

Certification of Reserve Capacity for the 2022 and 2023 Reserve Capacity Cycle

Consultation Feedback



Context

- The procedure was published on 1 March 2022
- Changes related to:
 - Inclusion of the Network Augmentation Funding Facility
 - Removal of the Constrained Access Entitlement
 - Update to the Facility Upgrade definition

AEMO's response to comments

Paragraph	Summary of Submission	AEMO's Response
1.2.2	Stakeholder advised that the first sentence of the definition of "Firm", it's not clear how a 'take or pay' condition would impact on AEMO's judgement as to whether capacity is firm. The stakeholder considered that whether capacity is 'take or pay', it would not impact firmness.	AEMO considers a take or pay arrangement would generally be treated as Firm supply. AEMO included this example to indicate the types of arrangements that would be considered Firm, based on previous feedback from Market Participants. AEMO will retain the current definition due to potential impacts on other Markets Participants. The definition will be re-visited and workshopped with stakeholders in the next revision of the enduring WEM Procedure.
1.2.2	Stakeholder questioned whether it is necessary to define "Non-Firm" and, if so, that it may be simpler to define it as capacity that is not Firm to avoid potential overlaps with the Firm definition.	AEMO will retain the current definition due to potential impacts on other Markets Participants. The definition of will be re-visited and workshopped with stakeholders in the next revision of the enduring WEM Procedure.
3.1.4	Stakeholder advised paragraph 3.1.4 appears to allow AEMO a blanket ability to set new information requirements in WEMS. Stakeholder suggested that this be removed to avoid AEMO being able to set new obligations in WEMS, outside the WEM Rules and WEM Procedure, noting that WEMS is not subject to the same regulatory processes	Only information listed under clause 4.10.1 is mandatory in the application. AEMO does not believe paragraph 3.1.4 enables AEMO to add mandatory information requirements to the application which are above those outlined under clause 4.10.1 but does allow AEMO to add information that is optional.
3.1.7(b)	Stakeholder queried what 'all other parties' mean in paragraph 3.1.7(b) and queried what duly executed by the Authorised Officer refers to.	"All other parties" refers to parties to which the supporting document applies e.g. Western Power, relevant bank, Environmental Protection Agency. AEMO have restructured the sentence to improve clarity. Authorised Officer is defined as per the WEM Rules.

AEMO's response to comments

Paragraph	Summary of Submission	AEMO's Response
3.1.10	Stakeholder advised that it is not clear what conditions precedent paragraph 3.1.10 is referring to and that it is difficult to envisage where 3.1.10(b) would be applied.	This paragraph covers scenarios where a conditions precedent cannot be satisfied before the Facility is constructed (e.g. Practical Completion under an Interconnection Works Contract). Without paragraph 3.1.10, AEMO would be unable to certify any new Facilities.
4.2.4	Stakeholder suggested that rejection should be able to be limited to a component of a Facility, where appropriate.	Agree. Paragraph 4.2.6 allows AEMO to make its determination at the component level.
7.2.3(c)	Stakeholder considered that paragraph 7.2.3(c) is an irrelevant consideration for AEMO's assessment of the sent-out capacity provided by the Market Participant under clause 4.10.1(fA)(iii), 4.10.1(fB)(iii), 4.10.1(fC)(iii), or 4.10.1(fD)(iii).	AEMO Agrees. AEMO's intention was for AEMO to consider whether a Facility can export during the ESROI when assigning CRC to a Non-Scheduled Facility. AEMO has removed paragraph 7.2.3(c) from the WEM Procedure as this is not explicit in the rules.