TRANCHE 8: EXPOSURE DRAFT

PROPOSED ELECTRICITY SYSTEM AND MARKET (ESM) AMENDING RULES

Explanatory Note for Exposure Draft of the Tranche 8 Proposed ESM Amending Rules

This Exposure Draft contains proposed Amending Rules to:

- implement a new method for calculation of the Availability Duration Gap, and:
  - increase the Reserve Capacity Target to account for the need for additional Reserve Capacity arising as a result of an increase to the ESR Duration Requirement (ESRDR) and the existing protection mechanism in the WEM Rules for Electric Storage Resources (ESR) previously certified on the basis of a shorter ESRDR;
  - increase the protection for ESR against an increase in ESRDR from five years to ten years and clarify how the protection applies in the event of a Facility upgrade; and
  - prioritise new Capability Class 1 and Capability Class 3 facilities in the Network Access Quantity framework, if AEMO has determined that further Capability Class 1 and Capability Class 3 capacity would be required to make up a shortfall;
- ensure that costs associated with the provision of RoCoF Control Service are appropriately allocated, by:
  - explicitly identifying the Constraint Equations used by AEMO to facilitate directions to provide RoCoF Control Service; and
  - replacing the Energy Uplift Payments made in these situations with a new payment type ("RCS Uplift Payment"), which will be similar to an Energy Uplift Payment except that the costs are allocated to all the causers of the RoCoF Control Service requirement;
- reflect recent changes to the *Electricity Industry Act 2004* and the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* (now the *Electricity Industry (Electricity System and Market) Regulations 2004*, including:
  - changing the name of the Wholesale Electricity Market (WEM) Rules to the Electricity System and Market (ESM) Rules;
  - replacing "WEM Regulations" with "ESM Regulations"; and
  - replacing the Wholesale Market Objectives with the new State Electricity Objective;
- extend the deadline for the Economic Regulation Authority (ERA) to publish Benchmark Reserve Capacity Prices for the 2026 Reserve Capacity Cycle until 15 March 2026;
- ensure that only Synergy (or an intermediary acting through Synergy) can associate non-contestable Non-Dispatchable Loads with a Demand Side Programme or Interruptible Load;
- remove the obligation on AEMO in clause 3.19.8 to notify affected Rule Participants about conflicting Outage Intention Plans;
- bring forward the commencement of clause 7.10.6B (which places restrictions on the operation of an Energy Producing System with Capacity Credits in a Facility that also includes a Load), while retaining a 1 October 2026 commencement for AEMO's associated monitoring obligations;
- amend clause 4.13.13, which specifies the conditions a Market Participant must meet to apply for the release of Reserve Capacity Security, to clarify that the Facility must meet the specified performance test in two Trading Intervals that fall within the relevant Capacity Year;
- amend clause 4.13B.2 to extend the deadline for the Coordinator's first review of the effectiveness of certification of Reserve Capacity for energy and availability limited technologies until 1 October 2026;
- clarify the publication requirements for Supplementary Capacity Contracts in section 4.24;
- remove the explicit obligation in clause 6.3A.2A for AEMO to publish demand forecasts for a Trading Day on the Scheduling Day;
- amend clause 7.6.31 to clarify the changes a Market Participant must make to its Real-Time Market Submissions if its Facility becomes Inflexible;
- amend clause 2.33.3 to require AEMO to only charge a single registration Application Fee for multiple Small Aggregations being registered by the same Market Participant;

- amend clause 4.10.1(f)(vi) to require Demand Side Programmes to be available from 6:00 AM to 10:00 AM and from 2:00 PM to 10:00 PM on Business Days (from the 2026 Reserve Capacity Cycle onwards);
- ensure that calculations of Observed Demand and Existing Facility Load for Scheduled Generation include appropriate adjustments for Demand Side Programmes and demand reductions due to the operation of Supplementary Capacity Contracts and NCESS Contracts;
- reapply changes intended to be implemented through previously made Amending Rules that will not commence due to drafting errors in Ministerial Instruments; and
- make minor error corrections and enhancements across all the WEM Rules.

This exposure draft is divided into eight schedules:

1. Availability Duration Gap amendments to commence on gazettal
2. Other Amending Rules to commence on gazettal
3. Amending Rules to commence on 1 January 2026, directly after commencement of Schedule 2 of the *Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2024* (RCM Sequencing Amendments)
4. Amending Rules to commence on 1 October 2026, directly after commencement of Schedule 3 of the RCM Sequencing Amendments
5. Amending Rules to commence on 1 October 2027, directly after commencement of Schedule 4 of the RCM Sequencing Amendments
6. Amending Rules to commence directly after commencement of Schedule 5 of the RCM Sequencing Amendments (date to be confirmed by AEMO)
7. RCS Uplift Payments (commencement date to be confirmed by AEMO, but expected in late 2025)
8. Amending Rules to commence directly after commencement of Schedule 2 of the Wholesale Electricity Market Amendment (Supplementary Capacity No. 3) Rules 2024 (date to be confirmed by AEMO)

The draft rules presented in this Exposure Draft are pending legal review. Following industry consultation and legal review, the proposed Amending Rules in this Exposure Draft will be submitted to the Minister for Energy for making and gazettal in May 2025.

Energy Policy WA is seeking stakeholder feedback on this Exposure Draft by **5:00 PM (WST) on 8 May 2025**. Feedback can be sent to **energymarkets@demirs.wa.gov.au.**

Mark-up Colour guide:

Text in black	Rules assumed to be in force at the time the Amending Rules in the relevant schedule are proposed to commence (based on confirmed commencement dates for Amending Rules made by the Minister and the Amending Rules in prior schedules of this exposure draft)
Text in red - underlined ~~and strikethrough~~	New amendments proposed under Tranche 8

Schedule 1: Availability Duration Gap (Amending Rules to commence on Gazettal)

Explanatory Note for the outcomes of the Availability Duration Gap (ADG) Review:

EPWA has completed a review of the ADG methodology in the WEM Rules. When the ADG method was first introduced in the WEM Rules, there was a limited amount of committed Electric Storage Resources (ESR). The WEM has since seen the successful introduction of 1.3 GW. While these ESR facilities provide an important set of services to the WEM, the ADG methodology must be reviewed and updated.

Schedule 1 of this Exposure Draft contains proposed Amending Rules to:

- implement a new method for calculation of the ADG;
- introduce a provision to increase the Reserve Capacity Target to account for the need for additional Reserve Capacity arising as a result of an increase to the ESR Duration Requirement (ESRDR) and the existing protection mechanism in the WEM Rules for ESR previously certified on the basis of a shorter ESRDR; and
- Introduce a provision to increase the protection for ESR against an increase in ESRDR from five years to ten years.

The Availability Duration Gap (ADG)

The ADG is a theoretical gap in the available capacity to meet peak demand due to the energy limited nature of Electric Storage Resources (ESR). Under the WEM Rules, AEMO must calculate the ADG each year and publish it in the Electricity Statement of Opportunities (ESOO).

The ADG is used to calculate the ESR Duration Requirement (ESRDR) for certified ESR facilities, which sets the continuous period of time an ESR must be available on each day. The ESRDR must be long enough to ensure that there are no shortfalls in capacity before and after the entire ESR fleet discharges its energy.

ESR are assigned Capacity Credits based on their linear derating across the ESRDR period, to ensure the ESR can be available for the entire ESRDR. This means that the ESRDR influences the amount of Capacity Credits a new ESR facility receives.

The ESRDR which applies in the year an ESR is first certified and assigned Capacity Credits is applied to the Facility for the first five years of its commercial operation, after which the ESRDR applicable to the relevant Capacity Year will apply to the Facility.

Issues with the current approach

When the ADG method was first implemented, there was a limited amount of committed ESR in the WEM. However, we have now observed the successful introduction of 1.3GW of ESR capacity in the WEM. While these ESR facilities provide an important set of services to the WEM, the ADG methodology must be updated.

