Rules do not allow a facility with current capacity credits to be de-registered) [MR2.31.13(k)]
- Upon the IMO accepting an application for de-registration, the Market Participant can then apply to have its facilities de-registered from the market, using the facility de-registration form available on the IMO website⁶. The entity must de-register all facilities which are relevant to the class they are de-registering. This process is

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⁵ For an overview, go to http://www.imowa.com.au/10_5_1_user_access.htm

⁶ This form is also available at this site: http://www.imowa.com.au/10_5_1_market_forms.htm

covered in more detail in the Market Procedure for Facility Registration, Facility de-Registration and Facility Transfer.

Once the relevant facility has been de-registered by the IMO, the relevant Rule Participant can apply to be de-registered.

1.11 Procedure Steps to be followed by the Applicant

Application to De-register as a Rule Participant

1. After completing the application form for Rule Participant de-registration⁷, the applicant is to submit the form to the IMO along with the relevant, non-refundable, de-registration fee(s) [MR2.31.2]. The applicant must also provide the following information [MR2.33.2]:

- Organisation name and contact details;
- The classes of Rule Participation to which the application relates;
- A proposed date for ceasing operation in each Rule Participant class covered by the application. The date supplied must not be earlier than 10 Business Days after the date of application; and
- Any supporting information that would be beneficial for the IMO to consider when making its decision.

2. Rule Participants must also make a de-registration request in the WEMS.

- a. If de-registering as a Rule Participant from all applicable classes, then a de-registration Schedule must also be entered into the WEMS.
- b. if the entity only wishes to de-register from a class but remain registered in another class, they are to change the application detail screen so that only the class they wish to remain in is selected and update the parameter effective date accordingly.

3. On receipt of an applicant's Application to De-Register for WEMS Access, the IMO must review and check the validity of the application details. When a change is made in the MPI, an automatic notification will be sent to the Market Participant within one business day of receipt of the application by the IMO [MR2.31.3].

4. The IMO may require the Participant to clarify or provide any additional information necessary for making a decision on their application [MR2.31.4]

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⁷ This form is available at this address: http://www.imowa.com.au/10_5_1_market_forms.htm

5. The Rule Participant's application for de-registration does not affect any of their rights, obligations or liabilities relating to the Market Rules prior to the time of de-registration [MR2.31.7].

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6. If an entity has applied to be de-registered as a Market Customer or Market Generator and the application is accepted, they must cease trading under the applicable class by the date supplied to the IMO in their de-registration application. This date must be no earlier than 10 business days after the date of application [MR2.31.15].

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7. De-registration as a Rule Participant will only be effective from the date on which all (if any) outstanding debts to the market have been settled.

Prudential Support

8. Once all accounts have been settled and the de-registration is effective, the IMO will repay any credit support held and, upon provision of a release form for execution by IMO Directors, release the fixed and floating charge.

9. As per [MR2.31.16] a Rule Participant's obligations will cease from the end of the first business day in which:

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- their application to de-register from a Rule Participant class has been accepted by the IMO;
- the Rule Participant has de-registered all their facilities applicable to the class to be de-registered from;
- all outstanding disputes, investigations and enforcement actions have been resolved and settled;
- all outstanding debts to the IMO have been paid; and
- the Rule Participant has received final payment for the amounts owed to it by the IMO.

1.12 Procedure Steps to be followed by the IMO

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1. Upon receiving an application to be de-registered as a Rule Participant, the IMO must provide receipt of the application within one Business Day. [MR2.31.3]

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2. The IMO must not set about processing the application for registration until the registration application fee has been paid by the applicant.

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3. If the IMO receives a request from a participant to be de-registered as a Rule Participant via the WEMS but no application form has been supplied the IMO must request the Rule Participant to fill in the relevant de-registration form.

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4. If the IMO receives a de-registration form requesting that a Participant be de-registered as a Rule Participant but no corresponding WEMS notification the IMO must request that the participant make a de-registration request in WEMS.

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5. The IMO must determine whether the applicant has supplied sufficient detail, including any required supporting evidence, to make a determination as to the de-registration of the Rule Participant. The IMO must request further information in respect to any details that, in the IMO's view, should be further explained or evidenced [MR2.31.4].

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6. The IMO must check the application details supplied in the WEMS to ensure that:

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- no loads and no generators are registered in any class in the case of a Rule Participant de-registering completely.
- any existing facilities have been transferred or de-registered.

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7. Prior to notifying the applicant, if the IMO determines that it should accept the application, it will notify System Management and the Network Operator that the applicant has applied to de-register as a Rule Participant and that the IMO has accepted the application.

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8. The IMO must determine whether to accept or reject the application to de-register as a Rule Participant.

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9. Within five Business Days of the date of application or, if additional information was provided to the IMO in accordance with Step 4, within 5 Business Days of the last date on which additional information was provided to the IMO, the IMO must notify the applicant, in writing, of the IMO's acceptance or rejection of the application for each Rule Participant Class identified on the applicant's application [MR2.31.10(c)].

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10. The notification to the applicant relating to whether or not the IMO has approved the de-registration of the applicant as a Rule Participant in one or more classes, will include the following.

- (a) if the application is rejected, the reason for its rejection. [MR 2.31.12]

(b) if the application is accepted it must include the following details [MR2.31.11(b)]:

i) where the Rule Participant is a Market Generator or Market Customer, the time on which the Rule Participant must cease trading which will correlate to the start of the trading day originally proposed by the Participant in their application.

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ii) a statement that de-registration as a Rule Participant will not take effect until the requirements outlined in section 1.10.9 [MR2.31.16] have been meet.

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11. If the IMO has accepted the Rule Participant's application to be de-registered, it must accept the de-registration in WEMS and ensure users will have no access rights effective for the day after the originally proposed ceasing operation date supplied in the application.

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12. The IMO's decision to deny an application for de-registration may be appealed to the Energy Review Board [MR 2.17.1(e)].

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become Market Participants, unless given an exemption by the IMO [MR2.28].		
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ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY
MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

Market Procedure for:

Registration and De-registration of Rule
Participants

Commencement: This Market Procedure is to have effect from 8:00am
(WST) on ##,####,2009.

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Version history

21 September 2006	Market Procedure for Registration of Rule Participants as at Market Start
10 June 2008	IMO amended changes to the procedure resulting from Procedure Change Proposal PC_2008_01

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1. Rule Participant Registration and De-Registration Procedure

The Rule Participant Registration and De-Registration Procedure covers the process by which an entity may be registered by the IMO as a Rule Participant. All Rule Participants are able to access the Market Participant Interface (MPI, also known as the Wholesale Electricity Market Systems or WEMS) and Rule Participants that are also Market Participants may provide Reserve Capacity, or Energy to the Wholesale Electricity Market. In addition, this procedure sets out the steps to be taken to terminate an existing Rule Participant's registration. Information that is required to be exchanged, and the timing and sequence of events in relation to the registration and de-registration processes is also described.

1.1 Relationship with the Market Rules

- (a) This Procedure has been developed in accordance with, and should be read in conjunction with sections 2.28 through 2.31 and 2.33 of the Wholesale Electricity Market (WEM) Rules (Market Rules).
- (b) References to particular Market Rules within the Procedure in bold and square brackets [MR XX] are current as at 16 February 2009. These references are included for convenience only and are not part of this procedure.
- (c) This procedure is made in accordance with MR2.31.23.

1.2 Interpretation

In this procedure, unless the contrary intention is expressed:

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

1.3 Purpose

The purpose of this procedure is:

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- (a) to describe the steps that an applicant is required to complete to be registered as a Rule Participant;
- (b) to describe the steps that the IMO must follow in assessing a Rule Participant application;
- (c) to describe the steps that an applicant wishing to de-register as a Rule Participant is required to complete; and
- (d) to describe the steps that the IMO must follow in assessing an application to de-register as a Rule Participant.

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1.4 Application

This procedure applies to:

- (a) An applicant wishing to register as a Rule Participant;
- (b) a Rule Participant wishing to register in an additional Rule Participant class;
- (c) a Rule Participant wishing to de-register from one or more classes; and
- (d) the IMO in relation to its processing of an application for Rule Participant registration or de-registration.

1.5 Overview of Rule Participant Registration

A Rule Participant is obliged to comply with the Market Rules. To ensure compliance, a Rule Participant must be conversant with the most up-to-date set of Market Rules. (available on the IMO website http://www.imowa.com.au/market_rules.htm).

Rule Participants which trade or intend to trade in the WEM are required to register as a Market Participant (i.e. a Market Generator or a Market Customer or both). However, the IMO may exempt an entity with generating capacity from the requirement to register if the generation system fulfils the conditions set out under MR 2.28.16B. Forms related to the registration process can be found on the IMO website (http://www.imowa.com.au/10_5_1_market_forms.htm)

Any entity applying for registration as a Rule Participant must be registered for GST upon submitting its application, and also satisfy the criteria outlined in [MR 2.28.19](#).

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As listed under MR 2.28.1, the classes of Rule Participant include:

- [Network Operator;](#)
- [Market Generator;](#)
- [Market Customer;](#)
- [Ancillary Service Provider;](#)
- [System Management; and](#)
- [IMO.](#)

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As per MR 2.28.16, the IMO may determine that an entity is exempted from the requirement to register in a particular class.

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In short, the registration process involves:

- [Submit the Rule Participant Registration form¹,](#)
- [Payment of the applicable registration application fee²;](#)
- [If the registration application is successful, registration as a Rule Participant in the MPI under an appropriate 'short name'³ will ensue. Once registered, a Rule Participant is bound by the Market Rules.](#)
- [Once a Rule Participant is registered and their 'short name' appears in the MPI Registration screen, registration of facilities can occur \(if applicable\).](#)
- [A contact for the new Rule Participant must be chosen and their details entered into the blank tabs under the headings 'Application' and 'Contacts'.](#)

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The process for registering facilities is outlined in [the Market Procedure for: Facility Registration, Facility de-Registration and Facility Transfer](#).

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¹ Applications forms are available at: http://www.imowa.com.au/10_5_1_market_forms.htm

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² Registration application fees are listed at: http://www.imowa.com.au/10_5_1_registration_documents.htm

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³ A 'short name' is the approved abbreviated form of a Rule Participant's name used in the MPI.

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Table 1-1 lists those entities which must register as a Rule Participant and those which have the option of doing so. [MR2.28.14, MR2.28.15 & MR2.28.16]

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Table 1-1: Types of Rule Participants

Role of the Applicant after Energy Market Commencement	Situation	Rule Participation	Rule Participant Class if Registered
Owns, controls, or operates a transmission or distribution network which forms part of the South West Interconnected System or is electrically connected to that system.	System Management has informed the IMO that it does not require information about the facility to maintain Network System Security and Reliability. [MR 2.28.3(a)]	Optional	Network Operator
	No Market Participant Registered Facilities are directly connected to the Network. [MR 2.28.3(b)]	Optional	Network Operator
	The IMO has exempted the person from the requirement to register. [MR 2.28.16]	Optional	Network Operator
	All other situations [MR 2.28.2]	Compulsory	Network Operator
From some time after Energy Market Commencement, intends to own, control or operate a transmission or distribution network which forms part of the South West Interconnected System or is electrically connected to that system.	All situations. [MR 2.28.4]	Optional	Network Operator
Owns, controls, or operates a generating facility with a rated capacity of greater than or equal to 10 MW which is electrically connected to a transmission or distribution network which forms part of the South West Interconnected System or is electrically connected to that system.	The IMO has exempted the person from the requirement to register. [MR 2.28.16]	Optional	Market Generator
	All other situations [MR 2.28.6]	Compulsory	Market Generator
Owns, controls, or operates a generating facility with a rated capacity of less than 10 MW, but greater than or equal to 0.005 MW, which is electrically connected to a transmission or distribution network which forms part of the South West Interconnected System or is electrically connected to that system.	All situations [MR 2.28.7]	Optional	Market Generator
	All situations [MR 2.28.8]	Optional	Market Generator

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Role of the Applicant after Energy Market Commencement	Situation	Rule Participation	Rule Participant Class if Registered
Sells electricity to <u>Contestable Customers</u> from facilities electricity connected to a transmission or distribution network which forms part of the South West Interconnected System or is electrically connected to that system.	The IMO has exempted the <u>entity</u> from the requirement to register. [MR 2.28.16]	Optional	Market Customer
	All other situations [MR 2.28.10]	Compulsory	Market Customer
From some time after Energy Market Commencement, intends to sell electricity to customers in respect of facilities electricity connected to a transmission or distribution network which forms part of the South West interconnected system or is electrically connected to that system.	All situations [MR 2.28.11]	Optional	Market Customer
Any other person who sells or purchases electricity or another service contemplated by the Market Rules to or from the IMO.	The IMO has exempted the <u>entity</u> from the requirement to register. [MR 2.28.16]	Optional	Market Generator or Market Customer, as determined by the IMO.
	All other situations [MR 2.28.13]	Compulsory	Market Generator or Market Customer, as determined by the IMO.

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1.6 Procedure Steps to be followed by the Applicant

In order to be registered as a Rule Participant as well as obtain access to the Wholesale Electricity Market Systems (WEMS or MPI), an applicant must complete the Application to Register for WEMS Access form and submit it to the IMO. The form will provide the IMO with the information necessary to issue the applicant with a digital certificate, which is required for access to the WEMS.

1. The Application to Register for WEMS Access form: After completing the form, the applicant is to submit the signed form to the IMO along with the applicable Registration application fee⁴. The following information is also required:

- entity's name and contact details;
- applicable registration class;
- the name of the main user (other users may be added after the registration has been approved)

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

⁴ see the IMO website at http://www.imowa.com.au/10_5_1_registration_documents.htm

- by two of the entity's Directors ; or
- one Director and the Company Secretary from the entity; or
- if the entity has only one sole director, by that Director.

The signatories to the Application to Register for WEMS Access form do not have to be named as contact person or user for the WEMS.

The Application to Register for WEMS Access form contains an undertaking to comply with the obligations set out in the Market Rules and a declaration as to the accuracy of information provided to the IMO.

2. Recipient Created Tax Invoice: The applicant will need to enter into an Agreement for the IMO to Issue Recipient Created Tax Invoices⁵ (RCTIs). The Agreement will need to be signed by a person within the organisation with the authority to enter into such an agreement on behalf of the organisation, in the presence of a witness able to independently verify the identity of the signatory and the signatory's position within the organisation.

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

3. Invoice for registration application fee: Upon receiving an invoice from the IMO for the Registration application fee, the applicant must pay the fee within the timelines provided on the invoice. Should the applicant prefer to issue an RCTI for the registration fee instead of receiving an invoice from the IMO the applicant must inform the IMO upon applying for registration and upon signing the Agreement for the IMO to issue RCTIs by both parties and issue an RCTI covering the Registration application fee (and any subsequent facility registration fees). A copy of this RCTI must be sent to the IMO.

