

# CRC WEM Procedure for the 2022 and 2023 Reserve Capacity Cycle

WRIG – 27 January 2022

# Context

- The Certified Reserve Capacity (CRC) process determines the quantity of capacity that can be delivered during peak periods.
- Head of power for this Procedure is in clause 4.9.10.

# Staging of the Procedure

The 2021 and 2022 Reserve Capacity Cycles require different versions of the Procedure.

## 2021 key changes

- ESR methodology.
- Introduction of Components.
- Mandatory EOI requirement.

## 2022 key changes

- Removal of Constrained Access Entitlement.
- Introduction of Network Augmentation Funding Facilities.
- Update to Facility Upgrade definition

AEMO published the 2021 Reserve Capacity Cycle version on 1 December 2021.

**The remainder of this presentation focusses on the 2022 version of the Procedure.**

# Network Augmentation Funding Facilities

- A Network Augmentation Funding Facility is a Facility where the Market Participant has committed to funding Network Augmentation Works which will be in-service by the start of the relevant Capacity Year
- A new NAFF Facility receives a higher priority order in the NAQ Model (run 4) compared to other new Facilities or Upgrades (run 5)
- New Facilities or Facility Upgrades must nominate to be considered a Network Augmentation Funding Facility (NAFF) in their Expression of Interest and CRC application

# NAFF - Application process

- Market Participants must provide supporting information in the CRC application (clause 4.10A.6):
  - Evidence that the Market Participant has committed to funding the Network Augmentation Works associated with the relevant Facility
  - Evidence confirming that the Network Augmentation Works are expected to be in-service by 1 October of Year 3 of the Reserve Capacity Cycle to which the application for Certified Reserve Capacity relates

This may include, but is not limited to:

- Interconnection works contract (IWC) with the Network Operator, including evidence that relevant conditions precedent have been/will be satisfied or waived
- Electricity transfer access contract (ETAC) with the Network Operator, including evidence that relevant conditions precedent have been/will be satisfied or waived

# NAFF - Assessment process

- AEMO must provide the supporting information to the Network Operator within 5 Business Days of receiving the submission
- The Network Operator has 10 Business Days to review and notify AEMO, either:
  - Information provided has been verified; or
  - They do not agree with the information provided and the reasons for this decision.

AEMO will classify the Facility as a NAFF if:

- The Facility is assigned CRC; and
- The Network Operator has verified the information provided by the Market Participant

# Other changes

- Facility Upgrade definition updated to consider historical nameplate changes to align with amendments to Appendix 3
- Facility Upgrade:
  - Either:
    - works that have increased the nameplate capacity of a Facility and were completed after the date and time specified in clause 4.1.11 for the previous Reserve Capacity Cycle; or
    - works expected to be completed that will increase the nameplate capacity or available capacity of a Facility, which is yet to be demonstrated through normal market operations or a Reserve Capacity Test.
- Removal of the Constrained Access Entitlement calculation for Constrained Access Facilities:
  - Constraints will no longer be a limiting factor on the amount of CRC that can be assigned to a Facility
  - Constraints will now be considered under the NAQ Model – process to be covered in the NAQ Model WEMP (published by 1 September 2022)

# Questions and consultation information

## Consultation

- Procedure expected to be published for consultation by early next week.
- 15 Business Day consultation period
- The 2022 CRC Procedures is scheduled to commence on **1 March 2022**.

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