At the end of last year, it was identified that the ADG method, which was amended earlier in the year, would have resulted in an ESROD of 15.5 hours, longer than the 14-hour fuel requirement for Capability Class 1 Facilities. That outcome demonstrated that the amended ADG methodology was also flawed. To address this, a further change to the methodology was introduced on 15 January 2025 to restrict its consideration to the peak demand day only. This

was introduced as a “back stop” while EPWA was conducting a fulsome review of the ADG method.

EPWA has now assessed the current ADG method against four alternative methods to determine the most suitable method for the ADG calculation. EPWA collaborated with AEMO throughout this review. Following this analysis and review, EPWA proposes to implement the following method in the WEM Rules.

EPWA’s proposed approach

EPWA proposes a new method, which uses the current ADG method as a foundation, but is applied by extending the ESR Obligation Duration (ESROD) by one Trading Interval until the ADG equals zero in the 1 in 10 Peak Demand scenario. The extended ESROD will then become the new ESRDR.

We consider that this method is an improvement on the current methodology as it notionally de-rates all existing ESR to ensure that the ADG is zero in the 1-in-10 Peak Demand scenario.

EPWA proposes to extend the five-year protection for existing ESR to ten years to increase investment certainty for ESR proponents.

Due to this protection (by which ESR continues to receive Certified Reserve Capacity based on the ESRDR in the Reserve Capacity Cycle it was first certified), there will be a gap between the actual capacity available to meet the Reserve Capacity Target and the capacity which is assigned Capacity Credits. To correct this, EPWA proposes to introduce a provision to calculate this gap, and add this to the Reserve Capacity Target determined in accordance with limb (a) of the Planning Criterion in clause 4.5.9 of the WEM Rules. This will ensure that potential shortfalls in available capacity to meet the 1-in-10 Peak Demand do not arise.

Draft Amending Rules:

4.5. Long Term Projected Assessment of System Adequacy

Explanatory Note

Clause 4.5.9(a) is amended to include the ESR Duration Requirement Uplift calculated using the new methodology.

4.5.9. The Planning Criterion to be used by AEMO in undertaking a Long Term PASA study is that there should be sufficient available capacity in each Capacity Year during the Long Term PASA Study Horizon to:

(a) meet the forecast peak demand (including transmission losses and allowing for Intermittent Loads) supplied through the SWIS plus:

i. ~~plus~~ a reserve margin equal to the greater of:

1. ~~i.~~ the forecast peak demand (including transmission losses and allowing for Intermittent Loads) multiplied by the proportion of Capacity Credits expected to be unavailable at the time of peak demand due to Forced Outages based on Forced Outage rates calculated in accordance with the WEM Procedure specified in clause 4.9.10, excluding

Forced Outages of Facilities to which clause 4.11.1A applies; and

2.~~ii.~~ the size, in MW, of the largest contingency relating to loss of supply (related to any Facility, including a Network) expected at the time of forecast peak demand (including transmission losses and allowing for Intermittent Loads), and

ii. the ESR Duration Requirement Uplift calculated in Part C of Appendix 11,

while maintaining the SWIS frequency in accordance with the Normal Operating Frequency Band and the Normal Operating Frequency Excursion Band. ~~-~~The forecast peak demand should be calculated to a probability level that the forecast would not be expected to be exceeded in more than one year out of ten;

(b) limit expected energy shortfalls to 0.0002% of annual energy consumption (including transmission losses); and

(c) meet the highest forecast Four-Hour Demand Increase, plus a reserve margin equal to:

i. the highest forecast Four-Hour Demand Increase; multiplied by

ii. the proportion of Flexible Capacity expected to be unavailable at the time of the highest forecast Four-Hour Demand Increase due to Forced Outages based on Forced Outage rates calculated in accordance with the WEM Procedure specified in clause 4.9.10, excluding Forced Outages of Facilities to which clause 4.11.1A applies. If AEMO is unable to calculate an expected Forced Outage rate for Flexible Capacity, AEMO must use the equivalent expected Forced Outage rate for Peak Capacity.

4.5.10. AEMO must use the information assembled under clauses 4.5.2, 4.5.2A, 4.5.4, 4.5.5, 4.5.6 and 4.5.8 to:

(a) forecast the peak demand, annual energy, and demand in each Trading Interval in each Relevant Year in the Long Term PASA Study Horizon, for each of the following scenarios:

i. median peak demand assuming low demand growth;

ii. one in ten year peak demand assuming low demand growth;

iii. median peak demand assuming expected demand growth;

iv. one in ten year peak demand assuming expected demand growth;

v. median peak demand assuming high demand growth;

vi. one in ten year peak demand assuming high demand growth,

where the low, expected, and high demand growth cases reflect demand changes stemming from different levels of economic growth, with these

being temperature adjusted to produce the one in ten year peak demand cases.

(aA) assess the extent to which the anticipated installed capacity of the Energy Producing Systems and Demand Side Programmes is capable of satisfying the Planning Criterion (taking into account network congestion), identifying any shortfalls in Peak Capacity or Flexible Capacity in each Relevant Year in the Long Term PASA Study Horizon, for the scenario described in clause 4.5.10(a)(iv);

(b) forecast the expected peak demand and the corresponding Peak Reserve Capacity Target for each Capacity Year during the Long Term PASA Study Horizon, where:

i. the Peak Reserve Capacity Target for a Capacity Year is the Peak Capacity required to meet the requirements specified in clauses 4.5.9(a) and 4.5.9(b) assuming no network congestion in that year under the scenario described in clause 4.5.10(a)(iv); and

ii. the expected peak demand in that year is the peak demand under the scenario described in clause 4.5.10(a)(iv);

…

Explanatory Note

Clause 4.5.12(d) is amended to account for the changes to the ADG method and introduce the requirement for AEMO to publish the newly introduction ESR Duration Requirement Uplift.

Clause 4.5.12(i) is amended to specify the scenario that used to be the Availability Duration Gap Load Scenario because the defined term is proposed to be deleted.

While the current WEM Rules require AEMO to determine under clause 4.5.12(i) if further Capability Class 1 and Capability Class 3 capacity would be required to make up a shortfall against the second limb of the Planning Criterion in clause 4.5.9(b), they do not specify a mechanism or an incentive to fill that shortfall.

New clause 4.15.12A is proposed under which, if AEMO has determined that further Capability Class 1 and Capability Class 3 capacity would be required to make up a shortfall, any Capability Class 1 and Capability Class 3 Facility that has not been assigned a Network Access Quantity in any previous Reserve Capacity Cycle is to be deemed to be an “NAQ Facility” (as defined in Appendix 3).

4.5.12. For the third Capacity Year of the Long Term PASA Study Horizon, AEMO must determine the following information:

…

(d) the ~~forecast~~ ESR Duration Requirement, ~~which is~~ the Availability Duration Gap and the ESR Duration Requirement Uplift ~~for the relevant Capacity Year~~, as calculated in accordance with Appendix 11~~plus the ESR Duration Requirement for the previous Reserve Capacity Cycle~~;

…

(h) the Flexible Demand Side Programme Dispatch Requirement, which is the minimum number of Trading Intervals in the applicable Capacity Year in which a Demand Side Programme with Flexible Capacity Credits can be dispatched in addition to its Peak Demand Side Programme Dispatch Requirement and is the greater of eight and the Peak Demand Side Programme Dispatch Requirement; ~~and~~

