

# Electric Storage Resource Obligation Intervals

WRIG – 25 March 2021

# Context

- The Electric Storage Resource Obligation Intervals (ESROI) are a set of 8 contiguous Trading Intervals during which an Electric Storage Resource (ESR) is obligated to be available under the Reserve Capacity Mechanism (RCM).
- Clause 4.11.3A of the Wholesale Electricity Market (WEM) Rules requires AEMO to:
  - Determine the Electric Storage Resource Obligation Intervals (ESROI).
  - Publish the ESROI on the WEM Website.
  - Only amend the ESROI after consulting with Market Participants.
  - Document the process for determining, publishing, and amending the ESROI in a WEM Procedure.

# Determining the ESROI

- AEMO will use the peak demand forecasts prepared for the WEM ES00 to set the ESROI.
- The ESROI will be set for the Capacity Year commencing on 1 October of Year 3 of the relevant Reserve Capacity Cycle.
- AEMO may develop a forecast of the ESROI for the entire relevant Long Term PASA Study Horizon.
- The ESROI may be either:
  - The same for each Trading Interval in the relevant Capacity Year; or
  - Seasonally variable (where seasons are summer, winter, and shoulder).

# Methodology for setting the ESROI

- AEMO will consider the 10% and 50% probability of exceedance expected case peak demand forecasts in determining the ESROI.
- A probability density function will be used to determine the period during which peak demand is likely to occur (a set of Trading Intervals defined as the Peak Demand Period).
- The Peak Demand Period will be used to set the ESROI.
- AEMO will assess any differences in the Peak Demand Period for different seasons (summer, winter, shoulder).

# Publishing the ESROI

- AEMO must publish the ESROI at the same time as the WEM ES00.
- AEMO's intention is to publish the ESROI and the forecast ESROI in the WEM ES00.
- Accompanying analysis may be published at the same time.

# Amending the ESROI

- AEMO will reassess the ESROI when it prepares the WEM ES00 in Year 3 of the relevant Reserve Capacity Cycle.
- If the Peak Demand Period has changed by more than 2 Trading Intervals, AEMO may propose a change to the ESROI.
- Where AEMO proposes a change to the ESROI, it must consult with Market Participants by issuing a request for submissions.

# Questions

Additional comments or questions can be directed to AEMO by email to [wa.capacity@aemo.com.au](mailto:wa.capacity@aemo.com.au) (cc [WA.ETS@aemo.com.au](mailto:WA.ETS@aemo.com.au)).