

Declaration of Bilateral Trades – for 2021 Reserve Capacity Cycle

WRIG – 28 October 2021

Context

- The declaration of Bilateral Trade process determines the quantity of Certified Reserve Capacity a Market Participant intends to trade bilaterally.
- Key changes to the process are:
 - Removal of the Reserve Capacity Auction
 - Submission of Bilateral Trades at a Component level
- Head of power for this Procedure is clause 4.14.11.

Removal of Reserve Capacity Auction

- The Procedure originally covered the process that:
 - Market Participant must follow in submitting a Reserve Capacity Offer
 - AEMO must follow in determining whether a Reserve Capacity Auction is required, and if so how much Reserve Capacity will be required
 - AEMO must follow in running the Reserve Capacity Auction
- All processes have been removed from the Procedure
- If inadequate Reserve Capacity is available AEMO will proceed with the Supplementary Reserve Capacity process under clause 4.24 and the WEMP: Supplementary Reserve Capacity

Bilateral Trades – Components

- Trade declarations will now be submitted by Component for a Scheduled Facility and Semi-Scheduled Facility.
- **Component:** An Electric Storage Resource, an Intermittent Generating System, or a Non-Intermittent Generating System that forms part of a Facility, other than a Demand Side Programme or Non-Scheduled Facility.
- Demand Side Programmes and Non-Scheduled Facilities will continue to submit trade declarations at the Facility level.
- This ensures AEMO can associate Capacity Credits with Components of a Facility in order to calculate Reserve Capacity obligations at the Component level (e.g. RC Testing, RCOQ)

Questions and further information

- Procedure to be published for consultation by December
- Procedure to go-live by 1 March 2022
- Further changes will be required to the Procedure for the 2022 Reserve Capacity Cycle to be progressed mid-2022

Additional comments or questions can be directed to AEMO by email to katelyn.rigden@aemo.com.au (cc WA.ETS@aemo.com.au).