4. Digital Certificate and accessing WEMS: On receipt of a valid Digital Certificate from the IMO, the applicant will be able to access the WEMS via the internet in order to enter their details in the system as a Rule Participant. To access the WEMS, the applicant must log into the web server from their internet browser and have the IMO-issued digital certificate installed in their browser. Information on accessing and logging onto the WEMS will accompany the Digital Certificate.

⁵ The template Agreement is available from the IMO website at http://www.imowa.com.au/10_5_1_market_forms.htm

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

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- Users;
- Prudential Support;
- Financials; and
- Facilities.

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

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Application for Authorisation to Participate

The Application display in WEMS is for the applicant to record general application details, such as organisation information and to confirm certain requirements. The fields to be completed by the applicant in the Application Display are described in section 3.4 of the User Manual which includes an illustration of the Application Display screen on the WEMS. Upon initial login, this is the only screen able to be viewed by a new Rule Participant. Once further details have been submitted and approved by the IMO, further screens will become accessible.

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Contacts

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

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Users

The Users Display allows the applicant to add new Users or update existing users' details. The fields to be completed in the Users Display are described in section 3.6 of the User Manual including an illustration of the Users Display screen [in WEMS](#).

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Prudential Support

Applicants should refer [to the separate Prudential Support Procedure](#) for information on the requirements for Prudential Support. The fields to be completed in the Prudential Support Display are described in section 3.7 of the User Manual including an illustration of the Prudential Support Display screen [in WEMS](#).

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Financial Details

The Financial Details Display [is for](#) the applicant to add financial information, including bank name, branch name, BSB Number, Bank Address and Account number. The fields to be completed in the Financials Display are described in section 3.8 of the User Manual including an illustration of the Financial Details Display screen [in WEMS](#).

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Facilities

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

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Submitting Application Details and Supporting Information

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

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

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

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

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

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The applicant must, if requested by the IMO, provide additional information with respect to any information which, in the IMO's view, was inadequate, [\[MR2.31.4\]](#)

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

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Upon approval by the IMO, the applicant will become a Rule Participant in [a particular](#) Rule Participant Class from the date and time indicated in the notification of [registration](#), [\[MR2.31.10\]](#)

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1.7 Procedure steps to be followed by the IMO

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1. On receipt of an applicant's Application to Register for WEMS Access, the IMO must review and check the validity of the application details.
2. Where the details provided on the Application to Register for WEMS Access form are complete, the IMO will assign the applicant a 'short name' and create a new user for the purpose of [accessing](#) WEMS. The IMO will also set the required access privileges for the applicant.
3. The IMO will issue the required Digital Certificate(s) for the applicant, and provide the applicant with information on [accessing](#) WEMS to complete the application process.
4. On receipt of the applicant's details, via the WEMS, for registering as a Rule Participant, the IMO must determine if [all the required information has been provided](#). The IMO will request additional information with respect to information that, in the IMO's view, [is not adequate](#). The IMO will make its request for further information from the applicant [via email or in the form of a letter](#). [\[MR2.31.4\]](#)
5. The IMO must determine whether it has sufficient [information](#), including any required supporting evidence, to make a determination as to [whether or not to register](#) the Rule Participant. The IMO must request further information in respect to any details that, in the IMO's view, should be further explained or evidenced. [\[MR2.31.4\]](#)

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6. The IMO must determine whether it is satisfied that the applicant can comply with the requirements of the Market Rules. The Market Rules list those situations which would give rise to the IMO rejecting a registration application [MR2.31.13].
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7. The IMO must determine whether the applicant has previously been de-registered as a Rule Participant following an order from the Energy Review Board and, if so, the IMO must determine whether it is satisfied that the applicant has remedied the reason for the prior de-registration. [MR 2.31.13(e)]
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8. The IMO must determine whether the applicant complies with the requirements set out in clause 2.28.19 of the Market Rules.
9. The IMO must determine whether the required Registration Fee has been paid, following an invoice from the IMO being sent out. [MR 2.31.13(c)]
10. If the applicant informed the IMO (see section 1.5 step 4) that it wished to provide an RCTI instead of being invoiced, the IMO will verify if the required Registration Fee as well as an RCTI covering the Registration Fee has been provided.
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11. The IMO must determine whether to accept or reject the application to register as a Rule Participant. [MR2.31.10]
12. Prior to notifying the applicant, if the IMO determines that it should accept the application, it will notify System Management, that the applicant has applied to become a Rule Participant and that the IMO has accepted the application. System Management must facilitate participation of the applicant in a Rule Participant class. [MR 2.31.22]. System Management must respond to the IMO within five Business Days.
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13. If an applicant applies for Rule Participant Registration in either the Market Generator or Market Customer class the IMO must notify the applicant in writing of the IMO's acceptance or rejection of the application within 20 Business Days [MR2.31.10(b)]. The 20 Business Days starts from the date of notification of receipt of the application or, if additional information was provided to the IMO in accordance with Step 2, from the date of notification of receipt of the additional information.
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14. If an applicant applies for Rule Participant Registration in the Network Operator class the IMO must notify the applicant in writing of the IMO's acceptance or rejection of the application within 5 Business Days [MR2.31.10(c)]. The 5 Business Days start from the date of notification of receipt of the application or, if additional information was provided to the IMO in accordance with Step 2, from the date of notification of receipt of the additional information.
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15. The notification to the applicant concerning whether or not the IMO has approved the admission of the applicant into the Rule Participant Class(es) to which the application relates, will include the following.

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(a) if the application is rejected, the reason for its rejection. [\[MR.2.31.12\]](#)

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(b) if the application is accepted, the date and time from which the applicant will become a Rule Participant in a particular class, where the date is to be the latest date requested in the application and the earliest date by which the IMO can facilitate the registration. (Market Rule 2.31.14)

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1. The IMO's determination of an application may be appealed to the Energy Review Board by the applicant. [\[MR.2.17.1 \(e\)\]](#)

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2. Upon accepting the registration of an entity in a Rule Participant Class, the IMO must record that registration in its Registry of Rule Participants. [\[MR.2.31.21\]](#)

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3. Upon obtaining from a Rule Participant an Agreement for the IMO to Issue Recipient Created Tax Invoices that has been properly executed by the Rule Participant, the IMO will countersign the agreement and provide an original to the Rule Participant.

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

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

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1.9 Additional Users and User Privileges

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

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

Usernames should be in the form 'initial letter of first name' followed by 'surname' (eg JSMITH for John Smith).

Different users can have different access profiles.⁶

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The user privileges available are:

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

1.10 Overview of Rule Participant De-Registration

De-registration as a Rule Participant retracts the entity's ability to participate in the WEM, access the MPI and removes their obligations under the Market Rules.

Prior to an applicant applying to be de-registered as a Rule Participant they must have undertaken the following steps, in the case where they are also a Market Participant:

- The Market Participant must apply to the IMO to have any current capacity credits for its Facilities changed to zero (the Market Rules do not allow a facility with current capacity credits to be de-registered) [MR2.31.13(k)]
- Upon the IMO accepting an application for de-registration, the Market Participant can then apply to have its facilities de-registered from the market, using the facility de-registration form available on the IMO website⁷. The entity must de-register all facilities which are relevant to the class they are de-registering. This process is

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⁶ For an overview, go to http://www.imowa.com.au/10_5_1_user_access.htm

⁷ This form is also available at this site: http://www.imowa.com.au/10_5_1_market_forms.htm

covered in more detail in the Market Procedure for Facility Registration, Facility de-Registration and Facility Transfer.

Once the relevant facility has been de-registered by the IMO, the relevant Rule Participant can apply to be de-registered.

1.11 Procedure Steps to be followed by the Applicant

Application to De-register as a Rule Participant

1. After completing the application form for Rule Participant de-registration⁸, the applicant is to submit the form to the IMO along with the relevant, non-refundable, de-registration fee(s) [MR2.31.2]. The applicant must also provide the following information [MR2.33.2]:
 - Organisation name and contact details;
 - The classes of Rule Participation to which the application relates;
 - A proposed date for ceasing operation in each Rule Participant class covered by the application. The date supplied must not be earlier than 10 Business Days after the date of application;
 - Any supporting information that would be beneficial for the IMO to consider when making its decision; and
 - A statement that the information provided is accurate.
2. Rule Participants must also make a de-registration request in the WEMS.
 - a. If de-registering as a Rule Participant from all applicable classes, then a de-registration Schedule must also be entered into the WEMS.
 - b. if the entity only wishes to de-register from a class but remain registered in another class, they are to change the application detail screen so that only the class they wish to remain in is selected and update the parameter effective date accordingly.
3. On receipt of an applicant's Application to De-Register for WEMS Access, the IMO must review and check the validity of the application details. When a change is made in the MPI, an automatic notification will be sent to the Market Participant within one business day of receipt of the application by the IMO [MR2.31.3].
4. The IMO may require the Participant to clarify or provide any additional information necessary for making a decision on their application [MR2.31.4]

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⁸ This form is available at this address: http://www.imowa.com.au/10_5_1_market_forms.htm

5. The Rule Participant's application for de-registration does not affect any of their rights, obligations or liabilities relating to the Market Rules prior to the time of de-registration [MR2.31.17].

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6. If an entity has applied to be de-registered as a Market Customer or Market Generator and the application is accepted, they must cease trading under the applicable class by the date supplied to the IMO in their de-registration application. This date must be no earlier than 10 business days after the date of application [MR2.31.15].

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7. De-registration as a Rule Participant will only be effective from the date on which all (if any) outstanding debts to the market have been settled [MR2.31.16].

Prudential Support

8. Once all accounts have been settled and the de-registration is effective, the IMO will repay any credit support held and, upon provision of a release form for execution by IMO Directors, release the fixed and floating charge.

9. As per [MR2.31.16] a Rule Participant's obligations will cease from the end of the first business day in which:

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- their application to de-register from a Rule Participant class has been accepted by the IMO;
- the Rule Participant has de-registered all their facilities applicable to the class to be de-registered from;
- all outstanding disputes, investigations and enforcement actions have been resolved and settled;
- all outstanding debts to the IMO have been paid; and
- the Rule Participant has received final payment for the amounts owed to it by the IMO.

1.12 Procedure Steps to be followed by the IMO

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1. Upon receiving an application to be de-registered as a Rule Participant, the IMO must provide receipt of the application within one Business Day. [MR2.31.3]

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2. The IMO must not set about processing the application for registration until the registration application fee has been paid by the applicant.

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3. If the IMO receives a request from a participant to be de-registered as a Rule Participant via the WEMS but no application form has been supplied the IMO must request the Rule Participant to fill in the relevant de-registration form [MR2.31.2].

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4. If the IMO receives a de-registration form requesting that a Participant be de-registered as a Rule Participant but no corresponding WEMS notification the IMO must request that the participant make a de-registration request in WEMS.

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<#>¶

5. The IMO must determine whether the applicant has supplied sufficient detail, including any required supporting evidence, to make a determination as to the de-registration of the Rule Participant. The IMO must request further information in respect to any details that, in the IMO's view, should be further explained or evidenced [MR2.31.4].

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6. The IMO must check the application details supplied in the WEMS to ensure that:

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- no loads and no generators are registered in any class in the case of a Rule Participant de-registering completely.
- any existing facilities have been transferred or de-registered.

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7. Prior to notifying the applicant, if the IMO determines that it should accept the application, it will notify System Management and the Network Operator that the applicant has applied to de-register as a Rule Participant and that the IMO has accepted the application.

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8. The IMO must determine whether to accept or reject the application to de-register as a Rule Participant [MR2.31.13].

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9. Within five Business Days of the date of application or, if additional information was provided to the IMO in accordance with Step 4, within 5 Business Days of the last date on which additional information was provided to the IMO, the IMO must notify the applicant, in writing, of the IMO's acceptance or rejection of the application for each Rule Participant Class identified on the applicant's application [MR2.31.10(c)].

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10. The notification to the applicant relating to whether or not the IMO has approved the de-registration of the applicant as a Rule Participant in one or more classes, will include the following.

- (a) if the application is rejected, the reason for its rejection. [MR 2.31.12]

(b) if the application is accepted it must include the following details [MR2.31.11(b)]:

i) where the Rule Participant ~~is a Market Generator or Market Customer, the date and time on which the Rule Participant must cease trading which will correlate to the start of the trading day~~ originally proposed by the Participant in their application.

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ii) a statement that de-registration as a Rule Participant will not take effect until the requirements outlined in section 1.11.9 [MR2.31.16] have been meet.

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11. If the IMO has accepted the Rule Participant's application to be de-registered, it must accept the de-registration in WEMS and ensure users will have no access rights effective for the day after the originally proposed ceasing operation date supplied in the application.

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12. The IMO's decision to deny an application for de-registration may be appealed to the Energy Review Board [MR 2.17.1(e)].

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applicant wishing to de-register as a Rule Participant is required to complete; and		
to describe the steps that the IMO must follow		
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to de-register as a Rule Participant.		
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makes a party subject		
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become Market Participants, unless given an exemption by the IMO [MR2.28].		
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is required to be

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

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Exhibit

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Rule Participation Requirements

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(see the IMO website,
http://www.imowa.com.au/10_5_1_registration_documents.htm)

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applicant must provide the

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issue a RCTI covering the Participant Registration Fee (and any subsequent Facility Registration Fees). A copy of this RCTI must be sent to the IMO.

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ELECTRICITY INDUSTRY ACT

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY
MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

Market Procedure for:
Reserve Capacity Security

Version 1.0

Commencement: This Market Procedure is to have effect from
[8:00am (WST) on [XXX] 2009]

Version Control

Title of Document: Market Procedure for: Reserve Capacity Security
This Version: 1.0
Publication Status: Public
Approval Status: Approved By: None/IMO/MAC/Minister

1. Reserve Capacity Security Procedure

The Reserve Capacity Security Procedure covers the process by which Market Participants holding Certified Reserve Capacity for Facilities that are yet to commence operation must submit Reserve Capacity Security. The procedure also details the process by which the IMO must assess and accept Reserve Capacity Security under the Market Rules.

1.1. Overview of the Reserve Capacity Security Procedure

The Reserve Capacity Security Procedure has been developed in accordance with the Market Rules to ensure that Participants wishing to enter the Market with a new or proposed facility are provided with sufficient incentives to ensure their projects are capable of meeting their reserve capacity obligations for the Reserve Capacity Cycle under consideration. The Reserve Capacity Security, by way of these incentives, also ensures that reliable capacity is procured for the wider market.

1.2. Relationship with Market Rules

- 1 This Procedure has been developed in accordance with, and should be read in conjunction with clause 4.13.8 of the Wholesale Electricity Market (WEM) Rules (Market Rules)
- 2 Reference to particular Market Rules within the Procedure in bold and square brackets [MR XX] are current as of 26 February 2009. These references are included for convenience only, and are not part of this procedure.

1.3. Interpretation

- 1 Unless otherwise provided for under Procedure Step 1.3.2, terms used in this Market Procedure have the same meaning as those given in the Market Rules.
- 2 The following terms have the following meanings:
 - “**Acceptable Credit Criteria Form**” means the form so named and approved from time to time by the IMO.
 - “**Bank**” means a bank under the prudential supervision of the Australian Prudential Regulation Authority.
 - “**Bank Undertaking**” means a bank undertaking in the form approved from time to time by the IMO.
 - “**Compliance Date**” means the last day by when the Market Participant must comply with its obligations under clause 4.13.11 of the Market Rules.