(i) the minimum capacity required to be provided by Capability Class 1 and Capability Class 3 capacity if clause 4.5.9(b) is to be satisfied. ~~-~~This minimum capacity is to be set at a level such that if clauses 4.5.9(a) and 4.5.9(b) and the criteria for evaluating Outage Plans set out in clause 3.18E.8 were to be applied to the ~~Availability Duration Gap Load Scenario, then it would be possible to satisfy the Planning Criterion and the Outage Evaluation Criteria using, to the extent that the capacity is anticipated to provide Certified Reserve Capacity, the anticipated installed Capability Class 1 and Capability Class 3 capacity and to the extent that further Capability Class 1 and Capability Class 3 capacity would be required, an appropriate mix of Capability Class 1 and Capability Class 3 capacity to make up that shortfall.~~ load scenario described in clause 4.5.10(a)(iv) adjusted as if:

i. each Electric Storage Resource which has Capacity Credits was dispatched, in accordance with its obligations, so as to minimise the peak demand during that Capacity Year;

ii. each Demand Side Programme with Capacity Credits were activated, in accordance with its obligations, so as to minimise the peak demand during that Capacity Year; and

iii. any other Facility or Separately Certified Component that is expected to have a Peak Reserve Capacity Obligation Quantity of zero in some Trading Intervals and greater than zero in other Trading Intervals is activated during the Capacity Year so as to minimise the peak demand during that Capacity Year,

then it would be possible to satisfy the Planning Criterion and the Outage Evaluation Criteria using, to the extent that the capacity is anticipated to provide Certified Reserve Capacity, the anticipated installed Capability Class 1 and Capability Class 3 capacity and to the extent that further Capability Class 1 and Capability Class 3 capacity would be required, an appropriate mix of Capability Class 1 and Capability Class 3 capacity to make up that shortfall; and

(j) any shortfall in Capability Class 1 and Capability Class 3 capacity, being the difference between the sum of all existing and committed Capability Class 1 and Capability Class 3 capacity and the minimum capacity determined under clause 4.5.12(i). For the avoidance of doubt, a negative shortfall should not be determined.

4.5.12A. If AEMO has determined under clause 4.5.12(i) that further Capability Class 1 and Capability Class 3 capacity would be required to make up a shortfall determined in accordance with clause 4.5.12(j), any Capability Class 1 and Capability Class 3 Facility that has not been assigned a Network Access Quantity in any previous Reserve Capacity Cycle is to be deemed to be an "NAQ Facility" (as defined in Appendix 3) for the purposes of Appendix 3.

Explanatory Note

Clause 4.5.13(eC)(i) is amended to remove the definition of Availability Duration Gap Load Scenario as the new ADG method does not require this load scenario. This concept will only be used by clause 4.5.12 which has been amended to allow removal of this defined term.

Clause 4.5.13(eC)(iii) has been amended to remove the method for calculating the ADG. This method is proposed to be moved to Appendix 11.

4.5.13. The Statement of Opportunities Report must include:

…

(eB) for each Capacity Year of the Long Term PASA Horizon:

i. any planned changes (other than augmentations covered by clause 4.5.13(eB)(ii)) that are expected to impact Network limits or constraints;

ii. any planned augmentations to the SWIS, including augmentations to be paid for by an applicant seeking access, or increase to an Arrangement for Access, to the transmission system that is publicly available information and of which AEMO is aware;

iii. any Network limitations identified in the Network Access Quantity Model outputs in the immediately preceding Reserve Capacity Cycle; and

iv. details of each Facility for which AEMO has received a notice under clause 4.4A.1 where the intention is for the Facility to cease operation permanently;

(eC) for each Capacity Year of the Long Term PASA Study Horizon, the following information determined by AEMO:

i. [Blank]~~the Availability Duration Gap Load Scenario, which is the load scenario described in clause 4.5.10(a)(iv), adjusted as if:~~

~~1. each Electric Storage Resource which has Capacity Credits for any future Capacity Year was dispatched, in accordance with its obligations, so as to minimise the peak demand during that Capacity Year;~~

~~2. all Demand Side Programmes with Capacity Credits for a future Capacity Year were activated during the Capacity Year so as to minimise the peak demand during that Capacity Year; and~~

~~3. any other Facility or Separately Certified Component that is expected to have a Peak Reserve Capacity Obligation Quantity of zero in some Trading Intervals and greater than zero in other Trading Intervals is activated during the Capacity Year so as to minimise the peak demand during that Capacity Year;~~

ii. the Indicative Peak Electric Storage Resource Obligation Intervals;

iii. the Availability Duration Gap calculated in accordance with Appendix 11; and~~, which:~~

~~1. is the maximum number of Trading Intervals adjacent to the Indicative Peak Electric Storage Resource Obligation Intervals identified in clause 4.5.13(eC)(ii) that is in the Availability Duration Gap Load Scenario, in which demand is greater than the maximum demand in any of the Indicative Peak Electric Storage Resource Obligation Intervals for that Trading Day; and~~

~~2. only considers the Trading Day with the highest peak demand for the given Capacity Year in the load scenario described in clause 4.5.10(a)(iv);~~

~~(iv)~~iv. the expected forecast ESR Duration Requirement ~~for each Capacity Year during the Long Term PASA Study Horizon~~, which for the third Capacity Year of the Long Term PASA Study Horizon must be consistent with the determination under clause 4.5.12(d);

(f) the Availability Curve for the second and third Capacity Years of the Long Term PASA Study Horizon; and

(g) the quantities determined under clause 4.5.12 for the third Capacity Year of the Long Term PASA Study Horizon.

…

Glossary

…

Availability Duration Gap: For a Capacity Year, the value most recently determined by AEMO under Part B of Appendix 11~~clause 4.5.13(eC)(iii)~~.

~~**Availability Duration Gap Load Scenario:** For a Capacity Year, the load scenario determined by AEMO under clause 4.5.13(eC)(i).~~

…

ESR Duration Requirement: For a Reserve Capacity Cycle, the number of Trading Intervals in each Trading Day in the applicable Capacity Year to be designated as Peak

Electric Storage Resource Obligation Intervals for Electric Storage Resources first allocated Peak Capacity Credits in that Reserve Capacity Cycle, which is:

(a) for Reserve Capacity Cycles up to and including the 2024 Reserve Capacity Cycle, eight Trading Intervals; and

(b) for Reserve Capacity Cycles after 2024, the value determined by AEMO under clause 4.5.12(d) for the third Capacity Year of the Long Term PASA Study Horizon in the relevant Reserve Capacity Cycle.

ESR Duration Requirement Uplift: Is calculated in accordance with Part C of Appendix 11.

…

Indicative Peak Electric Storage Resource Obligation Intervals: For a Trading Day in a Capacity Year, the set of contiguous Trading Intervals which includes ~~minimises~~ the daily peak demand Trading Intervals for that Trading Day ~~by discharging each Electric Storage Resource evenly across those Trading Intervals and for~~ and in which the number of Trading Intervals equals the ESR Duration Requirement for the previous Reserve Capacity Cycle.

…

Peak Electric Storage Resource Obligation Duration: For an Electric Storage Resource and a Trading Day, the contiguous Trading Intervals ~~which have the Mid Peak Electric Storage Resource Obligation Interval in the middle~~ published by AEMO in accordance with clause 4.11.3A, where:

(a) the number of Trading Intervals is equal to:

i. if the Electric Storage Resource first received Capacity Credits within any of the ~~four~~ nine previous Capacity Years, and does not include a Facility upgrade that first received Capacity Credits in a later Capacity Year, the ESR Duration Requirement for the Capacity Year in which ~~it~~ the Electric Storage Resource first received Capacity Credits; and

ii. otherwise the ESR Duration Requirement for the current Capacity Year; and

…

Explanatory Note

The definition of NAQ Facility is amended to account for Facilities deemed to be NAQ Facilities under new clause 4.5.12A.

