

NAQ WEMP Development

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2022 Reserve Capacity Timetable Deferral

- January 2022: AEMO proposed an extension of the key activities of the 2022 Reserve Capacity Cycle (RCC) timetable, with AEMO's view that this would allow:



AEMO to **resolve complexities in the NAQ Framework** implementation and **build** a NAQ Model that could effectively determine each Facility's NAQ taking into consideration the prioritisation order requirement.



Market Participants to fully **understand** the NAQ framework and associated changes in the Certified Reserve Capacity processes to support their commercial decisions.



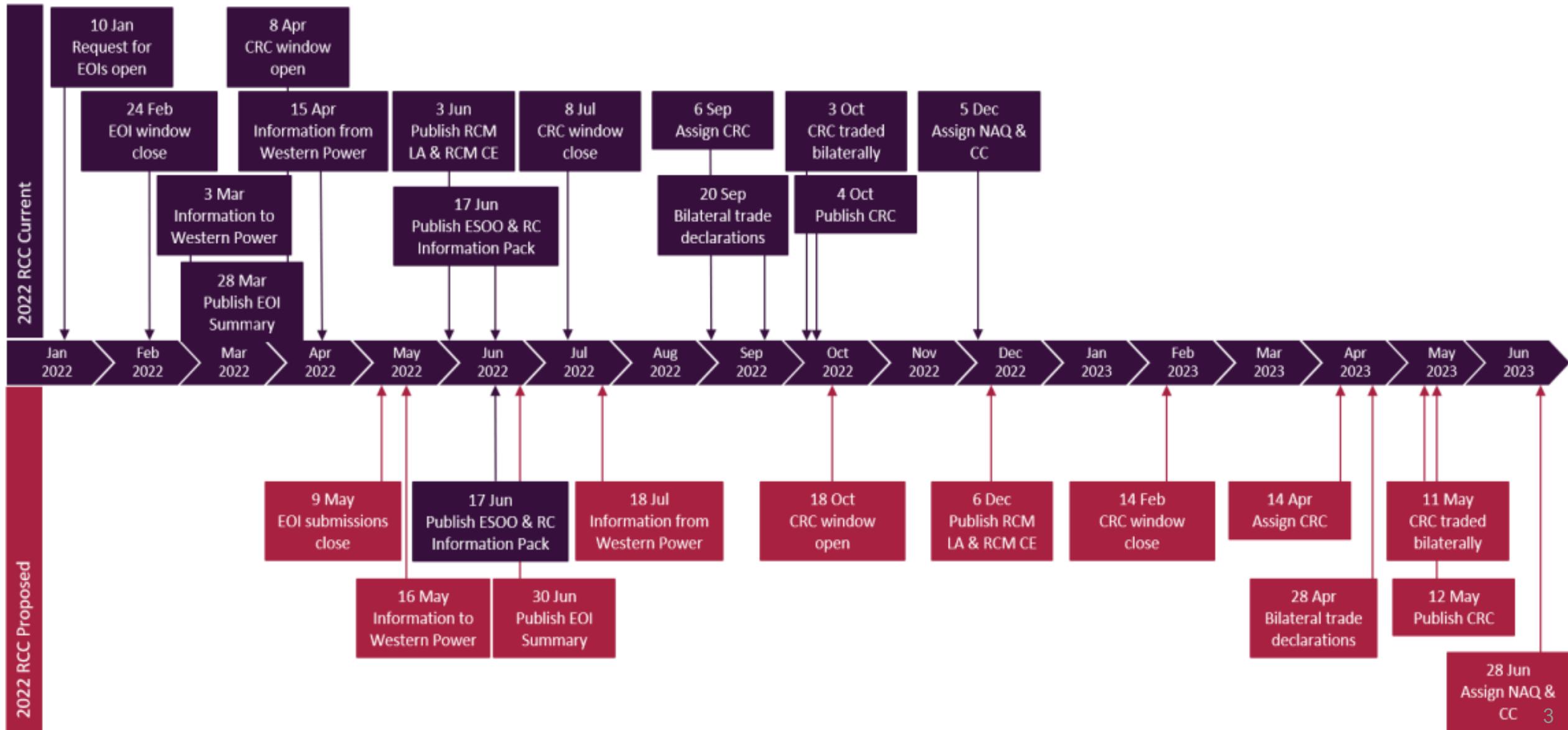
AEMO to **engage** with stakeholders more closely on the NAQ related WEM Procedures development.