“**Guarantee**” means a guarantee in the form approved from time to time by the IMO.

“**IMO**” means the Independent Market Operator established by the *Electricity Industry (Independent Market Operator) Regulations 2004*.

“**Market Procedure**” means this Reserve Capacity Security Market Procedure.

“**Market Rules**” means the Wholesale Electricity Market Rules made under regulation 6(2) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*.

“**Nominated Exchange Date**” means the date agreed upon by the Market Participant and the IMO to exchange one form of Reserve Capacity Security for another as outlined in Step 1.12.1 of this Market Procedure.

“**Proforma**” where used in conjunction with the Bank Undertaking, Security Deposit Deed or Guarantee, refers to the standard, non-customised versions of those documents available from time to time on the IMO website.

“**Security Deposit Deed**” means a security deposit deed in the form approved from time to time by the IMO.

“**Security Deposit Instructions**” means any instructions approved from time to time by the IMO in relation to the Security Deposit.

“**Security Due Date**” means the date and time specified in clause 4.1.13 of the Market Rules unless amended under clause 4.1.32 of the Market Rules.

“**Treasury Corporation**” means a central borrowing authority of an Australian State or Territory which has been established by an Act of Parliament of that State or Territory.

“**Authorised**” For the purposes of this procedure, an “Authorised” person is a Director or Officer as defined by the *Corporations Act 2001*.

1.4. Purpose

- 1 This Market Procedure details the processes to be followed by a Market Participant and the IMO to ensure that the IMO holds the benefit of a Reserve Capacity Security **[MR 4.13]**.
- 2 Under the Market Rules a Market Participant must provide Reserve Capacity Security where:
 - (a) the IMO has assigned Certified Reserve Capacity to a Facility; and
 - (b) the Facility has not yet been commissioned **[MR4.13.1]**.
- 3 This Market Procedure covers **[MR4.13.8]**:
 - (a) Determination of Reserve Capacity Security;
 - (b) Assessing persons against the Acceptable Credit Criteria;

- (c) Reserve Capacity Security arrangements, including:
 - (i) The form of acceptable guarantees and bank undertakings;
 - (ii) Where and how the IMO will hold cash deposits and how the costs and fees of holding cash deposits will be met;
 - (iii) The application of monies drawn from Reserve Capacity Security in respect of amounts payable by the relevant Market Participant to the IMO under clause 4.13.11;
- (d) Other matters relating to clauses 4.13.3 and 4.13.7

1.5. Application

- 1 This Market Procedure applies to a Market Participant that:
 - (a) has a Facility that has been assigned Certified Reserve Capacity by the IMO; and
 - (b) the Facility has not been commissioned.
- 2 This Market Procedure applies to the IMO in assessing the compliance of the Reserve Capacity Security with the Market Rules and this Market Procedure.

1.6. General Conditions of Reserve Capacity Security and the Reserve Capacity Security Procedures

Determination of Reserve Capacity Security Amount

- 1 Where the IMO assigns Certified Reserve Capacity to a Facility yet to be commissioned, the Relevant Market participant must ensure that the IMO holds the benefit of a Reserve Capacity Security equal to the amount specified under clause 4.13.2 by the date and time specified in clause 4.1.13 of the Market Rules for the Reserve Capacity Cycle to which the Certified Reserve Capacity relates.

Lapse or drawdown of Reserve Capacity Security

- 2 Except in extraordinary circumstances, the Reserve Capacity Security provided under Market Procedure step 1.7 must not have a specified end date which is prior to the Compliance Date. If the IMO in its absolute discretion agrees to accept the Reserve Capacity Security with a specified end date prior to the Compliance Date, the Market Participant must arrange for replacement Reserve Capacity Security at least 10 Business Days before the original Reserve Capacity Security expires. **[MR 4.13.3]**
- 3 If:
 - (a) the Reserve Capacity Security provided under Market Procedure step 1.7 has a specified end date;

- (b) the specified end date is prior to the last day by when the Market Participant must comply with its obligations under clause 4.13.11 of the Market Rules; and
- (c) the Market Participant has not already provided Reserve Capacity Security to the IMO in accordance with this Market Procedure and the Market Rules,

then the Market Participant must, at least 20 Business Days prior to the specified end date, notify the IMO of the lapsing of its Reserve Capacity Security.

Application of Reserve Capacity Security

- 4 If the IMO draws upon the Reserve Capacity Security it must deal with the Reserve Capacity Security amount in accordance with clauses 4.13.11, 4.13.11A, 4.13.11B, and 4.13.12 of the Market Rules.

Approval of proforma documents

- 5 The IMO must make available on its website (<http://www.imowa.com.au>) the:
 - (a) Acceptable Credit Criteria Form;
 - (b) Proforma Bank Undertaking;
 - (c) Proforma Guarantee;
 - (d) Proforma Security Deposit Deed; and
 - (e) Security Deposit Instructions.

Amendments to proforma documents

- 6 The IMO may, in its absolute discretion, from time to time approve and make available on its website (<http://www.imowa.com.au>):
 - (a) updates and amendments to the documents set out in step 1.6.5;
 - (b) additional documents in connection with this Market Procedure; or
 - (c) both of the above.
- 7 If the IMO updates or amends a document or approves an additional document prior to a Market Participant's provision of Reserve Capacity Security under Market Procedure step 1.7, the updated or amended document or additional document will apply to the IMO's consideration of the compliance of Reserve Capacity Security under Market Procedure step 1.7.
- 8 An update or amendment to a document does not affect the status or terms of existing Reserve Capacity Security.

Notices - Requirements for valid notice

- 9 Where this Market Procedure requires the IMO or a Market Participant to provide a notice, request, communication or document (“**notice**”), such notice must be given in writing in accordance with this Market Procedure step 1.6.9:
- (a) in person, to the recipient’s notified place of business;
 - (b) by post, to the recipient’s notified postal address;
 - (c) by facsimile, to the recipient’s notified facsimile number; or
 - (d) electronically, to the recipient’s notified electronic communication address.
- 10 A procedure step or steps may require a Market Participant or the IMO to provide notice in person, and the Market Participant or the IMO must comply with that requirement.
- 11 The Market Participant must:
- (a) as soon as this Market Procedure applies to it — notify the IMO of its initial place of business, postal address, facsimile number and electronic communication address (collectively “**contact details**”); and
 - (b) at least 3 Business Days before any change to its contact details takes effect — notify the IMO of the change.
- 12 The IMO is deemed to have notified its contact details to Market Participants by displaying them on its website (<http://www.imowa.com.au>). The IMO may notify Market Participants of any change to its contact details using its website, but must do so at least 3 Business Days before the change takes effect.

Notices – Receipt of Notices

- 13 A notice delivered in person is deemed to have been received by the intended recipient at the time it is handed (with or without acknowledgement of delivery) to any person at the recipient’s place of business who in the reasonable judgment of the person making the delivery (upon making appropriate enquiries) appears to be, and represents himself or herself as, a representative of the recipient.
- 14 A notice sent by post within Australia is deemed to have been received by the intended recipient 2 Business Days after it was sent.
- 15 A notice sent by facsimile transmission which is transmitted:
- (a) on or before 15:00 hours on a Business Day is deemed to have been received by the intended recipient on that Business Day; and
 - (b) after 15:00 hours on a Business Day, or on a day which is not a Business Day, is deemed to have been received by the intended recipient on the first Business Day following the date of transmission,

provided that the sender of the notice is able to produce a transmission report produced by the machine from which the facsimile was sent showing successful uninterrupted facsimile transmission of all pages of the relevant notice to the facsimile number of the intended recipient.

- 16 A notice sent electronically must be sent from the notified electronic communication address of the sender to the notified electronic communication address of the recipient, and is deemed to have been sent and received at the time the sender receives a response message to the notice from the recipient's notified communication address. Except where either the sender and recipient of a notice sent electronically agree otherwise (or the recipient can prove otherwise), the recipient of a notice sent electronically may assume that the purported sender of the notice is the actual sender of the notice and that the notice was sent by or with the knowledge and express authority of the sender.

1.7. Procedure steps to be followed by the Market Participant required to provide Reserve Capacity Security

- 1 If a Market Participant is required to provide Reserve Capacity Security under the Market Rules, Reserve Capacity Security must be provided to the IMO by the Security Due Date.
- 2 The Market Participant can provide the Reserve Capacity Security in accordance with clause 4.13.5(a) of the Market Rules by:
 - (a) Bank Undertaking in accordance with the procedures detailed in Market Procedure step 1.8;
 - (b) Guarantee in accordance with the procedures detailed in Market Procedure step 1.9.
- 3 The Market Participant may request the IMO to consent to the Market Participant providing its Reserve Capacity Security as a cash deposit ("**Security Deposit**"). If the IMO, in its absolute discretion, consents, the Market Participant must provide the Security Deposit in accordance with the procedures detailed in Procedure step 1.11.
- 4 Reserve Capacity Security documents including the Bank Undertaking, Guarantee or the Security Deposit Deed must be delivered in person to the IMO.
- 5 In accordance with Procedure Step 1.7.4, the Market Participant is encouraged to provide an appropriately Authorised representative when delivering Reserve Capacity Security documents to the IMO.
- 6 For the purposes of this procedure, an "Authorised" person is a Director or Officer as defined by the Corporations Act 2001
- 7 When delivering Reserve Capacity Security documents to the IMO, the Market Participant should ensure they are provided with a receipt from the IMO, signed by an appropriately Authorised Market Participant representative and an appropriately Authorised IMO staff representative.
- 8 If the Market Participant has not provided compliant Reserve Capacity Security by the Security Due Date, then the Certified Reserve Capacity for the relevant Facility will lapse **[MR4.13.9]**.
- 9 Once the Market Participant has provided Reserve Capacity Security in accordance with this Market Procedure and the Market Rules, the Market Participant must notify the IMO as soon as possible if it becomes aware of any contemplated or actual change in ownership of the relevant Facility.

1.8. Procedure steps to be followed by the Market Participants for Bank Undertakings

- 1 The Market Participant must download a copy of the following documents from the IMO website (<http://www.imowa.com.au>):
 - (a) Proforma Bank Undertaking; and
 - (b) Acceptable Credit Criteria Form.
- 2 The Market Participant must, by the Security Due Date, submit to the IMO:
 - (a) a completed Bank Undertaking; and
 - (b) a completed Acceptable Credit Criteria Form,for the purposes of this Market Procedure, being the “**Reserve Capacity Security**” under clause 4.13 of the Market Rules.
- 3 A completed Bank Undertaking is one that:
 - (a) is in the form approved by the IMO from time to time; and
 - (b) has been executed by a Bank that meets the Acceptable Credit Criteria **[MR 4.13.7]**.
- 4 A Market Participant must provide the completed Bank Undertaking and Acceptable Credit Criteria form either in person or by courier to the IMO.
- 5 When Reserve Capacity Security documents are delivered to the IMO, the Market Participant should ensure they are provided with a receipt from the IMO. This Receipt should be signed by an appropriately Authorised Market Participant representative and an appropriately Authorised IMO staff representative.
- 6 If the Market Participant submits the Reserve Capacity Security to the IMO under step 1.8.2 no later than 5 Business Days before the Security Due Date, and the IMO determines that the Reserve Capacity Security is not compliant with the Market Rules or this Market Procedure, then the Market Participant may submit further Reserve Capacity Security that is compliant with the Market Rules and this Market Procedure on or before the Security Due Date.
- 7 If, by 5PM on the first Business Day following the notification deadline specified under clause 4.1.14 of the Market Rules, the Market Participant has not received notification of compliance of the Reserve Capacity Security, it is the obligation of the Market Participant to contact the IMO directly to request and receive confirmation whether the Reserve Capacity Security complies.
- 8 To avoid doubt, nothing in, and nothing done or not done by the IMO in connection with these Market Procedures affects the Market Participant’s obligation to provide Reserve Capacity Security by the Security Due Date under step 1.8.2.

1.9. Procedure steps to be followed by the Market Participants for Guarantees

- 1 The Market Participant must download a copy of the following documents from the IMO website (<http://www.imowa.com.au>):
 - (a) Proforma Guarantee; and
 - (b) Acceptable Credit Criteria Form.
- 2 The Market Participant must, by the Security Due Date, submit to the IMO:
 - (a) a completed Guarantee; and
 - (b) a completed Acceptable Credit Criteria Form,
for the purposes of this Market Procedure step 1.7, being the “**Reserve Capacity Security**” under clause 4.13 of the Market Rules.
- 3 A completed Guarantee is one that:
 - (a) is in the form approved by the IMO from time to time; and
 - (b) has been executed by a Treasury Corporation that meets the Acceptable Credit Criteria.
- 4 A Market Participant must provide the completed Guarantee and Acceptable Credit Criteria form either by courier or in person to the IMO.
- 5 When Reserve Capacity Security documents are delivered to the IMO, the Market Participant should ensure they are provided with a receipt from the IMO. This Receipt should be signed by an appropriately Authorised Market Participant representative and an appropriately Authorised IMO staff representative.
- 6 If the Market Participant submits the Reserve Capacity Security to the IMO under step 1.9.2 no later than 5 Business Days before the Security Due Date, and the IMO determines that the Reserve Capacity Security is not compliant with the Market Rules or this Market Procedure, then the Market Participant may submit further Reserve Capacity Security that is compliant with the Market Rules and this Market Procedure on or before the Security Due Date.
- 7 If, by 5PM on the first Business Day following the notification deadline specified under clause 4.1.14 of the Market Rules, the Market Participant has not received notification of compliance of the Reserve Capacity Security, it is the obligation of the Market Participant to contact the IMO directly to request and receive confirmation whether the Reserve Capacity Security complies.
- 8 To avoid doubt nothing in, and nothing done or not done by the IMO in connection with these Market Procedures affects the Market Participant’s obligation to provide Reserve Capacity Security by the Security Due Date under step 1.9.2.

1.10. Procedure steps to be followed by the Market Participant to confirm an entity meets the Acceptable Credit Criteria

- 1 The Market Participant is responsible for arranging a firm of solicitors to undertake all necessary investigations to enable a partner of the firm to sign the Acceptable Credit Criteria Form.
- 2 A completed Acceptable Credit Criteria Form is one that adheres to clause 4.13.7 of the Market Rules by:
 - (a) having an affirmative response to each of the six statements; and
 - (b) has been completed with the full details of the entity to which it applies; and
 - (c) has been signed by a partner of a reputable firm of solicitors which is acceptable to the IMO.
- 3 The IMO may in its absolute discretion determine whether a firm of solicitors meets the requirements of step 1.10.2(c).
- 4 Before submitting an Acceptable Credit Criteria Form under steps 1.8.2 or 1.9.2, the Market Participant may no later than 2 Business Days before the Security Due Date submit a request to the IMO to confirm whether a particular firm of solicitors meets the requirements of step 1.10.2(c).
- 5 If the IMO requests the Market Participant to provide any supporting documents to support the statements in the Acceptable Credit Criteria Form, the Market Participant must provide all relevant documents within 1 Business Day or any other time agreed with the IMO.