Appendix 3: Determination of Network Access Quantities

…

In this Appendix 3:

- …
- "NAQ Facility" means:
    - a Facility for which a Final Network Access Quantity has been determined in a previous Reserve Capacity Cycle and the Facility has been assigned Peak Certified Reserve Capacity for the current Reserve Capacity Cycle;
    - an Early CRC Facility where the current Reserve Capacity Cycle is the Reserve Capacity Cycle in which the Facility will first deliver Peak Capacity; ~~or~~
    - a Facility which is deemed to be an NAQ Facility in accordance with clause 4.15.12A; or
    - a Facility that has been assigned Peak Certified Reserve Capacity and is subject to an NCESS Contract for the current Reserve Capacity Cycle,

    but excludes a Facility for which AEMO has received a notice under section 4.4A.1 that the Facility is expected to retire in the Capacity Year to which the current Reserve Capacity Cycle relates and the notice has not been withdrawn under clause 4.4A.6;
- …

…

Explanatory Note

While EPWA is only consulting on the Amending Rules, it has provided below information and analysis outlining the purpose and outcomes of its review of the ADG.

In its review, EPWA considered five approaches to calculating the Availability Duration Gap.

These methods were assessed against a defined criteria outlined in the table below:

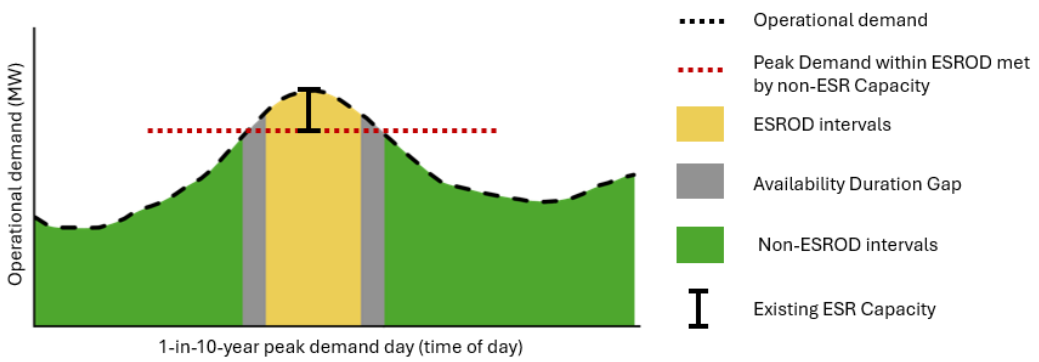
Criteria	**Description**
ESR's contribution to reliability	Does the method effectively represent ESR's contribution to reliability?
Investment certainty – predictability and volatility of ESROD	How easily can the method be used to predict the future ESROD and potential ESROD changes. How volatile is the change in ESROD year-on-year.
Sensitivity to "flat" demand shapes	How sensitive is the method to flat demand shapes. This is important to consider as flatter demand shapes can lead to higher ESRODs than required for some methods.
Sensitivity to step change in ESR capacity	How sensitive is the method to step changes in ESR capacity. This is also a consideration for investment certainty and ensure that small increases in ESR capacity increase the ESROD.
Ease of implementation and rollout across 10 years	

Below is a summary of the approaches considered, and why they were not considered for implementation where relevant.

Current method

The current method forecasts the 1 in 10 years peak demand for the relevant Capacity Year and subtracts the ESR capacity to determine the residual demand. The number of adjacent intervals which have a higher operational demand than the highest interval within the ESROD becomes the ADG. The ADG is then added to the ESROD of the previous year to determine the ESROD for the new capacity year.

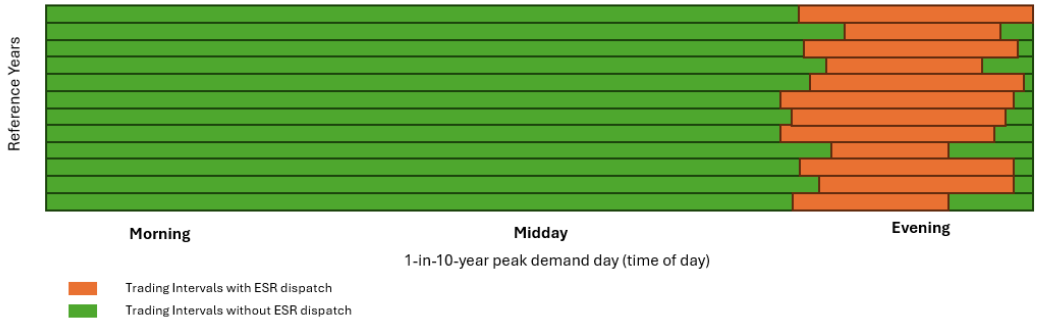
EPWA assessed the current ADG method against the criteria and it was excluded due to the high sensitivity to flat demand shape and highly sensitive to step changes in ESR capacity.



Method based on WEM ESOO dispatch modelling

EPWA developed and assessed a method based on WEM ESOO dispatch modelling results. This method undertakes Limb B dispatch modelling according to the WEM ESOO methodology and uses the modelling results of the ESR dispatch data. The method takes the top 1 day in the modelled future year of interest and determines the number of half-hourly intervals over which the ESR is dispatched. This number of intervals would establish the ESROD.

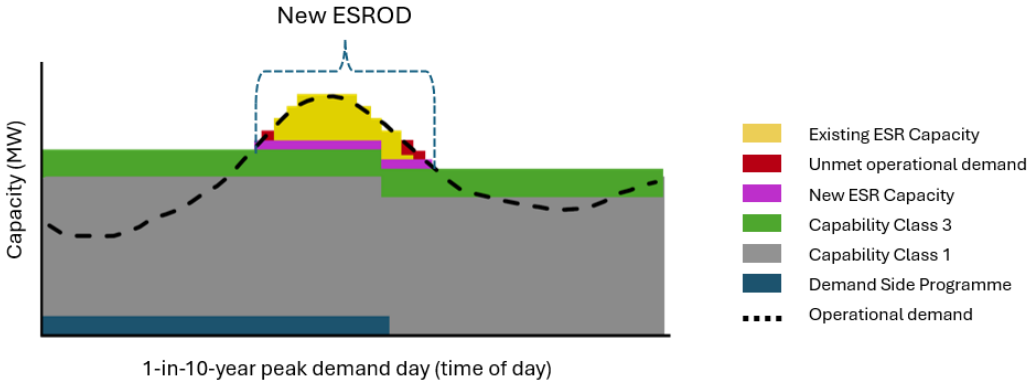
This method was excluded due to high volatility of ESROD from year to year and difficulty to predict the ESROD. This method was also excluded based on its difficulty to implement. This method requires market dispatch modelling in line with WEM ESOO limb b assessment methodology.



Bottom-up method

EPWA developed and assessed a method which, for the top 1 day in the future year of interest, determined the operational demand profile plus reserve margin, and created a Capacity Credit stack for Capability Class 1 and 3, and DSP facilities. This method then determined the amount of ESR capacity required to meet the demand profile and assesses this against the current ESR capacity. The number of trading intervals in which the operational demand is not met by ESR becomes the ADG under this method.

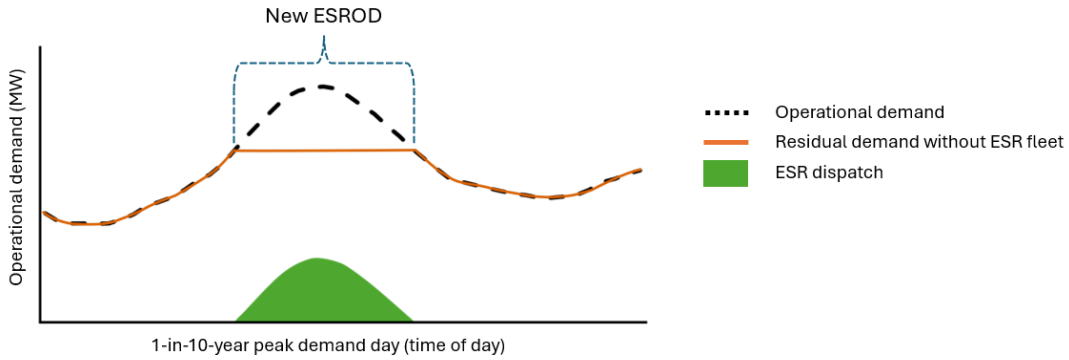
EPWA considers that this method would result in moderate volatility of the ESROD and would be difficult to implement due to the requirement of forecast demand profiles and requires AEMO to predict the mix of the Capability Classes of incoming Facilities over the next 10 years.



