

Indicative Facility Class and RCM Facility Class assessment –UPDATE

WRIG – 27 January 2022

Context

- The Indicative Facility Class and RCM Facility Class Assessment WEMP was originally published 1 August 2021
- Changes made in the Tranche 4B amendments resulted in a minor update to the WEMP which was published on 1 December 2021
- One submission was received
- Further changes made in the Tranche 5 amendments have resulted in minor changes to be published by **1 March 2022**
- Changes relate to specific requirements for new facilities entering into a Non-Co-optimised Essential System Service (NCESS) Contract.

Previous procedure amendments (1 December 2021)

- Inclusion of specific requirements for facilities applying for Conditional CRC.
- Given Conditional CRC is applied for outside of the usual Reserve Capacity timetable, the WEMP was amended to require the participant to first apply for an Indicative Facility Class assessment prior to lodging an application for Conditional CRC.

Previous feedback and AEMO's response

Summary of comment	AEMO's response
<p>Paragraph 3.3.8</p> <p>The reference to a procedural paragraph is normally stated as 'paragraph 123'.</p>	<p>Agree, the paragraph was amended to include the correct reference to "paragraph".</p>
<p>Paragraph 3.3.9</p> <p>It would be preferable for AEMO to advise the facility owners of a potential change in facility class prior to that change being made, in order for the facility owners to prepare for any additional compliance or regulatory obligations.</p>	<p>AEMO confirmed that the RCM Facility Class will only apply for the purposes of assigning Certified Reserve Capacity for the 2021, 2022 or 2023 cycle. The RCM Facility Class is an assessment of the appropriate Facility Class that is likely to apply in the relevant Capacity Year (2 years ahead). It will not have an impact on the Facility's Registered Facility Class (used as at today) and therefore will have no impact on obligations in the real time market.</p> <p>If the RCM Facility Class changes under paragraph 3.3.9 it may impact the information a Market Participant is required to provide for their CRC application. However, the Market Participant will have at least 2.5 months between the assignment of the RCM Facility Class and the deadline for the submission of the CRC application.</p> <p>Around the time of the New WEM Commencement Day the Registered Facility Class will transition under clause 1.47 of the WEM Rules. The WEMP to govern this process has not been developed yet. However, AEMO will ensure there will be enough time between the assignment of the new Registered Facility Class and the New WEM Commencement Day for Market Participants to prepare.</p>

Future changes (1 March 2022)

- As a result of the delay of the New WEM Commencement date to 1 October 2023, the transitional RCM Facility Classes have been extended to also apply to the 2023 Reserve Capacity Cycle.
- Additional requirements for new facilities entering into a NCESS Contract.
- A Facility with a NCESS Contract that would ordinarily be capable of being assigned Capacity Credits must apply for Certified Reserve Capacity (CRC).
- A new Facility that enters into a NCESS Contract that has not already submitted an Expression of Interest for the relevant Reserve Capacity Cycle must apply for an Indicative Facility Class prior to submitting an application for CRC.

Questions and consultation information

Consultation

- 15 Business Day consultation period
- Consultation closes 10 February 2022

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