1.11. Procedure steps to be followed by the Market Participants for Security Deposits

- 1 This Market Procedure applies if the IMO in its absolute discretion consents under Market Procedure step 1.7.3 to the Market Participant providing its Reserve Capacity Security as a Security Deposit Deed.
- 2 The Market Participant must download a copy of the following documents from the IMO website (<http://www.imowa.com.au>):
 - (a) Proforma Security Deposit Deed; and
 - (b) Security Deposit Instructions.
- 3 The Market Participant must, by the Security Due Date:
 - (a) submit a completed Security Deposit Deed to the IMO; and
 - (b) provide, in cleared funds, the amount of Reserve Capacity Security to the IMO in accordance with the Security Deposit Instructions,for the purposes of this Procedure step 1.11.3, being the “**Reserve Capacity Security**” under clause 4.13 of the Market Rules.
- 4 A completed Security Deposit Deed is one that adheres to clause 4.13.5 (b) of the Market Rules, and:

- (a) is in the form approved by the IMO from time to time; and
 - (b) has been executed by the Market Participant.
- 5 A Market Participant must provide the completed Deed and Acceptable Credit Criteria form either by courier or in person to the IMO.
- 6 When Reserve Capacity Security documents are delivered to the IMO, the Market Participant should ensure they are provided with a receipt from the IMO. This Receipt should be signed by an appropriately Authorised Market Participant representative and an appropriately Authorised IMO staff representative.
- 7 If the Market Participant submits the Reserve Capacity Security to the IMO under step 1.11.3 no later than 5 Business Days before the Security Due Date, and the IMO determines that the Reserve Capacity Security is not compliant with the Market Rules or this Market Procedure, then the Market Participant may submit further Reserve Capacity Security that is compliant with the Market Rules and this Market Procedure on or before the Security Due Date.
- 8 If, by 5PM on the first Business Day following the notification deadline specified under clause 4.1.14 of the Market Rules, the Market Participant has not received notification of compliance of the Reserve Capacity Security, it is the obligation of the Market Participant to contact the IMO directly to request and receive confirmation whether the Reserve Capacity Security complies.
- 9 To avoid doubt nothing in, and nothing done or not done by the IMO in connection with these Market Procedures affects the Market Participant's obligation to provide Reserve Capacity Security by the Security Due Date under step 1.11.3.
- 10 If the IMO notifies the Market Participant that the Security Deposit Deed meets the requirements of the Market Rules and this Market Procedure (including but not limited to meeting the requirements of step 1.11.4) then the Market Participant must provide, in cleared funds, the amount of Reserve Capacity Security to the IMO in accordance with the Security Deposit Instructions by the Security Due Date.
- 11 If the IMO notifies the Market Participant that the Security Deposit Deed does not meet the requirements of the Market Rules and this Market Procedure (including but not limited to meeting the requirements of step 1.11.4) then the Market Participant must, by the Security Due Date:
- (a) submit a Security Deposit Deed that meets the requirements of the Market Rules and this Market Procedure (including but not limited to meeting the requirements of step 1.11.4) and provide, in cleared funds, the amount of Reserve Capacity Security to the IMO in accordance with the Security Deposit Instructions; or
 - (b) provide another form of Reserve Capacity Security under this Market Procedure.
- 12 The Market Participant must provide to the IMO, at the time of submission of the Reserve Capacity Security, the account details into which the accrued interest is to be paid into at the end of each calendar month.
- 13 Cash security deposit will be held in an account specifically for the Market Participant with IMO's nominated bank, which may change from time to time.

Information concerning security deposits can be requested by emailing IMO's Finance Department at imo@imowa.com.au .

- 14 The Market Participant must notify the IMO of any changes it wishes made to the nominated bank account as soon as possible.
- 15 Where Reserve Capacity Security is provided as a Security Deposit in accordance with clause 4.13.5(b), it will accrue interest daily at the IMO Deposit Rate, and the IMO must pay the Market Participant the interest accumulated at the end of each calendar month less any liabilities and expenses incurred by the IMO, including bank fees and charges.

1.12. Procedure Steps to be followed by the Market Participants when exchanging Reserve Capacity Security

- 1 The Market Participant must nominate to the IMO the date, At least 10 Business Days in advance, when they wish to exchange their Reserve Capacity Security (the “**Nominated Exchange Date**”).
- 2 If, by 5PM on the first Business Day following the notification to the IMO specified by step 1.11.1 of this procedure, the Market Participant has not received notification of acceptance of the Nominated Exchange Date, it is the obligation of the Market Participant to contact the IMO directly to request confirmation of acceptance of the Nominated Exchange Date.
- 3 If the date is not accepted by the IMO then the IMO will notify the Market Participant of the non-acceptance and will propose an alternative date. The Market Participant will then have no more than 10 Business Days, but no less than 5 Business Days, prior to that date to accept or reject the new Nominated Exchange Date
- 4 The Market Participant must follow the relevant section of this Market Procedure when preparing the Reserve Capacity Security for exchange, except that every reference to the Security Due Date is to be read as a reference to the Nominated Exchange Date.
- 5 When delivering Reserve Capacity Security documents to the IMO, the Market Participant should ensure they are provided with a receipt from the IMO, signed by an appropriately Authorised Market Participant representative and an appropriately Authorised IMO staff representative.
- 6 If the Market Participant submits the Reserve Capacity Security to the IMO under step 1.12.4 above no later than 5 Business Days before the notified Date, and the IMO determines that the Reserve Capacity Security is not compliant with the Market Rules or this Market Procedure, then the Market Participant may submit further Reserve Capacity Security that is compliant with the Market Rules and this Market Procedure on or before the nominated Date.
- 7 Once the new Reserve Capacity Security has been delivered to the IMO, the IMO will arrange for the superseded Reserve Capacity Security deposit to be relinquished into the Market Participants' nominated account on or before the nominated exchange date.

- 8 The Participants will receive the superseded Reserve Capacity Security no later than two business days after the nominated exchange date either by courier or in person from an IMO representative.
- 9 The superseded Reserve Capacity Security will be accompanied by two copies of a letter of receipt, both of which should be signed and one returned to the IMO as soon as possible.

1.13. Procedure steps to be followed by the IMO for submissions of Reserve Capacity Security

- 1 At the same time as the IMO notifies the Market Participant of the Certified Reserve Capacity to be assigned under clause 4.1.12 of the Market Rules, the IMO must notify the Market Participant of the method (expressed as a rate of Australian dollars per MW) to determine the minimum amount of Reserve Capacity Security as outlined in Procedure step 1.6.1 **[MR 4.13.2]**.
- 2 On receiving a submission from a Market Participant for Reserve Capacity Security, the IMO must review the Reserve Capacity Security submitted by the Market Participant and determine whether it is compliant with the Market Rules and this Market Procedure (including but not limited to whether it meets the Acceptable Credit Criteria requirements).
- 3 On receiving a submission from a Market Participant for Reserve Capacity Security, the IMO must complete a receipt. The receipt completed by the IMO must be signed by an appropriately Authorised IMO Staff member, and should be signed by an appropriately Authorised Market Participant representative.
- 4 The IMO must provide one copy of the receipt completed and signed in accordance with Procedure Step 1.13.3 to the Market Participant and file the remaining copy.
- 5 At the same time as the IMO issues its confirmation to the Market Participant under clause 4.1.15 of the Market Rules, the IMO must notify the Market Participant that the Reserve Capacity Security is either:
 - (a) compliant with the Market Rules and this Market Procedure; or
 - (b) not compliant with the Market Rules or this Market Procedure, in which case the IMO must provide reasons as to why the Reserve Capacity Security is not compliant.
- 6 If the Market Participant submits the Reserve Capacity Security to the IMO under Market Procedure 1.7 no later than 5 Business Days before the Security Due Date, and the IMO determines that the Reserve Capacity Security is not compliant with the Market Rules or this Market Procedure, then the IMO must notify the Market Participant under step 1.13.5(b) on the first Business Day following the Business Day on which the Market Participant submitted the Reserve Capacity Security and must provide reasons as to why the Reserve Capacity Security is not compliant.
- 7 In the case of a Bank Undertaking, at the same time as the IMO issues its confirmation to the Market Participant under clause 4.1.15 of the Market Rules the IMO must notify the Bank that executed the Bank Undertaking that Reserve

Capacity Security has been provided in accordance with clause 4.13 of the Market Rules.

- 8 In the case of a Guarantee, at the same time as the IMO issues its confirmation to the Market Participant under clause 4.1.15 of the Market Rules, the IMO must notify the entity that executed the Guarantee that Reserve Capacity Security has been provided in accordance with clause 4.13 of the Market Rules.
- 9 In the case of a Security Deposit Deed, at the same time as the IMO notifies the Market Participant that the Security Deposit Deed meets the requirements of the Market Rules and this Market Procedure the IMO must execute the completed Security Deposit Deed.
- 10 Where the reserve Capacity Security is provided as a Security Deposit, it will accrue interest daily at the IMO Deposit Rate, and the IMO will pay the market Participant the Interest accumulated at the end of each calendar month less any liabilities and expenses incurred by the IMO, including bank fees and charges. To be paid into the account nominated under step 1.11.12 **[MR 4.13.6]**.

1.14. Procedure steps to be followed by the IMO to assess compliance under the Acceptable Credit Criteria Rules

- 1 Within one Business Day of receiving an Acceptable Credit Criteria Form from a Market Participant, the IMO must assess the compliance and completeness of the Acceptable Credit Criteria Form in accordance with this Market Procedure 1.14.
- 2 A completed Acceptable Credit Criteria Form is one that:
 - (a) has an affirmative response to each of the six statements; and
 - (b) has the full details of the entity to which it applies; and
 - (c) has been signed by a partner of a reputable firm of solicitors which is acceptable to the IMO
- 3 The IMO may in its absolute discretion determine whether a firm of solicitors meets the requirements of step 1.14.2(c).
- 4 If the IMO receives a request to confirm whether a particular firm of solicitors meets the reputable firm of solicitor's requirements under the Acceptable Credit Criteria, the IMO must notify the Market Participant on the Business Day following the Business Day on which the IMO received the request, whether that firm of solicitors meets the requirements of step 1.14.2(c).
- 5 If the IMO is satisfied that the Acceptable Credit Criteria Form has been submitted and completed in accordance with these Market Procedures, then the IMO must deem that the entity to which the Acceptable Credit Criteria Form applies meets the Acceptable Credit Criteria under clause 4.13.5 of the Market Rules.
- 6 At any time after the IMO receives a completed Acceptable Credit Criteria Form, the IMO may request the Market Participant to provide documents to support the responses to the statements in the Acceptable Credit Criteria Form, and the Market

Participant must provide all relevant documents within 1 Business Day or any other time agreed with the IMO.

1.15. Procedure Steps to be followed by the IMO in the handling of Reserve Capacity Security Documents

- 1 The IMO must develop and maintain an internal business procedure dealing with the handling of Reserve Capacity Security and Reserve Capacity Security documents.
- 2 The IMO must make the internal business procedure available to Market Participants upon written request.
- 3 The IMO must follow its internal business procedure(s) in respect of Reserve Capacity Security and Reserve Capacity Security documents.
- 4 From time to time, in addition to any requirements detailed under the Market Rules, the IMO should review its internal procedure dealing with the handling of Reserve Capacity Security and Reserve Capacity Security Documents.

1.16. Procedure Steps to be followed by the IMO when returning Reserve Capacity Security Documents to Market Participants

- 1 When the IMO is required to return a Bank Undertaking, Guarantee or Security Deposit Deed, the IMO must either:
 - (a) arrange to meet the Market Participant in person at the IMO offices to facilitate the transaction of the relevant documents; or
 - (b) have the documents couriered to the Market Participants offices with two copies of the receipt of the transaction in accordance with step 1.15.3.
- 2 When notifying the Market Participant of the return of the Reserve Capacity Security documents, the IMO should request that an appropriately Authorised Market Participant representative attend the transaction.
- 3 When returning Reserve Capacity Security documents, the IMO must provide a receipt of the transaction, signed by an appropriately Authorised IMO staff representative and must ensure that the receipt is co-signed the appropriately Authorised Market Participant representatives. One copy of the receipt is to be provided to the Market Participant and one copy retained or returned to the IMO
- 4 In preparing for the transaction, the IMO should follow its internal handling procedures.

1.17. Procedure Steps to be followed by Market Participants when receiving Reserve Capacity Security Documents from the IMO

- 1 When a Market Participant is notified that the IMO is required to return a Bank Undertaking, Guarantee or Security Deposit Deed, if requested, the Market Participant must arrange with the IMO to meet in person at the IMO offices to facilitate the transaction of the relevant documents.
- 2 When attending a meeting in respect of the return of Reserve Capacity Security documents, the Market Participant should provide an appropriately Authorised representative for the exchange.
- 3 Both representative should sign the receipt provided by the IMO and ensure they are provided with a copy of the receipt on return of the Reserve Capacity Security documents.

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

Market Procedure for:
Certification of Reserve Capacity

Version 3

Deleted: 2

Commencement: This Market Procedure is to have effect from
8:00am (WST) on T.B.D

Deleted: 15/07//2008

Version history

<u>21 September 2006</u>	<u>Market Procedure for Facility Registration as at Market Start</u>
<u>27 June 2008</u>	<u>IMO amended changes to the procedure resulting from Procedure Change Proposal PC 2008 04</u>
<u>XX YYYYYY 2009</u>	<u>IMO amended changes to the procedure resulting from Procedure Change Proposal PC 2009 02</u>

<u>1. PROCEDURE FOR CERTIFICATION OF RESERVE CAPACITY</u>	<u>1</u>	
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1. Procedure for Certification of Reserve Capacity

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

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

This procedure is made in accordance with market Rule 4.9.10.