Additional time for Western Power to **develop** their first RCM Limit Advice and AEMO to develop their first RCM Constraint Equations.

- Following a stakeholder consultation process and consideration of six submissions received, AEMO extended the dates in the 2022 RCC timetable as proposed in the consultation paper.
- The updated 2022 RCC timetable was published on the AEMO website on 18 February 2022.

2022 Reserve Capacity Timetable Deferral



NAQ WEMP Content

Head of Power is clause 4.15.17:

- Process and methodology in determining Facility Dispatch Scenarios;
- Processes, methodologies, inputs, parameters and assumptions to be applied in the NAQ Model;
- Process to determine the Network Access Quantity for each Facility;
- Process to follow when publishing information

NAQ WEMP Development Considerations

AEMO requires time to:

- develop methodology for processes which are not detailed in the rules.
- develop and test a model to ensure confidence in the NAQ outcome.
- determine a process for handling infeasible scenario's.

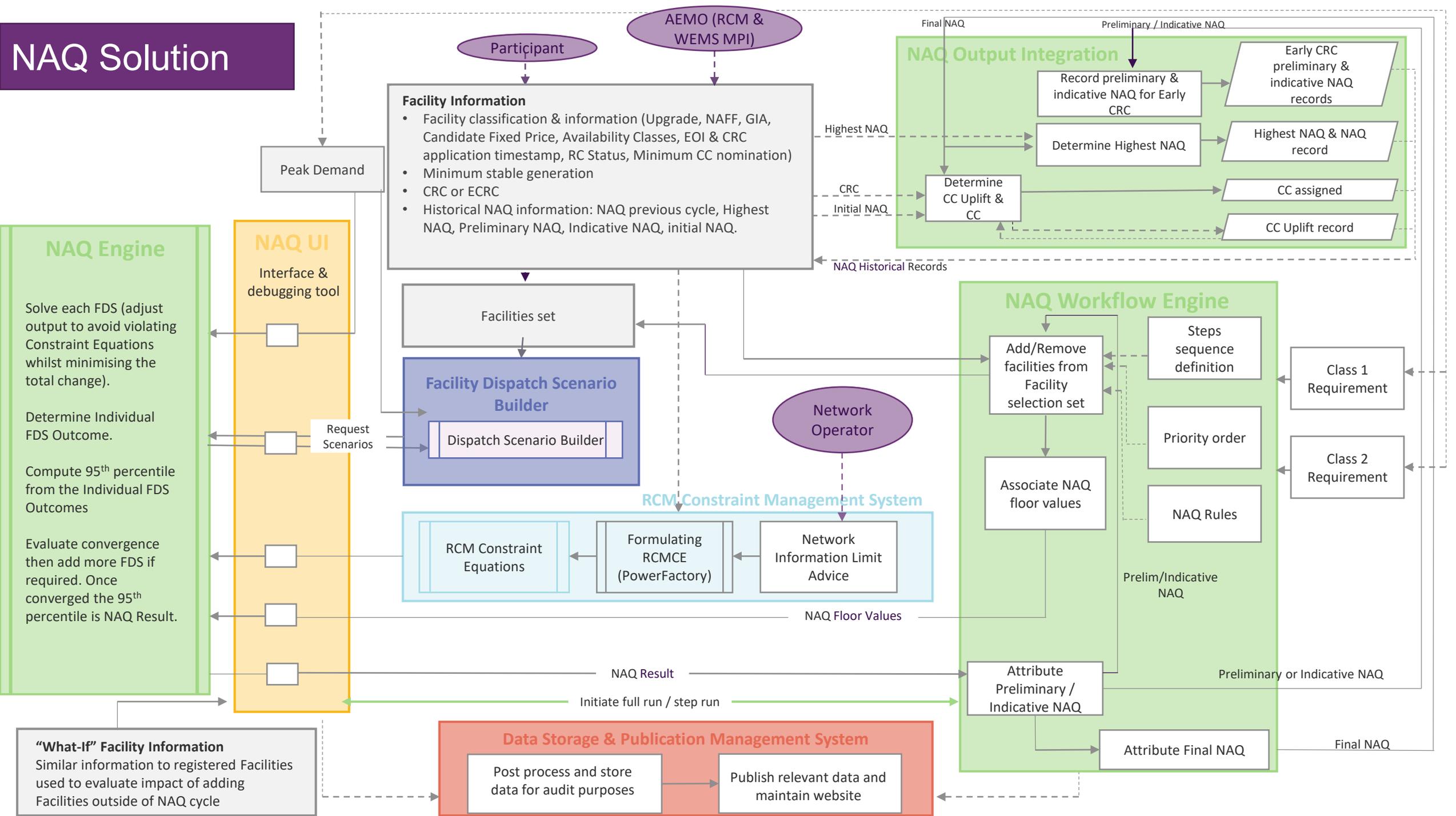
AEMO would like to use this deferral as an opportunity:

- to consult with Market Participants;
- for Market Participants to provide feedback; and
- for AEMO to allow time to consider the feedback in an effective manner.

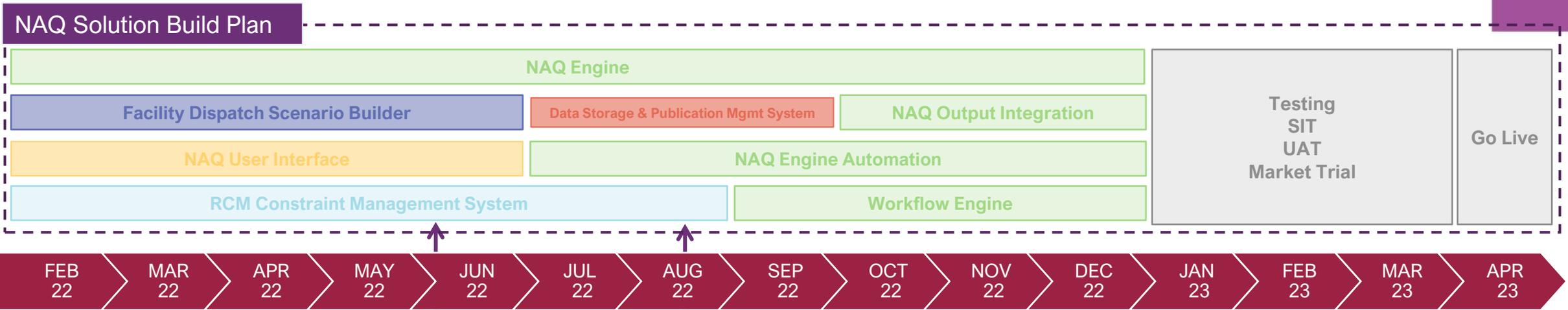
AEMO proposes to:

- delay the commencement of the WEMP from 1 Sep 2022 to **1 Mar 2023**.
- develop the NAQ WEMP in two phases, allowing time for Market Participants to build their knowledge prior to the WEMP commencement.

