

Capacity Credit Allocations

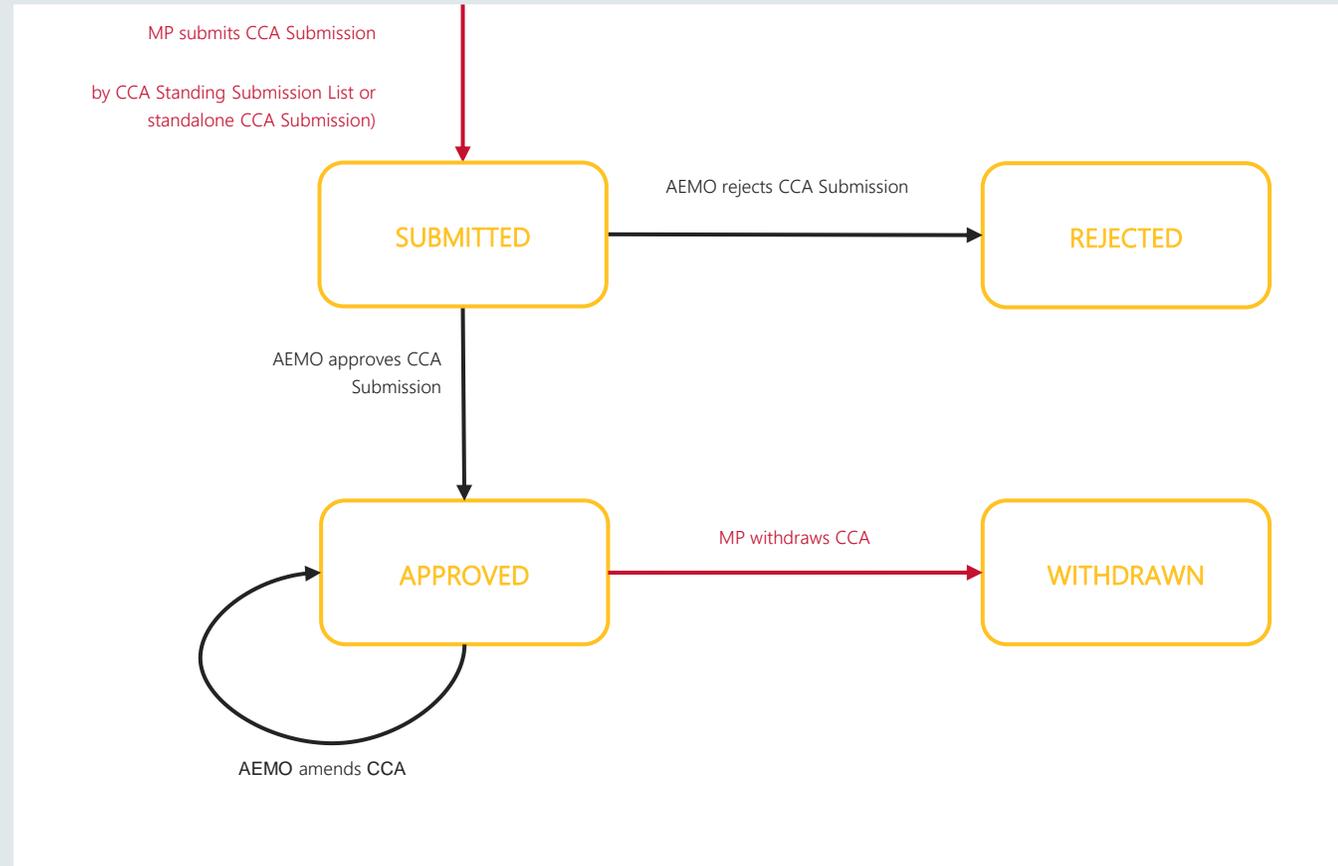
WRIG – 25 November 2021

Context

- Capacity Credit Allocations (CCAs) are the process by which Capacity Credits held by one Market Participant for a Facility are allocated to another Market Participant for settlement purposes.
- Key rule-based changes to the process are:
 - Capacity Credit Allocations occur on a **Trading Day** basis (previously Trading Month).
 - **Removal** of Capacity Credit Allocation **Acceptances**.
 - **Removal** of Capacity Credit Allocation **reversals**.
 - **Withdrawals** may occur any time **before 5pm** on the **Scheduling Day**.
 - **Removal** of **Trading Margin** validations.
- Key procedure-based change to the process is:
 - Introduction of Capacity Credit Allocation Standing Submission List to provide a method by which Capacity Credit Allocation Submissions are automatically generated.
- Head of power for this Procedure is in clause 4.30.12

CCA Process Overview

- Capacity Credit Allocations are on a **Trading Day** basis.
- CCAs can be created by:
 - A Market Participant providing a CCA Standing Submission List for a Capacity Year; and
 - A Market Participant submitting CCA Submissions as standalone submissions.
- CCA Submissions must be made prior to 5pm on the Scheduling Day for the respective Trading Day.
- The receiver of the Capacity Credits is no longer required to submit a CCA Acceptance.



CCA Standing Submission List

- A CCA Standing Submission List provided by a Market Participant:
 - Applies to a Capacity Year.
 - Will be provided to AEMO through the WEMS.
 - Must contain an ordered list of Template CCA Submissions.
 - Must set out the information required of a CCA Submission as specified in clause 4.31.1 and 4.31.2 of the WEM Rules.
- AEMO will:
 - Use the CCA Standing Submission List to convert each Template CCA Submission into a CCA Submission within 1 Business Day after the CCA Window opens.
 - Convert Template CCA Submissions in the order specified in the CCA Standing Submission List.

CCA Standing Submission List Example

Assuming the following information:

- The CCA Window for a Trading Day will open 20 days prior to the Trading Day.
- Market Participant, A, has provided AEMO with a CCA Standing Submission List for CY 2023/24

#	Facility	Target Participant	CCA
1	F1	B	2
2	F2	B	3

In accordance with the proposed WEM Procedure, AEMO will use the CCA Standing Submission List to generate CCA Submissions for Market Participant A, each day:

- On 11 September 2023, AEMO will generate the following CCA Submissions:
 - 2 Capacity Credits allocated from Facility F1 to Participant B for Trading Day 1 October 2023
 - 3 Capacity Credits allocated from Facility F2 to Participant B for Trading Day 1 October 2023
- On 12 September 2023, AEMO will generate the following CCA Submissions:
 - 2 Capacity Credits allocated from Facility F1 to Participant B for Trading Day 2 October 2023
 - 3 Capacity Credits allocated from Facility F2 to Participant B for Trading Day 2 October 2023
- ...
- On 10 September 2024 AEMO will generate the following CCA Submissions:
 - 2 Capacity Credits allocated from Facility F1 to Participant B for Trading Day 30 September 2024
 - 3 Capacity Credits allocated from Facility F2 to Participant B for Trading Day 30 September 2024

Consultation

- Procedure to be published for consultation in January 2022.
- Three week consultation period.
- Feedback is specifically sought on the CCA Standing Submission List process

Additional comments or questions can be directed to AEMO by email to WA.ETS@aemo.com.au