1.1. Interpretation

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

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

1.2. Purpose

1 The purpose of this procedure is:

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

1.3. Application

1 This procedure applies to:

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

1.4. Overview of Reserve Capacity Certification

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

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

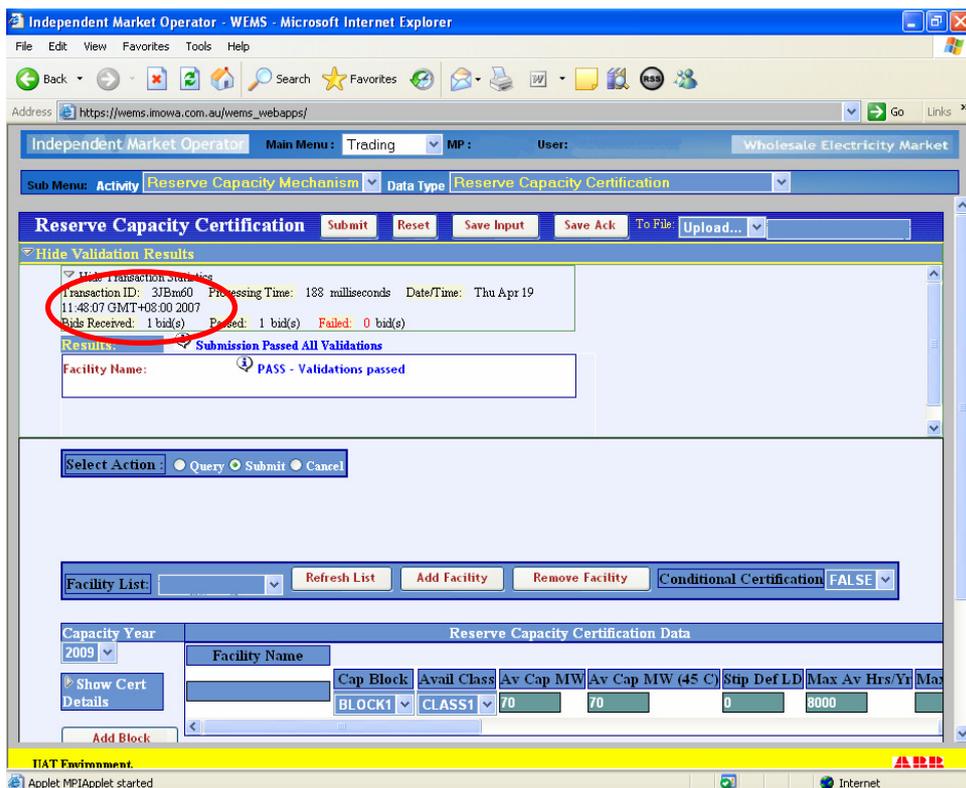
The Reserve Capacity Mechanism is a yearly process, with certification of Reserve Capacity taking place in Year 1 of the Reserve Capacity Cycle. Subject to a number of provisions under the Market Rules, the Facility must provide the capacity between 1 October of Year 3 and 1 October of Year 4 of that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

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

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

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

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



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

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

- 10 The IMO must process all applications for certification of Reserve Capacity for future Reserve Capacity Cycles (ie applications for Conditional Certified Reserve Capacity) within 90 days of the IMO receiving the application.
- 11 The IMO must notify each applicant of the results of the certification process pertaining to that applicant and include in its notification the information contained in section 1.14. The IMO must notify all applicants by the time and date specified in Step 1.5.9. (Market Rules 4.9.8) This notification will be provided through the WEMS.
- 12 The Certification of Reserve Capacity will only take effect once the IMO has issued the notice of Results of Application for Certification of Reserve Capacity listed in Step 1.5.11.

1.6. Application for Certification of Reserve Capacity

- 1 The information to be included in an Application for Certification of Reserve Capacity is listed in the document "Information for Applications for Certification of Reserve Capacity" on the IMO Website. The information provided must be consistent with the Reserve Capacity Cycle for which the application is being made. The information must be provided for each Facility. (Market Rules 4.9 & 4.10)
- 2 All information provided in respect of an application for Certified Reserve Capacity must be provided through the WEMS. Supporting evidence must be submitted to the IMO in both electronic format and in hard copy format. Electronic information must be emailed to imo@imowa.com.au.
- 3 The information provided through the WEMS should be entered in accordance with the WEMS User Guides and online help.

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

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

- 1 Before submitting an application for Certification of Reserve Capacity, Rule Participants should familiarize themselves with the relevant Market Rules and the related Reserve Capacity procedures.
- 2 Before Submitting an application for Certification of Reserve Capacity, the applicant must ensure they are registered as a Rule Participant. The applicant should follow the Participant Registration Procedure which can be found on the IMO Website.

- 3 All Facilities must be registered in the WEMS for the purposes of certified capacity prior to submitting an application for Certification of Reserve Capacity. In respect of new Facilities, the Rule Participant must register the Facility for the purposes of Certified Reserve Capacity. Rule Participants should consult the Facility Registration Procedure and associated Market Rules for this purpose.
- 4 Rule Participants submitting an application for Certified Reserve Capacity in accordance with Step 1.7.3 must allow sufficient time, as required under the Facility Registration Procedure, for the registration of the Facility to be completed. Rule Participants may submit an application for Facility Registration for the purposes of Reserve Capacity prior to 1 May of Year 1 of the Reserve Capacity Cycle to which the application relates.
- 5 Rule Participants applying for Certification of Reserve Capacity must make an application to the IMO during the application open period, which is between 9 AM on the first Business Day following 1 May of Year 1 and 5 PM on the last business day falling on or before 20 July of Year 1 of the Reserve Capacity Cycle. (Market Rule 4.9.1)
- 6 Rule Participants must follow this procedure to apply for Certified Reserve Capacity. (Market Rule 4.9.10)
- 7 All information provided by a Rule Participant in respect of an application for Certified Reserve Capacity must be provided through the WEMS. [Supporting documentation is uploaded through the WEMS file exchange in any of the following formats:](#)
 - [compressed ZIP files \(where the files in the archive must be in any of the formats listed below\)](#)
 - [MS Office 2003 \(xls, doc or ppt\)](#)
 - [Adobe PDF](#)
- 8 The Rule Participant application must include the information listed in clause 4.9.3 of the Market Rules. This information is provided in the “Information for Applications of Certification of Reserve Capacity” document on the IMO Website. (Market Rule 4.9.3)
- 9 [Appendix A of this procedure outlines specific data requirements Rule Participants must provide in support of their application.](#)
- 10 In the case that a Rule Participant is resubmitting an Application for Certification in respect of a Facility that has received Conditional Certified Reserve Capacity, they must also submit details of any Network Access offer(s) and Environmental Approvals in accordance with Market Rule 4.10.1(c)i and 4.10.1(c)ii. This will assist the IMO to make a determination as to whether the Facility will be a Registered Facility during the Reserve Capacity Year and if there are any potentially limiting factors associated with the application.
- 11 The Rule Participant should receive notification that the application has been received. This will be in the form of a WEMS receipt. The Rule Participant should maintain a record of this receipt.

- 12 The Rule Participant must contact the IMO and must resubmit an application in the event that an application has been made to the IMO but the receipt of the application has not been acknowledged by the IMO within one Business Day of the submission. The resubmission of an application must be made during the open period for making applications, which is from 9 AM on the first Business Day following 1 May of Year 1 until 5 PM on the last business day falling on or before 20 July of Year 1 of the Reserve Capacity Cycle.
- 13 The Rule Participant must make an application for certification for each subsequent Reserve Capacity Cycle. (Market Rule 4.9.5)
- 14 The Rule Participant must respond to any additional requirements or questions of the Reserve Capacity Procedure and/or the IMO during the processing of its application.

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

Acknowledgement of application

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

Eligibility check

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

Date accuracy and sufficiency check

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

- 7 The IMO must not provide information to any Network Operator that was provided to it as part of an application for Certified Reserve Capacity except with the permission of the applicant. (Market Rule 4.11.2)
- 8 If the information provided by the applicant is insufficient or incomplete, the IMO must contact the applicant and request additional data.
- 9 If the information provided by the applicant is sufficient, including any additional information provided by the applicant, the IMO must process the application.

Reserve Capacity Cycle check

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

Application where Participant has previously been granted Conditional Certified Reserve Capacity

- 13 If the applicant is re-lodging an application and already has Conditional Certified Reserve Capacity the IMO must determine whether the application is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned and whether the information is correct.
- 14 If the application is for re-certification and the Rule Participant has not submitted details of Network Access offer(s) and Environmental Approvals in accordance with Step 1.7.10 of this procedure, the IMO will deem the application to be inconsistent with the initial application by which the Facility received Conditional Certification of Reserve Capacity. This will be deemed to be made on the basis that the Facility detailed in the initial application for Conditional Certified Reserve Capacity would be a Registered Facility in accordance with Market Rule 4.11.1(f) and there were no potentially limiting factors.
- 15 If the re-lodged application is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned and the information is correct, the IMO must confirm the Certified Reserve Capacity or Conditional Certified Reserve Capacity, as appropriate, and report to the applicant as per Steps 1.8.30 or 1.8.31 below.
- 16 If the re-lodged application is not consistent with the information upon which the Conditional Certified Reserve Capacity was assigned or the information is not correct, the IMO must proceed to process the application without regard for the Conditional Certified Reserve Capacity.

Timing check

- 17 The IMO must determine for which Reserve Capacity Cycle the applicant is requesting Certification and determine if the Facility is scheduled to first commence operations before the time that Reserve Capacity Obligations will apply for that Facility for that Reserve Capacity Cycle. (Market Rule 4.11.1(c))
- 18 The IMO must determine if the Facility will cease operation permanently such that it can no longer meet its Reserve Capacity Obligations before the time that Reserve Capacity Obligations will no longer apply for that Facility for the Reserve Capacity Cycle. (Market Rule 4.11.1(c))
- 19 The IMO must set the Reserve Capacity for a Reserve Capacity Cycle at zero for a Facility that is not scheduled to commence operations or that will cease operations as determined in Steps 1.8.17 or 1.8.18, respectively. (Market Rule 4.11.1(c))
- 20 The IMO must determine if the Facility is expected to be a Registered Facility by the time its Reserve Capacity Obligations take effect and the IMO must not grant Certified Reserve Capacity to a Facility that is not expected to be registered by that time. (Market Rule 4.11.1 (f))

Forced outage and planned outage check

- 21 The IMO must determine if the Facility has operated for at least 36 months and, if so, whether it has had a Forced Outage rate of greater than 15% or a combined Planned Outage rate and Forced Outage rate of greater than 30% over the preceding 36 months. This must be determined in accordance with the Power System Operating Procedure. (Market Rule 4.11.1 (h))
- 22 The IMO must determine if the Facility has operated for less than 36 months and, if so, whether the IMO has cause to believe that over a period of 36 months the Facility is likely to have a Forced Outage rate of greater than 15% or a combined Planned Outage rate and Forced Outage rate of greater than 30%. This must be determined in accordance with the Power System Operating Procedure. (Market Rule 4.11.1 (g))
- 23 The IMO may consult with System Management to determine the Forced and Planned Outage Rates in respect of Steps 1.8.21 or 1.8.22.
- 24 If the criteria in Steps 1.8.21 or 1.8.22 of this procedure apply to the Facility, the IMO may seek information from the applicant in respect to the present and future performance of the Facility including:
 - (a) the causes of outages;
 - (b) steps being taken, or that have been taken, to reduce outages; and
 - (c) the expected level of future outages.
- 25 The IMO must determine whether or not to grant Certified Reserve Capacity for the Facility if the criteria in Steps 1.8.21 or 1.8.22 of this procedure apply to that Facility. In making this determination the IMO may consider, amongst other factors:

- (a) The actions being taken by the Rule Participant to reduce the level of outages at the Facility;
 - (b) The likelihood that these actions will reduce the outages at the Facility; and
 - (c) Whether or not the outages at the Facility are compromising, or are likely to compromise, the security and reliability of the SWIS.
- 26 The IMO may consult with System Management in deciding whether or not to refuse to grant Certified Reserve Capacity for a Facility where the criteria in Steps 1.8.21 or 1.8.22 of this procedure may apply to that Facility. (Market Rule 4.11.1 (h))
- 27 If the IMO determines not to grant Certified Capacity Credits to the Facility it must advise the applicant of this decision.
- 28 If the IMO determines that it may grant Certified Capacity Credits to the Facility, the IMO must proceed to process the application.

Determination of Certified Reserve Capacity

- 29 The IMO must use the methodology contained in the following Sections of this procedure for setting the Certified Reserve Capacity of a Facility:
- (a) For existing non-intermittent and intermittent generation Facility – Section 1.9
 - (b) For existing Curtailable Loads and Dispatchable Loads – Section 1.10
 - (c) For new non-intermittent generation Facility – Section 1.11
 - (d) For new intermittent generation Facility – Section 1.12
 - (e) For new Curtailable Loads and Dispatchable Loads– Section 1.13

Reporting to Applicant

- 30 The IMO must assemble the results of its determinations from the certification process and produce a report of its results consistent with the requirements of Section 1.14 of this procedure. (Market Rules 4.9.5 & 4.9.9)
- 31 If the application was for Certified Reserve Capacity, the IMO must deliver its report to the applicant by 5 August of Year 1 of that Reserve Capacity Cycle. (Market Rule 4.9.6)
- 32 If the application was for Conditional Certified Reserve Capacity the IMO must deliver its report to the applicant within 90 days of the application having been received.

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

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

Assessment of potentially limiting factors

- 2 The IMO must determine whether the Facility has failed any test conducted in accordance with Market Rule 4.25 and, if so, determine:
 - (a) Whether the test results were a reasonable indication of the capacity expected to be available for supply from the Facility when it is operating normally;
 - (b) Whether there are any mitigating circumstances such that the test results are not a reasonable indication of the capacity expected to be available for supply from the Facility when it is operating normally; and
 - (c) The level of capacity indicated by the tests, taking account of any mitigating circumstances, that is expected to be available from the Facility when it is operating normally.
- 3 The IMO must determine whether there are any restrictions on the capacity expected to be available due to staffing or availability and, if so, what level of capacity is expected to be available. (Market Rule 4.10.1(g))
- 4 The IMO must determine whether the Facility will be subject to a Network Control Service contract and, if so, whether the capacity that the Facility can usefully contribute is likely to be limited by transmission constraints. (Market Rule 4.11.1(g))
- 5 The IMO must determine whether there are any other reasons to think that the Facility may not be able to provide the level of reserve capacity nominated by the Rule Participant.

Selection of assessment methodology

- 6 The IMO must determine whether the applicant has nominated, in accordance with Market Rule 4.10.1(i), for the capacity of its Facility to be assigned in accordance with the methodology described in Market Rule 4.11.2(b).
- 7 If the applicant has nominated the methodology described in Market Rule 4.11.2(b), then the IMO must determine whether it believes that the capacity of the Facility has permanently declined, or is anticipated to permanently decline prior to or during the Reserve Capacity Cycle to which the Certified Reserve Capacity applies.
- 8 In making the determination in Step 1.9.7, the IMO may consider the assessment of potentially limiting factors.
- 9 If the IMO believes that the capacity of the Facility has permanently declined, or is anticipated to permanently decline prior to or during the Reserve Capacity cycle to which the Certified Reserve Capacity applies, then the IMO must set the Certified Reserve Capacity in accordance with

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

- 10 If the application for Certified Reserve Capacity relates to an Intermittent generating Facility, the IMO must use assessment "Methodology B".
- 11 If the applicant has not nominated the methodology in Market Rule 4.11.2(b), then the IMO must set the Certified Reserve Capacity in accordance with "Methodology A".