NAQ Solution



Alignment: WEMP Development & NAQ Solution Build



NAQ Solution Build Milestones Required for WEMP Content Development

Milestone #1 – 1 June 2022

- FDS Builder Core
- NAQ Engine Core

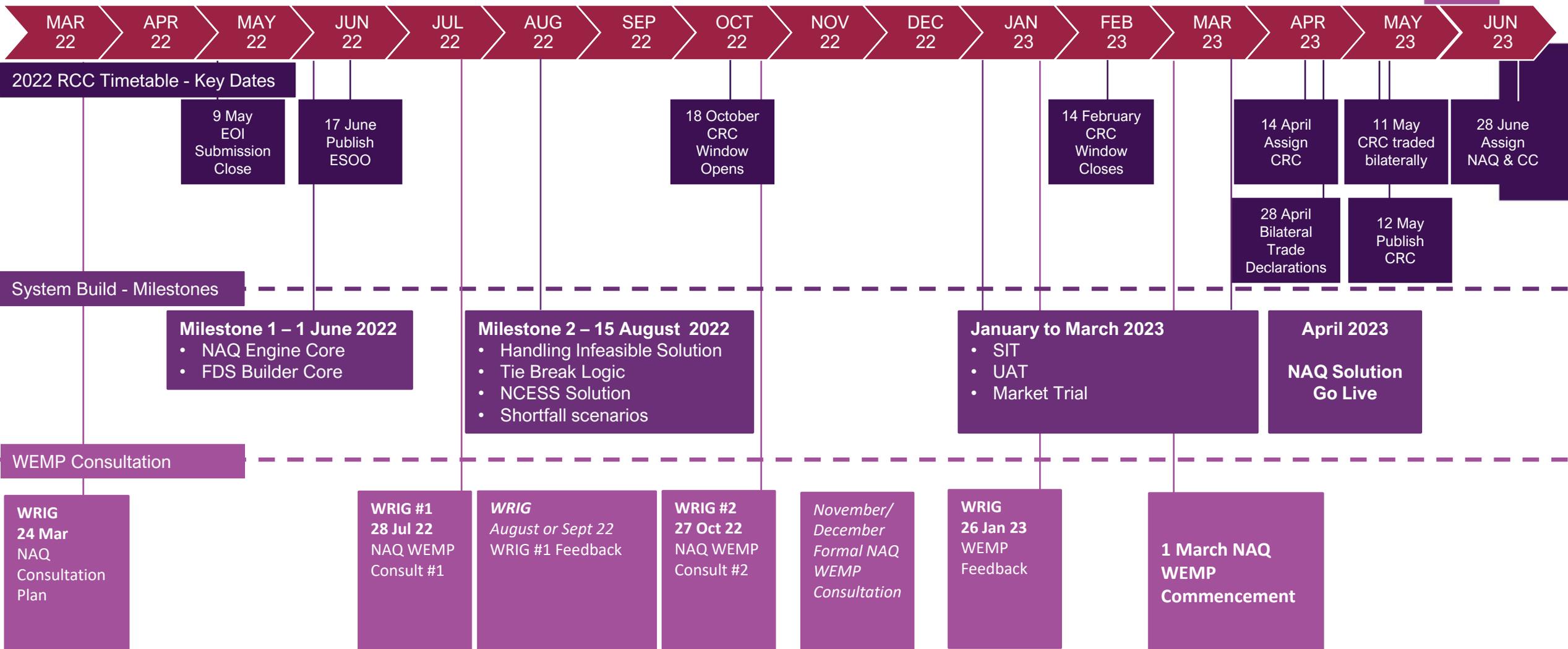
Required for WEMP Draft #1

Milestone #2 – 15 August 2022

- FDS Builder - Shortfall Scenarios
- FDS Builder/NAQ Engine - NCESS Solution
- NAQ Engine - Handling Infeasible Solution
- NAQ Engine Tie Break Logic

Required for WEMP Draft #2

Consultation Schedule



Proposed WRIG Content

WRIG #1 – 28 July 2022

- Base methodology for the creation of Facility Dispatch Scenarios
- Base assumptions, processes, methodologies, inputs, parameters to be applied in the NAQ Model
- Publication of NAQs including the assumptions and parameters used in the NAQ Model

WRIG #2 – 27 October 2022

- Process to follow in the creation of the Facility Dispatch Scenarios and the NAQ Engine solve in a shortfall scenario
- Process to follow with infeasible scenarios in the NAQ Engine and impact on the final/preliminary NAQ
- Process to follow in a tie-break scenario

Consultation

Consultation 1 - Informal

AEMO proposes to provide Market Participants the opportunity to provide feedback on the methodology to be presented in the slides at WRIG #1 in July 2022.

Feedback 1 - Informal

Feedback will be considered by AEMO and presented at a subsequent WRIG in August or September 2022.

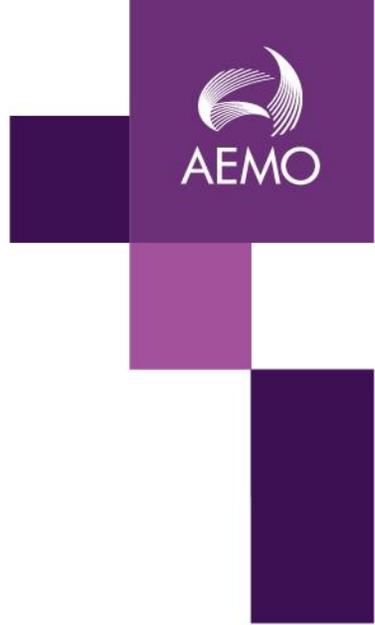
Consultation 2 - Formal

AEMO will provide opportunity for formal feedback on a draft version of the NAQ WEM Procedure in November or December 2022.

Feedback 2 - Formal

Feedback will be considered by AEMO and presented at a subsequent WRIG in January 2023.

Questions and Feedback



Additional comments or questions can be directed to AEMO by email to

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For more information visit

aemo.com.au