Top-down method

EPWA developed and considered a method which identifies the peak operation demand day for the modelled future year of interest and obtains half-hourly demand profile for the day. This method then determines what ESROD would result in complete dispatch of the ESR fleet to 'shave' the peak. This would become the ESROD.

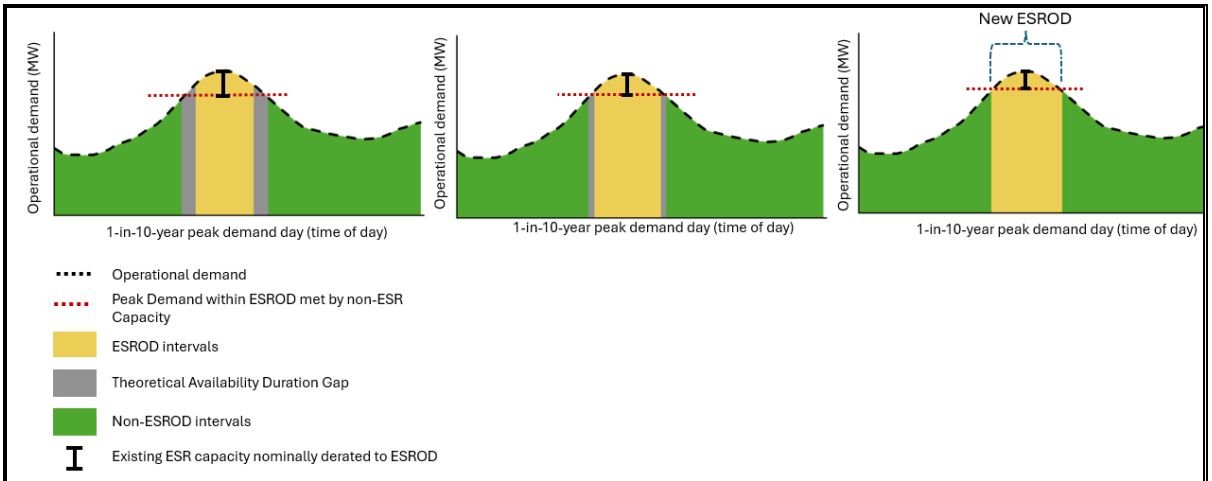
EPWA considers this method was excluded due to difficulty of implementation as this method requires forecast of demand profiles and requires the prediction of Capacity Credits for the ESR fleet over the next 10 years.



Proposed method

The method proposed by EPWA is based on the current method, however repeats the process of the current method while increasing the ESROD by one trading interval each time until the ADG equals zero. The new extended ESROD establishes the ESROD for the upcoming Capacity Year.

EPWA considers that this method provides a degree of investment certainty by providing a predictable ESROD with low volatility year-on-year. EPWA considers this easily implemented by AEMO as it leverages forecasts already undertaken by AEMO its assessment of estimated unserved energy under Limb B of the planning criterion and does not require AEMO to make any assumptions regarding entry of new future capacity.



Proposed Appendix 11 sets out the proposed method for calculation of the Availability Duration Gap.

~~Appendix 11: [Blank]~~

Appendix 11: Availability Duration Gap Determination

Appendix 11 Overview

- Part A of this Appendix 11 sets out definitions and introductory material.
- Part B sets out the method of determining the Availability Duration Gap.
- Part C sets out the method of determining the ESR Obligation Duration Uplift

Part A: Introduction

Interpretations and Definitions

A.1. This Appendix 11 prescribes the method for determining the Availability Duration Gap for each Capacity Year (CY) during the Long Term PASA Study Horizon and the ESR Duration Requirement Uplift for the third Capacity Year of the Long Term PASA Study Horizon.

A.2. In this Appendix 11:

(a) "ESR Capacity" is the total amount of Peak Capacity Credits assigned in the most recent Reserve Capacity Cycle to Electric Storage Resources, expressed in MW;

(b) "ESRDR" of an Electric Storage Resource is the number of Trading Intervals in the Peak Electric Storage Resource Obligation Duration that

was the basis of assigning Capacity Credits to the Electric Storage Resource in the most recent Reserve Capacity Cycle.

(c) "ESR MW Capacity" of an Electric Storage Resource is the number of Capacity Credits assigned to the Electric Storage Resource in the most recent Reserve Capacity Cycle.

(d) "Minimum ESROD" is the Peak Electric Storage Resource Obligation Duration for the previous year Reserve Capacity Cycle;

(e) "Peak Trading Interval" of a reference Day is the Trading Interval of the Reference Day Demand Profile with the largest Operational Demand Estimate;

(f) "Peak Trading Interval Demand" of a Reference Day, is the Operational Demand Estimate of the Peak Trading Interval of the reference Day;

(g) "Reference ADG" is the reference Availability Duration Gap calculated for each Reference Day under steps B.1.3 to B.1.7;

(h) "Reference Day" of a Reference Year is the day, which contains the Trading Interval with the highest demand and reflects the one-in-ten years peak demand scenario under expected demand growth for each Reference Year used by AEMO to calculate the expected energy shortfalls under clause 4.5.9(b);

(i) "Reference Day Demand Profile" for Reference Day is the demand profile, setting out the operational demand for each Trading Interval in each Reference Day as used by AEMO to calculate the expected unserved energy under clause 4.5.9(b);

(j) "Reference ESROD" is the number of Trading Intervals in the interim Peak Electric Storage Resource Obligation Duration used for each iteration under step B.1.6.

(k) "Reference Year" is a reference year used by AEMO for the purpose of calculating the expected energy shortfalls under clause 4.5.9(b);

(l) "Smallest ESRDR" is the shortest Peak Electric Storage Resource Obligation Duration among the Electric Storage Resources which were assigned Capacity Credits in the most recent Reserve Capacity Cycle.

(m) "Total Group ESR MW Capacity(r)" of Electric Storage Resource Duration Requirement r is the sum of all ESR MW Capacity of all Electric Storage Resources with Electric Storage Resource Duration Requirement r.

(n) "Total Group ESR MWh Capacity(r)" of Electric Storage Resource Duration Requirement r is the sum of all ESR MWh Capacity for all Electric Storage Resources with Electric Storage Resource Duration Requirement r.

A.3. AEMO must determine the Availability Duration Gap for each Capacity Year during the Long Term PASA Study Horizon by following each of the steps set out in Part B of this Appendix 11.

A.4. AEMO must determine the ESR Obligation Duration Uplift as the amount of additional capacity, in MW, to be added to the Peak Reserve Capacity Target under clause 4.5.9(a)(ii) for Capacity Year 3 of the Long Term PASA Study Horizon by following the steps set out in Part C of this Appendix 11.

Part B: Process Steps for Availability Duration Gap Determination

Step B.1: Determine the Reference ADG for each Reference Day

B.1.1. Identify the Reference Day of each Reference Year.

B.1.2. AEMO must determine the Reference ADG for each Reference Day d identified under step B.1.1 using steps B.1.3 to B.1.8.

B.1.3. Calculate the residual demand ("**Residual Demand**") for Reference Day d as:

Peak Trading Interval Demand (d) – ESR Capacity

B.1.4. If, for Reference Day d, the Operational Demand Estimate for none of the Trading Intervals adjacent to the Minimum ESROD is greater than the Residual Demand determined in step B.1.3, then the Reference ADG is zero and step B.1.5 to B.1.8 do not apply, otherwise set the Reference ESROD as the Minimum ESROD and move to step B.1.5.