Methodology A for setting Certified Reserve Capacity

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

Methodology B for setting Certified Reserve Capacity

- 17 The IMO must set the Relevant Level in respect of a Facility at a point in time which is determined by the IMO as follows:
 - (a) take all the Trading Intervals that fell within the last three years up to, and including, the last Hot Season;
 - (b) determine the amount of electricity (in MWh) sent out by the Facility in accordance with metered data submissions received by the IMO in accordance with Market Rule 8.4 during these Trading Intervals;
 - (c) If the Generator has not entered service, or if it entered service during the period referred to in 1.9.17(a), estimate the amount of electricity (in MWh) that would have been sent out by the Facility, had it been in service, for all Trading Intervals occurring during the period referred to in 1.9.17(a) which are prior to it entering service;

(d) set the Relevant Level as double the sum of the quantities determined in 1.9.17(b) and 1.9.17(c) divided by 52,560.

- 18 In the case where three years of data is not available, the Rule Participant may have the quantity, determined in accordance with Step 1.9.17(b), estimated by an independent expert which has been accredited by the IMO in accordance with Step 1.5.2 of this procedure. The independent expert must use any and all data available to the Rule Participant, to evaluate the expected amount of electricity in accordance with Step 1.9.17 above. The intention should be to validate any models and results based on the data available for the period of operation.
- 19 In respect of Step 1.9.17 above, the IMO will use metered data provided in accordance with Market Rule 8.4 where possible. If meter data is not available, the IMO may consult with System Management to obtain appropriate SCADA data records to determine the Relevant Level. The IMO may also set the Relevant Level to take into account embedded and parasitic loads.
- 20 The IMO must set the Certified Reserve Capacity of the Facility equal to the Relevant Level determined in the above step, while considering the outcome of Steps 1.9.17 through 1.9.19 and the assessment of potentially limiting factors.

Assignment of Certified Reserve Capacity

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

Initial Reserve Capacity Obligation Quantity

- 22 The IMO must determine whether there are periods of time during which staffing or other factors will limit the Facility's ability to operate at full output.
- 23 IMO must set the Initial Reserve Capacity Obligation at a level equal to the Certified Reserve Capacity except for those periods of time determined at Step 1.9.22, in which case the IMO may set the Initial Reserve Capacity Obligation at a lower level.
- 24 The IMO must set the Initial Reserve Capacity Obligation quantity to zero for an Intermittent generating Facility. (Market Rule 4.12.2.aA)

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

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

Availability classes

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

- (a) The maximum number of hours per year that the block is available to provide Reserve Capacity is not less than 24; and
 - (b) The maximum number of hours per day that the block is available to provide Reserve Capacity is not less than four.
- 3 Each accepted capacity block is to be allocated to an Availability Class where:
- (a) Blocks that are available for at least 24 hours but less than 48 hours are allocated to Availability Class 4;
 - (b) Blocks that are available for at least 48 hours but less than 72 hours are allocated to Availability Class 3;
 - (c) Blocks that are available for at least 72 hours but less than 96 hours are allocated to Availability Class 2; and
 - (d) Blocks that are available for at least 96 hours are allocated to Availability Class 1.

Assessment of potentially limiting factors

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

Assignment of Certified Reserve Capacity

- 7 Where the applicant has specified the Reserve Capacity expected to be available from a capacity block, the IMO is to assign Certified Reserve Capacity for that capacity block equal to the expected Reserve Capacity subject to the assessment of potentially limiting factors.
- 8 Where the applicant has specified the Stipulated Default Load for any capacity block, the IMO is to determine the expected load reduction based on historic load data and assign Certified Reserve Capacity to that capacity block equal to that expected load reduction subject to the assessment of potentially limiting factors.
- 9 Where the applicant has indicated that the Reserve Capacity is to be in the form of a Demand Side Programme, the IMO must assign Certified Reserve Capacity in consideration of Market Rule 4.8.3. The following must be considered in the assignment of Certified Reserve Capacity:

- (a) No Intermittent Load may be included in the Demand Side Programme. (Market Rule 4.8.3(a))
- (b) The Loads comprising the Demand Side Programme must be registered as Curtailable Loads if they are to count towards satisfying the relevant Reserve Capacity Obligations of the Demand Side Programme and must not have been separately awarded Capacity Credits. (Market Rule 4.8.3(b))
- (c) As the Loads comprising the Demand Side Programme are registered, the IMO must assign Certified Reserve Capacity and Reserve Capacity Obligations to those Facilities and must correspondingly reduce the Certified Reserve Capacity and Reserve Capacity Obligations associated with the Demand Programme Side during the time those Facilities are registered. (Market Rule 4.8.3(c))
- (d) After accounting for the modifications in 1.10.9(c), if at any time a Market Customer has Reserve Capacity Obligations associated with its Demand Side Programme then, for settlement purposes, the Demand Side Programme must be treated by the IMO as a Facility that has failed to satisfy its Reserve Capacity Obligations. (Market Rule 4.8.3(d))

Initial Reserve Capacity Obligation Quantity

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

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

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

Assessment of potentially limiting factors

- 2 The IMO must determine whether there are any restrictions on the capacity expected to be available due to staffing or availability and, if so, what level of capacity is expected to be available. (Market Rule 4.10.1(g))
- 3 The IMO must determine whether the Facility will be subject to a Network Control Service contract and, if so, whether the capacity that the Facility can

usefully contribute is likely to be limited by transmission constraints. (Market Rule 4.11.1(g))

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

Methodology for setting Certified Reserve Capacity

- 5 The IMO must determine the maximum sent out capacity, net of embedded and parasitic loads that can be guaranteed to be available for supply to the network from the Facility when it is operated normally at an ambient temperature of 41°C. (Market Rules 4.10.1(e) & 4.11.1(b))
- 6 The IMO must determine the maximum sent out capacity, net of embedded and parasitic loads, beyond the capacity described in Step 1.11.5 that can be made available for supply to the network from the Facility at an ambient temperature of 41°C allowing for any restrictions on the availability of that capacity, including limitations on duration. (Market Rules 4.10.1(e) & 4.11.1(b))
- 7 The IMO may use the information provided by the Rule Participant or any other information deemed appropriate, which is required to set the level of Certified Reserve Capacity of the Facility.
- 8 Based on the outcome of Steps 1.11.5 to 1.11.7, and the assessment of potentially limiting factors, the IMO must determine its reasonable expectation of the amount of Reserve Capacity likely to be available from the Facility during daily peak demand times from 1 December in Year 3 to 31 July in Year 4 of the Reserve Capacity Cycle, assuming an ambient temperature of 41°C. (Market Rule 4.11.1(a))
- 9 For the purposes of Step 1.11.8 'daily peak demand times' are taken to have the same meaning as Peak Trading Intervals as defined in the Market Rules.

Assignment of Certified Reserve Capacity

- 10 If the application is for the current Reserve Capacity Cycle, the IMO must assign Certified Reserve Capacity to the Facility equal to the minimum of the level determined at Step 1.11.8 or the level nominated by the applicant.
- 11 If the application is for a future Reserve Capacity Cycle, the IMO must assign Conditional Certified Reserve Capacity to the Facility equal to the minimum of the level determined at Step 1.11.8 or the level nominated by the applicant.
- 12 If the application is for re-certification and the IMO is satisfied that the application which has been re-lodged is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned and the information is correct then the IMO must confirm the Certified Reserve Capacity, or Conditional Certified Reserve Capacity, depending on the Reserve Capacity Cycle for which the application is being made, that was previously assigned by the IMO.

- 13 If the application is for re-certification and the Rule Participant has not submitted details of Network Access offer(s) and Environmental Approvals in accordance with Step 1.7.10 of this procedure, the IMO will deem the application to be inconsistent with the initial application by which the Facility received Conditional Certification of Reserve Capacity. This will be deemed to be made on the basis that the Facility detailed in the initial application for Conditional Certified Reserve Capacity would be a Registered Facility in accordance with Market Rule 4.11.1(f) and there were no potentially limiting factors.
- 14 If the re-lodged application is not consistent with the information upon which the Conditional Certified Reserve Capacity was assigned or the information is not correct, the IMO must proceed to process the application without regard for the Conditional Certified Reserve Capacity.

Initial Reserve Capacity Obligation Quantity

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

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

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

Assessment of potentially limiting factors

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

Assignment of Certified Reserve Capacity

- 6 If the application is for the current Reserve Capacity Cycle, for an Intermittent Generator that has not commenced operation, the IMO must assign Certified Reserve Capacity as the amount determined in Step 1.12.2, subject to Steps 1.12.4 and 1.12.5(where applicable).
- 7 If the application is for a future Reserve Capacity Cycle, the IMO must assign Conditional Certified Reserve Capacity as the amount determined in Step 1.12.2, subject to Steps 1.12.4 and 1.12.5 (where applicable).
- 8 If the application is for re-certification of Conditional Certified Reserve Capacity and the IMO is satisfied that the application which has been re-lodged is consistent with the information upon which the Conditional Certified Reserve Capacity was assigned and the information is correct then the IMO must confirm the Certified Reserve Capacity, or Conditional Certified Reserve Capacity, depending on the Reserve Capacity Cycle for which the application is being made, that was previously assigned by the IMO.
- 9 If the application is for re-certification and the Rule Participant has not submitted details of Network Access offer(s) and Environmental Approvals in accordance with Step 1.7.10 of this procedure, the IMO will deem the application to be inconsistent with the initial application by which the Facility received Conditional Certification of Reserve Capacity. This will be deemed to be made on the basis that the Facility detailed in the initial application for Conditional Certified Reserve Capacity would be a Registered Facility in accordance with Market Rule 4.11.1(f) and there were no potentially limiting factors.
- 10 If the re-lodged application is not consistent with the information upon which the Conditional Certified Reserve Capacity was assigned or the information is not correct, the IMO must proceed to process the application without regard for the Conditional Certified Reserve Capacity.

Initial Reserve Capacity Obligation Quantity

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

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

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

Availability classes

- 2 The IMO must assess each capacity block and accept only those where:
 - (a) The maximum number of hours per year that the block is available to provide Reserve Capacity is not less than 24; and

- (b) The maximum number of hours per day that the block is available to provide Reserve Capacity is not less than four.
- 3 Each accepted capacity block is to be allocated to an Availability Class where:
- (a) Blocks that are available for at least 24 hours but less than 48 hours are allocated to Availability Class 4;
 - (b) Blocks that are available for at least 48 hours but less than 72 hours are allocated to Availability Class 3;
 - (c) Blocks that are available for at least 72 hours but less than 96 hours are allocated to Availability Class 2;
 - (d) Blocks that are available for at least 96 hours are allocated to Availability Class 1;

Assessment of potentially limiting factors

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

Assignment of Certified Reserve Capacity

- 7 Where the applicant has specified the Reserve Capacity expected to be available from a capacity block, the IMO is to assign Certified Reserve Capacity for that capacity block equal to the expected Reserve Capacity subject to the assessment of potentially limiting factors.
- 8 Where the applicant has specified the Stipulated Default Load for any capacity block, the IMO is to determine the expected load reduction based on expected load data and assign Certified Reserve Capacity to that capacity block equal to that expected load reduction subject to the assessment of potentially limiting factors.
- 9 Where the applicant has indicated that the Reserve Capacity is to be in the form of a Demand Side Programme, the IMO must assign Certified Reserve Capacity in consideration of Market Rule 4.8.3. The following must be considered in the assignment of Certified Reserve Capacity:
- (a) No Intermittent Load may be included in the Demand Side Programme. (Market Rule 4.8.3(a))

- (b) The Loads comprising the Demand Side Programme must be registered as Curtailable Loads if they are to count towards satisfying the relevant Reserve Capacity Obligations of the Demand Side Programme and must not have been separately awarded Capacity Credits. (Market Rule 4.8.3(b))
- (c) As the Loads comprising the Demand Side Programme are registered, the IMO must assign Certified Reserve Capacity and Reserve Capacity Obligations to those Facilities and must correspondingly reduce the Certified Reserve Capacity and Reserve Capacity Obligations associated with the Demand Programme Side during the time those Facilities are registered. (Market Rule 4.8.3(c))
- (d) After accounting for the modifications in (c), if at any time a Market Customer has Reserve Capacity Obligations associated with its Demand Side Programme then, for settlement purposes, the Demand Side Programme must be treated by the IMO as a Facility that has failed to satisfy its Reserve Capacity Obligations. (Market Rule 4.8.3(d))

Initial Reserve Capacity Obligation Quantity

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

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

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

- 1 **Identity of Market Participant and Facility** – The identity of Market Participant making the application and the identification of the Facility for which the results apply.
- 2 **Application of Results for Facility** – The Reserve Capacity Cycle to which the result applies. (Market Rule 4.9.5)
- 3 **Conditional Certified Reserve Capacity** – In the case of Certified Reserve Capacity relating to a future Reserve Capacity Cycle, the conditions of continued certification, including the requirements for reapplying for certification. (Market Rule 4.9.5)
- 4 **Certified Reserve Capacity** – The amount of Certified Reserve Capacity to apply to the Facility. (Market Rule 4.9.9)

- 5 **Initial Reserve Capacity Obligations** – The Initial Reserve Capacity Obligations associated with the Certified Reserve Capacity. (Market Rule 4.9.9)
- 6 **Reserve Capacity Security Deposit Requirements** – Any Reserve Capacity Security Deposit required as a condition of the Facility holding the Certified Reserve Capacity. (Market Rule 4.9.9)
- 7 **Calculation Basis for Certification** – The calculations upon which the IMO's determination is based.

|

2. APPENDIX A

This appendix specifies in more detail some of the information mentioned in the Market Rules which Rule Participants need to provide as part of their application for Certified Reserve Capacity.

Financing (Market Rule 4.10.1 (c) iii 2.)

To verify the key financing dates provided in the submission, the applicant must provide details of their financing status at the time of application, including any financing applications made and the current status of these applications.

Temperature Dependence (Market Rule 4.10.1 (e) i.)

The applicant must provide ~~temperature dependence curves in 0.1 degree intervals, for the capacity level applied for,~~ verified from either the manufacturer or an independent engineering firm.

Deleted: full heat rate

If the application relates to an upgrade of a facility for which ~~temperature dependence~~ curves have previously been provided, the applicant must provide new heat rate curves reflecting the upgrade.

Deleted: heat rate

Environmental Approval (Market Rule 4.10.1 (c) ii.)

The applicant must provide detail of all environmental approvals it has applied for and the status of each of the specific areas. Acceptable supporting evidence includes (but is not limited to):

- ~~details and status of submissions made to the Environmental Protection Authority, the Department of Environment and Conservation, and the Department of the Environment and Heritage; or~~
- details relating to the above submissions provided by the Market Participant's appointed environmental contractor.

Deleted:

Deleted: /or

Generator Capacity (Market Rules 4.10.1 (e) ii and 4.10.1 (e) iii)

As part of providing information of maximum sent out capacity in these clauses, the IMO requests that applicants provide the relevant power factor for the facility. If no power factor is provided, the IMO will use a power factor of 0.8 when determining the capacity of the Facility.

ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY
MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

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

Version 2

Deleted: 1

Commencement: This Market Procedure is to have effect from 8:00am (WST)
on [T.B.A](#)

Version history

27 June 2008	First version of the Market Procedure for Declaration of Bilateral Trades and the Reserve Capacity Auction resulting from Procedure Change Proposal PC_2008_05
Xxx xxx 2009	Amended procedure following the Rule Change RC_2009_07, replacing Unco-Construction with Committed.

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1. Bilateral Trade Declaration and Reserve Capacity Auction Procedure

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

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

1.1. Interpretation

In this procedure, unless the contrary intention is expressed:

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

1.2. Purpose

The purposes of this procedure are:

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

1.3. Application

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

1.4. Overview of Bilateral Trade Declaration

Rule Participants holding Certified Reserve Capacity are required to Declare the amount of Certified Reserve Capacity it:

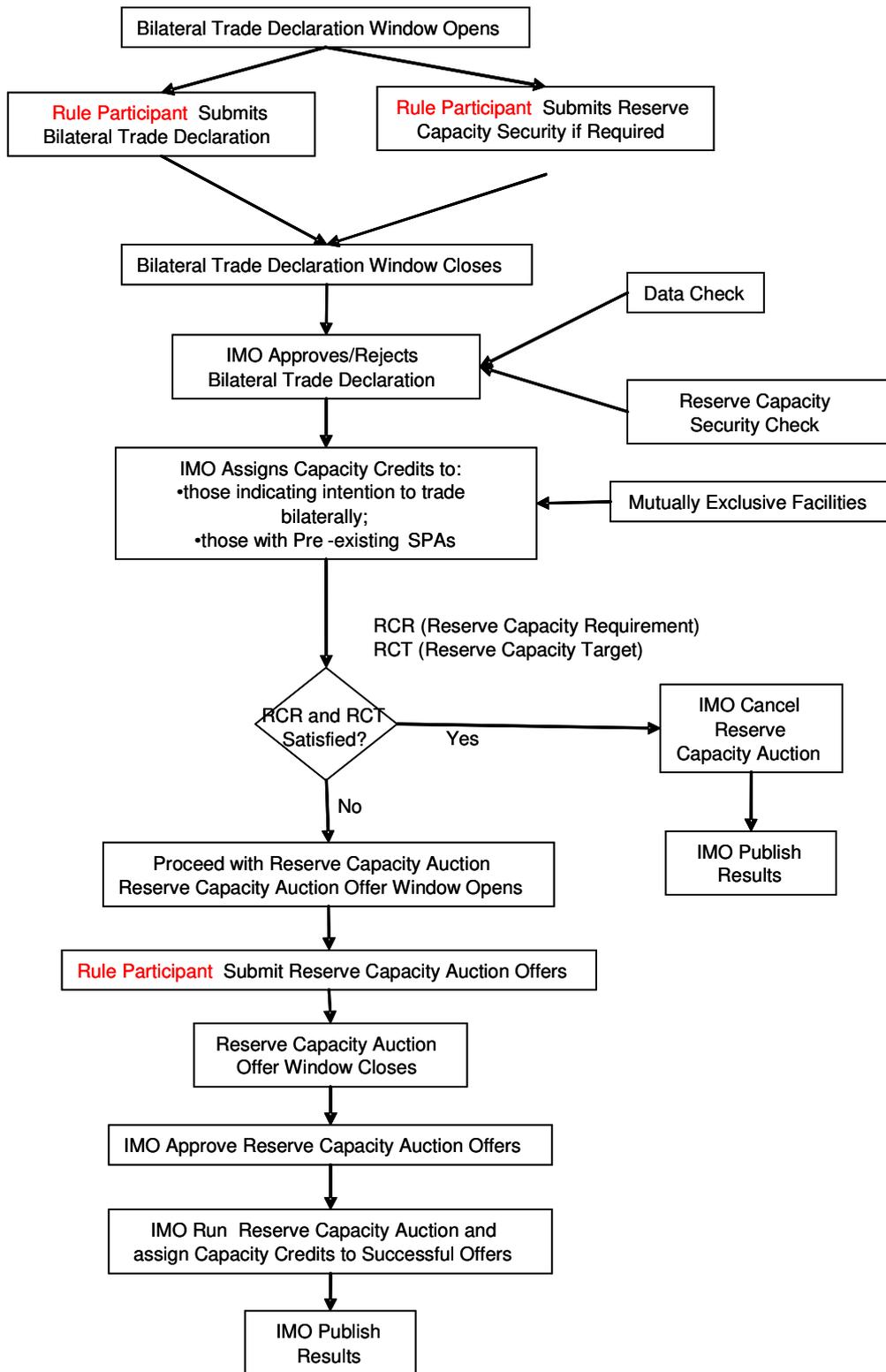
- wishes to trade bilaterally;
- wishes to enter into the Reserve Capacity Auction process;
- wishes have held under pre-existing Special Price Arrangements; and
- do not wish to make available to the Wholesale Market.

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

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

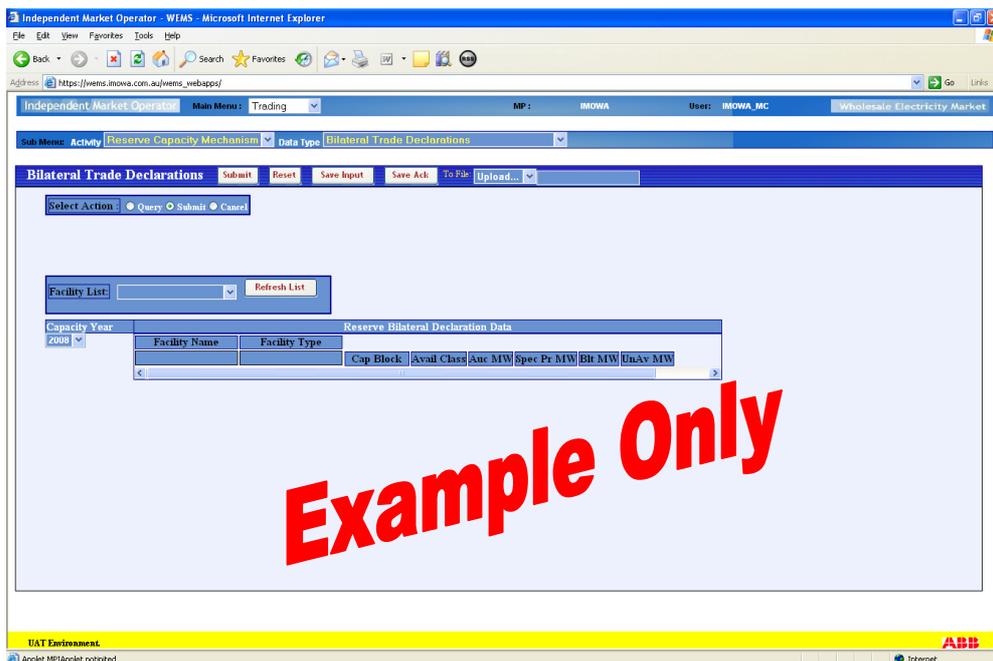
This market procedure also outlines the process by which bilateral trades are assigned a priority order under the Market Rules, and the mechanism by which Trade offers are accepted.

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



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

- 1 The Rule Participant must have received Certified Reserve Capacity in respect of the Facility and must make a submission to the IMO in respect of its intention to offer its Certified Reserve Capacity through the Bilateral Trade Declaration process or the Reserve Capacity Auction if one is held. The submission is made in accordance with Market Rule 4.14.
- 2 The IMO will open the window for Bilateral Trade Declarations in the WEMS on the first Business Day following the close of Certification of Reserve Capacity window. The Certification of Reserve Capacity window closes at 5:00PM of the last Business Day falling on or before 20 July of Year 1 of the Reserve Capacity Cycle. (Market Rule 4.1.11)
- 3 The Rule Participant must ensure that it makes a submission in respect of its Facilities no later than 5 PM of the last Business Day falling on or before 10 August of Year 1 of the relevant Reserve Capacity Cycle. (Market Rule 4.1.14)
- 4 The Rule Participant must make its submission through the WEMS using the appropriate functionality. The Rule Participant should also refer to the WEMS User Guide provided by the IMO.



- 5 The Rule Participant must ensure that a person with appropriate authority makes the Bilateral Trade Declaration and Reserve Capacity Auction submissions. A suitably authorised person representing the Rule Participant (for example a Director or Officer) will be required to provide the IMO with a list of staff with an appropriate level of Authority to make

this submission. This list is to be signed off by the signatory of the Application for Market Registration. In the case where a submission is not made by a WEMS User with the appropriate level of Authority, the IMO may reject the application.

- 6 If the Rule Participant has not received confirmation of receipt of its application from the IMO within one Business Day the applicant must contact the IMO to arrange for resubmission or resolution of any problems. (Market Rule 4.14.7)
- 7 The Rule Participant must, if requested by the IMO, provide additional information to the IMO with respect to information that is missing from the application, which was inadequately specified, or which is required to enable the IMO to prioritise Bilateral Trades in respect of Market Rule 4.14.6
- 8 If supplementary information is requested by the IMO, the Rule Participant should endeavour to assist the IMO with due consideration to the timeframe and implications set out in Market Procedure 1.7 below.
- 9 If a Rule Participant is required to provide Reserve Capacity Security, the Rule Participant must provide the relevant Reserve Capacity Security to the IMO in accordance with the Market Rules and the Market Procedure: Reserve Capacity Security.

1.6. Information to be included in the Bilateral Trade Declaration

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

- 1 Declaration of Certified Reserve Capacity
 - (a) A declaration detailing the total amount of Reserve Capacity to be made available in a Reserve Capacity Auction (if held) where the amount to be made available is not to include Reserve Capacity covered by a pre-existing Special Price Arrangement. The Declaration should also include the Availability Class to which the quantity of Certified Reserve Capacity refers. (Market Rule 4.14.1(a))
 - (b) A declaration detailing the total amount of Reserve Capacity covered by a pre-existing Special Price Arrangement that the Rule Participant intends will not be traded bilaterally. The Declaration should also include the Availability Class to which the quantity of Certified Reserve Capacity refers. (Market Rule 4.14.1(b))
 - (c) A declaration detailing the total amount of Reserve Capacity the Rule Participant intends will be traded bilaterally. The Declaration should also include the Availability Class to which the quantity of Certified Reserve Capacity refers. (Market Rule 4.14.1(c))
 - (d) A declaration detailing the total amount of Reserve Capacity that will not be made available to the market, where this amount cannot

include Reserve Capacity covered by a pre-existing Special Price Agreement. The Declaration should also include the Availability Class to which the quantity of Certified Reserve Capacity refers. (Market Rule 4.14.1(d))

2 For the purposes of the WEMS,

(a) Registered (R) means the Facility exists and is operational.

(b) Committed (C) means "Committed". This status is determined based on the satisfaction of the IMO.

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(c) Proposed (P) means proposed.

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

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

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

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6 Subject to Procedure Step 1.6.4, if the Bilateral Trade Declaration is compliant with this procedure and with the Market Rules the IMO must accept the Bilateral Trade Declaration.

7 Procedure Steps to be followed by Electricity Generation Corporation when declaring Certified Reserve Capacity - The amount of Reserve Capacity that Electricity Generation Corporation intends to trade bilaterally, specified at Procedure Step 1.6.1(c) above must be made in accordance with Market Rule 4.14.4.

Reserve Capacity Security

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

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

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

- 1 By 9.00 AM on the first Business Day following the close of the Certification of Reserve Capacity Window, the IMO must open the Bilateral Trade Declaration window in the WEMS.
- 2 The close of the Certification of Reserve Capacity Window is 5:00PM on of the last Business Day falling on or before 20 July of Year 1 of the Reserve Capacity Cycle. (Market Rule 4.1.11)
- 3 The IMO must close the Bilateral Trade Declaration window no later than 5 PM of the last Business Day falling on or before 10 August of Year 1 of the relevant Reserve Capacity Cycle. (Market Rule 4.1.14)

Data accuracy and sufficiency check

- 4 The IMO must check all data provided in Bilateral Trade Declarations to determine that:
 - (a) All required information has been provided (Market Rule 4.14.7);
 - (b) the applicant is a Rule Participant (Market Rule 4.14.7);
 - (c) the Facility referred to in the Bilateral Trade Declaration has been assigned Certified Reserve Capacity and if so, the quantity and Availability Classes to which Certified Reserve Capacity has been assigned (Market Rule 4.14.7);
 - (d) both the total quantity of Certified Reserve Capacity held by the Rule Participant, and the Availability Class to which that Certified Reserve Capacity refers to is less than or equal to that included in the Bilateral Trade Declaration Form (Market Rule 4.14.7);
 - (e) the Facility to which the submission refers is not subject to a Network Control Service Contract. Market Rule (Market Rule 4.14.3)
- 5 The IMO must endeavour to resolve any discrepancy in consistency of the information provided within one business day of receipt. (Market Rule 4.14.7)

- 6 The IMO must make a determination of the “Status” of the Facility using the information submitted by the Rule Participant and the guidelines detailed at Appendix 1 of this Procedure. If the IMO determines that the Facility Status claims of the Rule Participant are not supported, the IMO must not accept the application for change to the Facility Registration Details and process the Bilateral Trade Declaration as if the Facility has a Proposed Status.
- 7 If the IMO cannot make a determination of the “Status” of the Facility so that the Facility Status takes effect before the close of the Bilateral Trade Declaration window (Procedure Step 1.7.3), the IMO must reject any change to Facility Status in the Registration application and process the Bilateral Trade Declaration as if the Facility has a Status of Proposed.
- 8 If the information provided by the Rule Participant is consistent with that required in Market Rule 4.14, the IMO must accept the Bilateral Trade Declaration submission within one business day of receipt. (Market Rule 4.14.7)
- 9 If the IMO cannot establish what Rule Participant’s intentions with respect to commitment of all or part of its Certified Reserve Capacity to an Auction or Bilateral Trade within one business day, the IMO must determine that:
 - (a) the Rule Participant’s Certified Reserve Capacity corresponding to pre-existing Long Term Special Price Arrangements cannot be traded bilaterally (Market Rule 4.14.7(c)i); and
 - (b) the Rule Participants Certified Reserve Capacity not covered by pre-existing Long Term Special Price Arrangements will be treated as being unavailable to the market (Market Rule 4.14.7(c)ii).

Reserve Capacity Security

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

Notification of Outcomes

- 11 The IMO must document all Bilateral Trade Declarations that were deemed valid (“Approved” in the WEMS), and all Bilateral Trade Offers that were deemed invalid (“Rejected” in the WEMS).
- 12 Bilateral Trade Offers that are deemed invalid are rejected from the bilateral trade process and the subsequent Capacity Credit assignment process.

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

- 1 Under Market Rule 4.14, the IMO may request additional or clarifying information from a Rule Participant. The IMO must request this information in writing in such a manner as to expedite the process of clarification while giving consideration to the timeframe associated with the eligibility of Bilateral Trade Declarations.
- 2 The request should, in detail, outline the information that is needed by IMO to proceed with the acceptance process of Bilateral Trade Declarations.
- 3 If a request is made by the IMO for additional information, the Rule Participant must notify the IMO of receipt of the request within One Hour of receiving the request.
- 4 If the IMO does not receive notification of receipt of the request within one hour of sending the request, the IMO must re-submit the request, preferably in both the original form of request and by at least one other form. If the Rule Participant fails to respond to the second request for information within one hour, the IMO must consider the Offer in the same context as Offers listed at Procedure Step 1.7.9.
- 5 On receiving a request for additional information, the Rule Participant must respond to the IMO by making necessary adjustments to its Bilateral Trade Declaration and providing other information as necessary. The Rule Participant must respond within two hours of receiving the request for additional information.
- 6 If the IMO has received notification of receipt of the request by the Rule Participant and does not receive the requested information within two hours, the IMO must consider the Offer in the same context as an Offers listed in Procedure Step 1.7.9.

1.9. Procedure steps to be followed by the IMO in determining valid Bilateral Trades

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

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

- (a) Facilities that are operational or are Committed will be accepted ahead of other Facilities; then
- (b) if more than one Facility remains, then Facilities that can demonstrate having secured financing will be accepted ahead of other Facilities; then
- (c) if more than one Facility remains, then Facilities with the greatest quantity of Certified Reserve Capacity will be accepted ahead of Facilities with lower Certified Reserve Capacity; then
- (d) if more than one Facility remains, then Facilities identified in Expressions of Interest will be accepted ahead of other Facilities; then
- (e) if more than one Facility remains, then the IMO will accept one based on the order in which it applied for Certified Reserve Capacity, including applications for Conditional Certified Reserve Capacity.

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

This Procedure Step 1.9.1 may be undertaken using the functionality of the WEMS.

- 2 The IMO must ensure that Mutually Exclusive Facilities are identified within the WEMS before Capacity Credits are assigned in accordance with Procedure Step 1.10. This will allow the WEMS to assign Capacity Credits to the appropriate Facilities.
- 3 The functionality of the WEMS must take into account Mutually Exclusive Facilities when assigning Capacity Credits.

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

This procedure outlines the process the IMO will use to assign Capacity Credits in accordance with Approved Bilateral Trade Declarations.

- 1 The IMO must use the WEMS to assign Capacity Credits to those Rule Participants who have indicated its intention to bilaterally trade its Capacity Credits. This must be completed for accepted ("Approved") Bilateral Trade Declarations and the IMO must make this determination and publish the results no later than 5:00PM on the first Business Day following the notification time in Market Rule 4.1.14 (Market Rule 4.1.15)
- 2 The notification time referred to in Procedure Step 1.10.1 and Market Rule 4.1.14 is no later than 5PM of the last Business Day falling on or before 10 August of Year 1 of the relevant Reserve Capacity Cycle.
- 3 The IMO must undertake the Assignment of Capacity Credits in accordance with Appendix 3 of the Market Rules and must ensure that

Mutually Exclusive Facilities have been considered in accordance with Procedure Step 1.9 and the Market Rules.

- 4 Any Bilateral Trade Declaration that was not deemed valid, or was not accepted in the above process is deemed to have been rejected.
- 5 If it is determined that a Shortfall exists for any Availability Class, the IMO must run a Reserve Capacity Auction.

2. Market Procedures for Reserve Capacity Auction

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

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

- 1 For each Availability Class, the IMO is to determine the Reserve Capacity Target for the Capacity Year in accordance with Market Rule 4.5.10(b)(i).
- 2 For each availability Class, the IMO is to determine the amount of Reserve Capacity covered by pre-existing Special Price Arrangements that will not be traded bilaterally. (Market Rule 4.14.1(b).
- 3 The IMO must determine the amount of Reserve Capacity that Rule Participants may trade bilaterally. (Market Rule 4.14.9)
- 4 The IMO must determine the amount of Reserve Capacity that Rule Participants intend to make available in the Reserve Capacity Auction. (Market Rule 4.14.1(a)
- 5 The IMO must schedule a Reserve Capacity Auction if:
 - (a) the quantity determined in Step 2.1.1 for any Availability Class exceeds the sum of the quantities determined in Steps 2.1.2 and 2.1.3.
 - (b) the quantity determined in Step 2.1.4 exceeds zero for any Availability Class;

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

- 1 The IMO must publish a notice as to whether the Reserve Capacity Auction will be cancelled. This must be published by 5pm of the last business day falling on or before 18 August of Year 1. (Market Rule 4.1.16)
- 2 If the Reserve Capacity Auction is cancelled, the IMO must publish a notice in accordance with Market Rule 4.15.1 which provides the following information:
 - (a) that the Reserve Capacity Auction has been cancelled;
 - (b) the Reserve Capacity Requirement;
 - (c) the total amount of Certified Reserve Capacity;

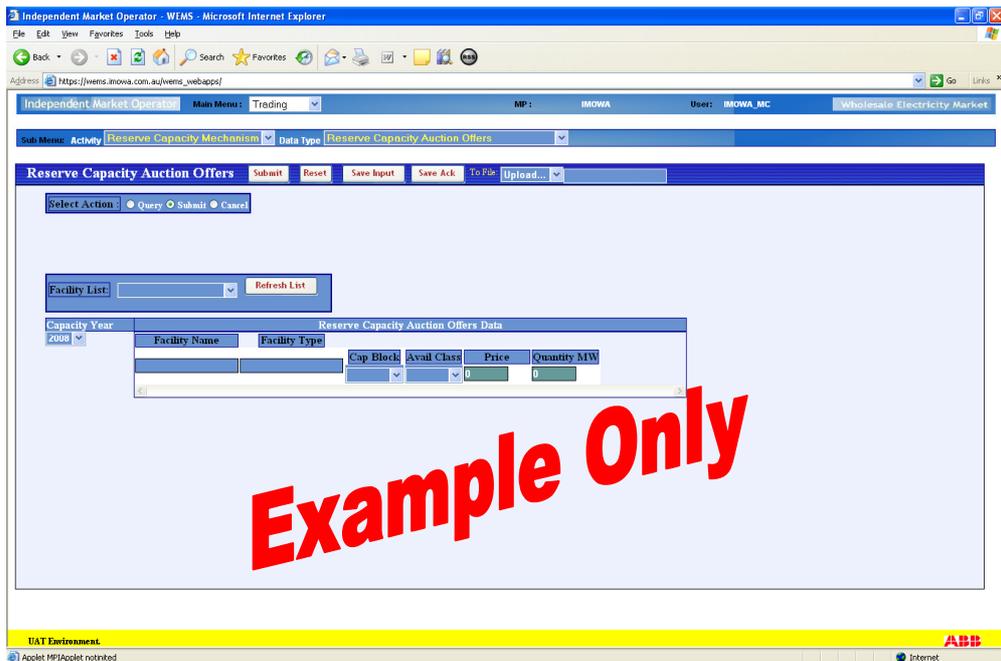
- (d) the total amount of Certified Reserve Capacity that would have been made available in the Reserve Capacity Auction had one been held; and
- (e) the total amount of Certified Reserve Capacity covered by pre-existing Special Price Arrangements.

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

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

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

1 The Rule Participant must use the Reserve Capacity Auction Offers Screen in the WEMS to submit a Reserve Capacity Offer. (Market Rule 4.17.2)



- 2 The Rule Participant must provide the following information in the Reserve Capacity Auction Offer: (Market Rule 4.18.1)
 - (a) the identity of the Rule Participant submitting the Reserve Capacity Offer;
 - (b) the identify of the Rule Participant's Facility covered by the Reserve Capacity Offer; and
 - (c) a single Price-Quantity Pair for each Facility except for Interruptible Loads, Curtailable Loads and Dispatchable Loads, where a single Price-Quantity Pair is to be included for each block of Certified Reserve Capacity associated with the Facility.

- 3 The Rule Participant must provide the following information in respect to each Reserve Capacity Price-Quantity Pair: (Market Rule 4.18.2)
 - (a) the identity of the Facility to which it relates;
 - (b) an offer price in units of dollars per megawatt per year between zero and the Maximum Reserve Capacity Price;
 - (c) a quantity in units of megawatts equal to the amount determined in accordance with Market Rule 4.14.10 in respect of that Facility; and
 - (d) the Availability Class of that Price-Quantity Pair, as specified by the IMO in assigning Certified Reserve Capacity to that Facility in accordance with Market Rule 4.11.

- 4 If a Rule Participant has not been advised by the IMO within one working day that its Reserve Capacity Auction Offer has been received it must

contact the IMO and arrange for resubmission of the Offer. (Market Rule 4.17.5)

- 5 If the Rule Participant is advised by the IMO that its Reserve Capacity Offer is invalid up until the Reserve Capacity Auction Offers window closes, it may submit a revised Reserve Capacity Auction Offer. (Market Rule 4.17.7)

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

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

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

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

- 1 The IMO must determine if Reserve Capacity Offers have been received for two or more facilities that cannot simultaneously be scheduled.
- 2 If so, the IMO may consider an offer from a Facility identified at Step 2.5.1 if
 - (a) that Facility has been allowed to bilaterally trade in accordance with Market Rule 4.14.6; or
 - (b) the IMO has not accepted a non-zero value for any of the Facilities under Market Rule 4.14.6

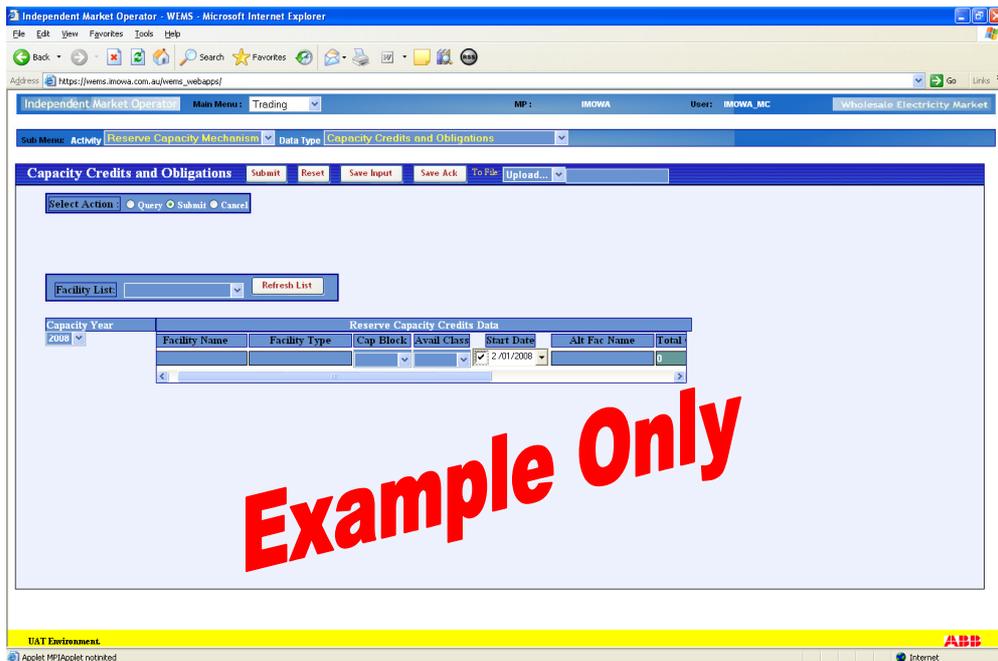
- 3 The IMO must apply the Reserve Capacity Auction methodology as detailed in Appendix 3 of the Market Rules. The IMO may use the WEMS to complete this process.

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

- 1 By the date and time specified in Market Rule 4.1.18, the IMO must publish:
 - (a) the Reserve Capacity Price included in the Reserve Capacity Auction results determined in accordance with Market Rule 4.19.1;
 - (b) the quantity of Certified Reserve Capacity scheduled from each Facility registered by each Rule Participant in the Reserve Capacity Auction results determined in accordance with Market Rule 4.19.1; and
 - (c) the extent of any shortfall in any Availability Class.

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

- 1 By 5:00 PM of the last Business Day falling on or before 20 December of Year 1 of the relevant Reserve Capacity Cycle the Rule Participant must notify the IMO of the following information: (Market Rule 4.20.1)
 - (a) the total number of Capacity Credits each Facility will provide during the Capacity Year commencing on 1 October of Year 3 of the Reserve Capacity Cycle; and
 - (b) the number of those Capacity Credits the Rule Participant anticipates the IMO has acquired as a result of the Reserve Capacity Auction subject to paragraph (c).
- 2 The Rule Participant must make its submission through the WEMS using the appropriate functionality. The Rule Participant should also refer to the WEMS User Guide provided by the IMO.



- 3 A Rule Participant may request that Certified Reserve Capacity of one Facility granted approval to trade bilaterally under clause 4.14.9 of the Market Rules or scheduled by the IMO in the Reserve Capacity Auction be provided as Capacity Credits by another Facility registered by the Rule Participant covered by a Reserve Capacity Offer submitted by the Rule Participant for the Reserve Capacity Auction, but which was not scheduled.
- 4 A Rule Participant making a nomination in accordance with Procedure Step 2.7.2 will be required to enter in an Alternate Facility Name (*Alt Fac Name*) in the Capacity Credits and Obligations page in the WEMS.
- 5 The IMO may only accept submissions made in accordance with Procedure Step 2.7.2 if the Reserve Capacity of the alternate facility is in the same Availability Class or an Availability Class with greater availability than the Availability Class of the Reserve Capacity provided by the original Facility.
- 6 If the IMO rejects a notice under the Market Rules, then the Rule Participant must re-submit the notice as soon as practicable, incorporating any amendments suggested by the IMO, and clauses 4.20.2 to 4.20.4 also apply to the re-submitted notice (Market Rule 4.20.5)

2.8. Rule Participant Procedure Steps to be followed by the IMO in Respect of Notifications of Capacity Credits made in Accordance with Procedure Step 2.7

- 1 The IMO must consider and accept or reject each notice it receives under Procedure Step 2.7.1 in accordance with Clause 4.20.1 and of the Market Rules.

- 2 The IMO must notify each Rule Participant of the outcome of its consideration in accordance with Market Rules 4.20.2 and 4.20.4

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

- 1 A Rule Participant may make an application for a Long Term Special Price Arrangement in accordance with Market Rules 4.22.
- 2 The IMO must consider and approve or reject any application for a Long Term Special Price Arrangement in accordance with Market Rule 4.22.

Appendix 1 –Guidelines for assessing facility status

'Proposed' and 'Committed' Facility Status

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

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

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

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Requirements for Generating Facilities

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

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- Financial commitment by the Rule Participant to the primary equipment supplier. (This would usually take the form of a signed contract indicating purchase of the main plant equipment including penalty clauses associated with non-compliance of the purchase agreement).
 - Formal commitment, including financial approval, on behalf of the company in respect of the project, for example Board approval;
 - Details of planning, construction and environmental applications, approvals and licences;
 - Access to land either through ownership or an appropriate leasing agreement;
 - A signed contract for civil works (or appropriate alternative), including contractual delivery times, which indicate the construction phase has started; and
 - 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.

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Requirements for Demand Side Management (DSM) Capacity

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

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