B.1.5. Calculate the Residual Demand for each Reference Day d for the Reference ESROD as:

Peak Trading Interval Demand (d) – Applicable ESR Capacity

Where:

Applicable ESR Capacity is:

$$\text{ESR Capacity} \times \frac{\text{Minimum ESROD}}{\text{Reference\_ESROD\_QTY}}$$

Where Reference_ESROD_QTY is the number of Trading Intervals in the Reference ESROD used in this step.

B.1.6. Select from the two Trading Intervals adjacent to the Reference ESROD applied, the one with the highest Operational Demand Estimate, if the Operational Demand of both Trading Intervals is equal, the Trading Interval adjacent to the last Trading Interval of the Reference ESROD is to be selected.

B.1.7. If:

(a) the Residual Demand calculated under step B.1.5 is greater or equal to the Operational Demand Estimate for the Trading Interval identified in step B.1.6, then move to step B.1.8 using the Reference ESROD used in step B.1.5; or

(b) otherwise, extend the Reference ESROD used in step B.1.5 by adding to it the Trading Interval identified under step B.1.6 and repeat step B.1.5.

B.1.8. Calculate the Reference ADG for each Reference Day d as:

Reference_ESROD_QTY – Minimum_ESROD_QTY

Where:

(a) Reference_ESROD_QTY is the number of Trading Intervals in the Reference ESROD determined in Step B1.7;

(b) Current_ESROD_QTY is the number of Trading Intervals in the Minimum ESROD.

Step B.2: Determine the Availability Duration Gap

B.2.1. The Availability Duration Gap is the median of all Reference ADGs calculated under step B.1.2, rounded to the nearest multiple of 0.5.

Part C: Process Steps for Determining the ESR Obligation Duration Uplift

Step C.1: Determine the basis for the ESR Obligation Duration Uplift

C.1.1. Determine all Reference Day Demand Profiles for year 3 of the Long Term PASA Study Horizon.

C.1.2. Select all ESRDR for all Electric Storage Resources that were assigned Capacity Credits in the most recent Reserve Capacity Cycle and rank them from the shortest to the longest.

C.1.3. For Each Reference Day, Determine the Total Group ESR MW Capacity and the Total Group ESR MWh Capacity for all ESRDR selected under C.1.2, that include less Trading Intervals than the Reference_ESROD_QTY used in step B.1.8 for Reference Day d.

Step C.2: Determine the ESR Obligation Duration Uplift for each Reference Day

C.2.1. AEMO must determine the ESR Obligation Duration Uplift for each Reference Day, using steps C.2.2 to C.2.7.

C.2.2. If:

(a) the Availability Duration Gap determined under Part B is equal to zero; and

(b) the Smallest ESRDR is equal to or greater than the Reference_ESROD_QTY used in step B.1.8,

set the ESR Obligation Duration Uplift to zero and do not continue with the remainder of this Part C, otherwise move to step C.2.3.

C.2.3. Identify:

(a) the Derating Floor as the number of Trading Intervals in the Reference_ESROD_QTY used in step B.1.8 for Reference Day d; and

(b) the Starting ESROD as the period that satisfies the following:

i. contains the Peak Trading Interval;

ii. the number of Trading Intervals is equal to the number of Trading Intervals in the Smallest ESROD; and

iii. spans the Trading Intervals with the highest Operational Demand Estimates.

C.2.4. For each ESRDR r selected in step C.1.2, in order from the smallest to the largest, determine all Derating Tranches as a number of Trading Intervals and the corresponding Derating Tranche Depths in MW in accordance with steps C.2.5 and C.2.6.

C.2.5. The Derating Tranches of ESRDR r are determined by adding Derating Tranches until the Accumulated Used ESR MWh Capacity for r, as determined under step C.2.6(b), equals the Total Group ESR MWh Capacity of r, as follows:

(a) the first Derating Tranche of r is the greater of:

i. the ESRDR(r); and

ii. the Derating Tranche of ESRDR(r-1) plus one Trading Interval,

where ESRDR(r-1) is the ESRDR that ranks immediately before r; and

(b) any subsequent Derating Tranche of r is the smaller of:

i. the previous Derating Tranche plus 1 Trading Interval; and

ii. the Derating Floor.

C.2.6. For each Derating Tranche identified under C.2.5 of each ESRDR, from the smallest to the largest ESRDR and from the smallest to the largest Derating Tranche, determine the Derating Tranche Depth as:

(a) if the Derating Tranche equals the Derating Floor, then:

Total ESR MWh Capacity (r) – Accumulated Used ESR MWh Capacity (r)

Where:

i. Accumulated ESR Capacity of ESRDR(r) is the total of Used ESR MWh Capacity for all previous Derating Tranches for r; and

ii. Used ESR MWh Capacity of the Derating Tranche is determined as:

Derating Tranche Depth(Derating Tranche) x $\frac{\text{Derating Tranche}}{2}$, or

(b) otherwise, the smaller of:

i. lowest MW quantity, where the Derating Tranche equals the number of consecutive Trading Intervals, with an Operational Demand Estimate equal or greater than:

Peak Trading interval Demand – Accumulated Depth(r) - Derating Tranche Depth

Where the Accumulated Depth(r) is the sum of all Derating Tranche Depths for:

1. all Derating Tranches of all ESRDR that rank before r; and

2. all previous Derating Tranches for r, and

ii. Total Group ESR MWh Capacity (r) – Accumulated Used ESR MWh Capacity (r)

Where:

1. Accumulated Used ESR MWh Capacity(r) is the total of Used ESR MWh Capacity for all previous Derating Tranches for r.

2. Used ESR MWh Capacity of a Derating Tranche is determined as:

Derating Tranche Depth(Derating Tranche) x $\frac{\text{Derating Tranche}}{2}$.

C.2.7. Determine the Reference Day ESR Obligation Duration Uplift as:

ESR Capacity – Total Accumulated Depth

Where Total Accumulated Depth is the sum of all Derating Tranche Depths for all Derating Tranches for all ESRDR.

Step C.3: Determine the ESR Obligation Duration Uplift

C.3.1. Determine the ESR Obligation Duration Uplift as the median of all Reference Day ESR Obligation Uplifts rounded to the nearest multiple of 1, expressed in MW.

Schedule 2: Other Amending Rules to commence on Gazettal

Explanatory Note:

Following the *Electricity Industry (Distributed Energy Resources) Amendment Act 2024* being passed and the *Electricity Industry (Electricity System and Market) Regulations 2004* (ESM Regulations) replacing the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* (WEM Regulations) on 6 February 2025, the *Electricity Industry Act 2004* (Electricity Industry Act) now provides for there to be "electricity system and market rules" instead of "market rules" as it did previously. As such, the Wholesale Electricity Market Rules (WEM Rules) have been renamed to the Electricity System and Market Rules (ESM Rules).

The amendments to the Electricity Industry Act also introduced a new State Electricity Objective, which replaces the Wholesale Market Objectives in the ESM Rules.

The following changes will be made to the ESM Rules, except where otherwise noted in this Exposure Draft:

- every instance of "WEM Rules" will be replaced with "ESM Rules";
- every instance of "WEM Regulations" will be replaced with "ESM Regulations"; and
- every instance of "Wholesale Market Objectives" will be replaced with "State Electricity Objective".

These amendments are not marked up in this Exposure Draft.

1. Introduction

The ~~WEM Rules~~ Electricity System and Market Rules

1.1. Authority of ~~WEM Rules~~ the Electricity System and Market Rules

1.1.1. These are the ~~market rules~~ Electricity System and Market Rules ("ESM Rules") made under the Regulations and contemplated by section 123 of the Electricity Industry Act 2004 ("Electricity Industry Act").

…

Explanatory Note

Section 1.2 is replaced to reflect the introduction of the State Electricity Objective in the Electricity Industry Act.

Following the *Electricity Industry (Distributed Energy Resources) Amendment Act 2024* being passed, section 3A of the Electricity Industry Act now sets out the State Electricity Objective. The Minister, the Authority, the Coordinator and the Board must have regard to the State Electricity Objective when carrying out a function under this Act.

~~**1.2. Objectives**~~

~~1.2.1. The objectives of the market are:~~

~~(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;~~

~~(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;~~

~~(c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;~~

~~(d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and~~

~~(e) to encourage the taking of measures to manage the amount of electricity used and when it is used.~~

1.2. State Electricity Objective

1.2.1. The State Electricity Objective is to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity in relation to:

(a) the quality, safety, security and reliability of supply of electricity; and

(b) the price of electricity; and

(c) the environment, including reducing greenhouse gas emissions.

…

Explanatory Note:

Clause 1.63.9 is amended to:

- make it explicit that the formula uses the decimal value of the annual percentage change in the Consumer Price Index; and
- change the source of the index from the Reserve Bank to the Australian Bureau of Statistics.

The Reserve Bank of Australia sources the actual Consumer Price Index figures from the Australian Bureau of Statistics. Therefore, there is no change to the value used in the formula.

1.63.9. Notwithstanding clause 4.29.2, for the 2025 Reserve Capacity Cycle:

(a) the value of $\text{ForecastCPI}_{\text{cy-2}}$ for the purpose of clause 4.29.1C(f) is to be set as 0.11; and

(b) the value of $\text{ActualCPI}_{\text{cy-2}}$ for the purpose of clause 4.29.1C(g) is to be determined as:

$$\text{ActualCPI}_{\text{cy-2}} = 1.167 \times \left(1 + \text{ActualCPI}_{[\text{year}]}\right) - 1$$

~~where $ActualCPI_{[year]}$ is the latest published value of the Reserve Bank of Australia's Consumer Price Index for 'All groups not seasonally adjusted', for June of that year.~~

where $ActualCPI_{[year]}$ is the latest decimal value of the published annual percentage change in the Australian Bureau of Statistics quarterly Consumer Price Index for the Australian all groups (not seasonally adjusted), for June of that year.

…

1.65. Specific Transitional Provisions disapplying section 2.22A – determination of AEMO's budget

…

Explanatory Note

Clauses 1.65.4(b) and 1.65.5(b) are amended to make it explicit that the Wage Price figure:

- excludes bonuses; and
- uses the Original series published by the Australian Bureau of Statistics.

1.65.4. Notwithstanding clause 2.24.2(f), for the purpose of clause 2.24.2(a), for each Financial Year FY starting with the Financial Year commencing on 1 July 2025, the Market Participant Market Fee rate will be determined as follows:

$$\begin{aligned} &MP\ Market\ Fee\ rate(FY) \\ &\quad = \Big(\big(0.5 \times MP\ Market\ Fee\ rate(FY-1)\big) \\ &\quad \times \big(1 + WPI(March\ quarter\ FY-1)\big)\Big) \\ &\quad + \Big(\big(0.5 \times MP\ Market\ Fee\ rate(FY-1)\big) \\ &\quad \times \big(1 + CPI(March\ quarter\ FY-1)\big)\Big) \end{aligned}$$

where:

(a) MP Market Fee Rate(FY) is the Market Participant Market Fee rate of the Financial Year FY;

(b) WPI(March quarter FY-1) is the latest decimal value of the published annual percentage change in the Australian Bureau of Statistics Wage Price Index for the Australian all sectors excluding bonuses (Original) ~~(not seasonally adjusted)~~ for the March Quarter immediately preceding the start of the Financial Year (FY);

(c) CPI(March quarter FY-1) is the latest decimal value of the published annual percentage change in the Australian Bureau of Statistics Consumer Price Index for the Australian all groups (not seasonally adjusted) for the March Quarter immediately preceding the start of the Financial Year (FY); and

(d) MP Market Fee rate(FY-1) is the Market Participant Market Fee rate for the Financial Year preceding the Financial Year FY.

1.65.5. Notwithstanding clause 2.24.2(f), for the purpose of clause 2.24.2(d), for each Financial Year FY starting with the Financial Year commencing on 1 July 2025, the maximum amount AEMO can determine for each Application Fee is:

$$Max\_AF(t,FY) = \Big(\big(0.5 \times AF(t,FY-1)\big) \times \big(1 + WPI(March\ quarter\ FY-1)\big)\Big) + \Big(\big(0.5 \times AF(t,FY-1)\big) \times \big(1 + CPI(March\ quarter\ FY-1)\big)\Big)$$

where:

(a) Max_AF(t,FY) is the maximum Application Fee for the application type t for the Financial Year FY;

(b) WPI(March quarter FY-1) is the latest decimal value of the published annual percentage change in the Australian Bureau of Statistics Wage Price Index for the Australian all sectors excluding bonuses (Original) ~~(not seasonally adjusted)~~ for the March Quarter immediately preceding the start of the Financial Year (FY);

(c) CPI(March quarter FY-1) is the latest decimal value of the published annual percentage change in the Australian Bureau of Statistics Consumer Price Index for the Australian all groups (not seasonally adjusted) for the March Quarter immediately preceding the start of the Financial Year (FY);

(d) AF(t,FY-1) is the Application Fee for the application type t for the Financial Year preceding the Financial Year FY; and

(e) t is the application type.

…

Explanatory Note

It is expected that the Availability Duration Gap and, as a result, the ESR Duration Requirement would be extended in the 2025 WEM Electricity Statement of Opportunities (ESOO).

Under clause 4.16.11, the Coordinator must determine the Benchmark Capacity Providers within six months of the revised ESR Duration Requirement being published in the ESOO, if the ESR Duration Requirement determined by AEMO under clause 4.5.12(d) is different from the ESR Duration Requirement for the previous Reserve Capacity Cycle.

This may lead to a change to the Benchmark Capacity Providers.

Under clause 4.16.1, the ERA must publish a Peak Benchmark Reserve Capacity Price (BRCP) and a Flexible BRCP prior to 15 January 2026.

Under clause 4.16.3, the ERA must develop a WEM Procedure documenting the method it must use and the process it must follow in determining the BRCPs.

Under clause 4.16.9, the ERA must review the WEM Procedure within one year of the Coordinator's review under clause 4.16.11, if that review determines a change to a Benchmark Capacity Provider.

Two new transitional clauses are proposed to ensure that the ERA has sufficient time to review the relevant WEM Procedure, and develop and publish the BRCPs following the determination of the Benchmark Capacity Providers by the Coordinator.

1.68. Transitional Provisions for the Economic Regulation Authority's Determination of the Benchmark Reserve Capacity Prices for the 2026 Reserve Capacity Cycle

1.68.1. Clause 4.16.1 is modified so that the Economic Regulation Authority must publish the Benchmark Reserve Capacity Prices for the 2026 Reserve Capacity Cycle by 15 March 2026.

1.68.2. Clause 4.16.9(b) is modified so that the Economic Regulation Authority must review the WEM Procedure referred to in clause 4.16.3 within the timeframe required to meet the requirement of clause 1.68.1.

…

2.13. Compliance Monitoring and Enforcement

…

Explanatory Note

Clause 2.13.10 is amended to remove an obsolete reference to a blank clause (clause 2.13.7(b) was removed from the ESM Rules on 1 October 2023).

2.13.10. ~~Subject to clause 2.13.7(b),~~ AEMO is not required to monitor a Network Operator's behaviour for compliance with the WEM Procedures developed by the Network Operator.

…

Explanatory Note

The Market Surveillance Data Catalogue requirements include some information for which there is no applicable clause reference, leaving AEMO technically unable to comply with clause 2.16.3(a)(ii). The clause is amended to account for information of this type.

2.16.3. AEMO must maintain the Market Surveillance Data Catalogue, and must update it whenever it changes in accordance with clause 2.16.2E. AEMO must:

(a) develop, maintain and provide access to a data dictionary for the data items in the Market Surveillance Data Catalogue contained in AEMO's WEM systems. The data dictionary must:

i. contain sufficient information to enable a reasonable person to understand and locate the data items contained in AEMO's WEM systems;

ii. define all data items, including, if applicable, a cross reference to the relevant WEM Rules under which the data is produced or exchanged;

iii. where applicable, provide details of any preprocessing or analysis applied to data items; and

iv. where applicable, provide a means of identifying any revisions of data items and the timing of any such revisions;

(b) maintain the accuracy and quality of all data items to which access is provided to the Coordinator and the Economic Regulation Authority in accordance with clause 2.16.2B; and

(c) where it becomes aware that any of the data items is incorrect or inconsistent, correct or make consistent, as applicable, the data item as soon as practicable.

…

2.16A. General Trading Obligations

Explanatory Note

Clauses 2.16A.1 and 2.16A.2 are amended to correct typographical errors.

2.16A.1. ~~'[Blank]'.~~[Blank]

2.16A.2. ~~'[Blank]'.~~[Blank]

…

2.29. Facility Registration Classes

…

Non-Dispatchable Loads and the association and disassociation with Demand Side Programmes and Interruptible Loads

…

Explanatory Note

Clause 2.29.5AK is introduced to implement government policy published in the **DER Roadmap: DER Orchestration Roles & Responsibilities Information Paper**[1] (2022) that non-contestable customers can only be aggregated by Synergy (or an intermediary acting through Synergy).

Clause 2.29.5AL is introduced to ensure that Non-Dispatchable Loads which are being aggregated are equipped with a meter that can reclassified from accumulation meter to an interval meter under the Metering Code, following AEMO's acknowledgement that the application has been approved under clause 2.29.5F.

EPWA intends to amend the Metering Code to:

- allow Synergy to request that Western Power moves a non-contestable customer to an interval meter; and
- introduce a provision to allow Western Power to transition the non-contestable meter from the accumulation meter to an interval meter which will allow AEMO to access the meter data for use with baselining and service validation.

[1] https://www.wa.gov.au/system/files/2022-07/DER%20Orchestration%20Roles%20and%20Responsibilities%20information%20Paper.pdf

2.29.5AK. Synergy is the only Market Participant that may apply to AEMO to associate a Non-Dispatchable Load with a Demand Side Programme or an Interruptible Load under clause 2.29.5B, if that Non-Dispatchable Load is associated with a non-contestable customer as defined in the Metering Code.

2.29.5AL. A Market Participant intending to apply under clause 2.29.5B to associate a Non-Dispatchable Load with a Demand Side Programme or Interruptible Load must ensure that the Non-Dispatchable Load is equipped with a meter which complies with the requirements of clause 3.16 of the Metering Code.

..

3.8. Investigating Significant Incidents in the SWIS

…

Explanatory Note

Clause 3.8.3 is amended to insert a missing full stop.

3.8.3. Following the investigation, AEMO must publish a report detailing its findings and including:

(a) any reports provided in accordance with clause 3.8.2(d) after AEMO has removed any Confidential Information; and

(b) a description of any changes to the WEM Rules or WEM Procedures that AEMO considers necessary to prevent the future occurrence of similar incidents.

…

3.19. Outage Intention Plans

…

Explanatory Note

AEMO has proposed the removal of clause 3.19.8 for the following reasons:

> "Clause 3.19.8 is proposed to be removed to reduce duplication in process and minimise the potential for confusion, noting that conflicts do not occur at the Outage Intention Plan stage. Rather, Rule Participants are advised of potential conflicts based on forecast conditions and the non-binding Outage Intention Plans submitted by other Rule Participants. These potential conflicts are communicated by AEMO to Rule Participants through the Interim Annual Consolidated Outage Intention Plan, after which Rule Participants have the option to adjust their Outage Intention Plans prior to the completion of AEMO's Final Annual Consolidated Outage Intention Plan. Irrespective of whether an intended outage is adjusted based on a potential conflict, the outage may still be accepted, rejected, or withdrawn based on further information known closer to the planned outage time.
>
> The removal of clause 3.19.8 also removes the requirement for additional notifications, particularly in relation to network outages, which can be significant in number."

Feedback from Rule Participants is requested on any concerns they have about the removal of clause 3.19.8.

3.19.8. ~~In the event that Outage Intention Plans validly submitted by Market Participants or Network Operators under clauses 3.19.1, 3.19.2 or 3.19.9 conflict, AEMO must notify the affected Market Participants or Network Operators.~~[Blank]

…

4.5. Long Term Projected Assessment of System Adequacy

…

Explanatory Note

Clauses 4.5.10(a) and 4.5.10(aA) are amended to convert "Relevant Year" to lower case, because "relevant year" is not a defined term.

4.5.10. AEMO must use the information assembled under clauses 4.5.2, 4.5.2A, 4.5.4, 4.5.5, 4.5.6 and 4.5.8 to:

(a) forecast the peak demand, annual energy, and demand in each Trading Interval in each ~~Relevant Year~~ relevant year in the Long Term PASA Study Horizon, for each of the following scenarios:

i. median peak demand assuming low demand growth;

ii. one in ten year peak demand assuming low demand growth;

iii. median peak demand assuming expected demand growth;

iv. one in ten year peak demand assuming expected demand growth;

v. median peak demand assuming high demand growth;

vi. one in ten year peak demand assuming high demand growth,

where the low, expected, and high demand growth cases reflect demand changes stemming from different levels of economic growth, with these

being temperature adjusted to produce the one in ten year peak demand cases.

(aA) assess the extent to which the anticipated installed capacity of the Energy Producing Systems and Demand Side Programmes is capable of satisfying the Planning Criterion (taking into account network congestion), identifying any shortfalls in Peak Capacity or Flexible Capacity in each ~~Relevant Year~~ relevant year in the Long Term PASA Study Horizon, for the scenario described in clause 4.5.10(a)(iv);

…

…

Explanatory Note

Clause 4.5B.5(h) is amended to use mixed case for the defined term “Market Information”.

4.5B.6. A Network Operator must consult with AEMO and the Coordinator on the assumptions, inputs and scenarios the Network Operator must use in developing and updating a Transmission System Plan, including:

…

(h) other ~~market information~~ Market Information that the Network Operator, AEMO or the Coordinator considers relevant to meeting the requirements for developing the Transmission System Plan in this section 4.5B.

…

Explanatory Note

The heading above section 4.7 is amended and the heading above 4.8A is removed to ensure consistency with the contents of sections 4.7-4.13B.

Certification of Reserve Capacity and Reserve Capacity Security

4.7. The Reserve Capacity Information Pack

…

4.8. Who Can Apply for Certification of Reserve Capacity

…

~~Indicative Facility Class and Facility Technology Type~~

4.8A. Indicative Facility Class and Indicative Facility Technology Type

…

4.9. Process for Applying for Certification of Reserve Capacity

…

4.10. Information Required for the Certification of Reserve Capacity

Explanatory Note:

Clause 4.10.1 is amended to:

- require minimum stable loading levels by component in clause 4.10.1(fE)(vii), because AEMO requires this information so it can test an application against the component-level minimum eligibility requirements set under clause 4.10.1A(a);
- remove the requirement for information at the component level for Demand Side Programmes in clause 4.10.1(fE)(viii), because Demand Side Programmes do not have components; and
- clarify that the evidence requirements under clause 4.10.1(l) may be different for different Facility Classes.

4.10.1. Each Market Participant must ensure that information submitted to AEMO with an application for certification of Reserve Capacity pertains to the Reserve Capacity Cycle to which the certification relates, and is supported by documented evidence and includes, if applicable, except to the extent that it is already accurately provided in Standing Data:

…

(fE) if the application relates to Flexible Capacity then, as applicable:

…

vii. the minimum stable loading level of the Facility or each component of the Facility;

viii. if the Facility is a Demand Side Programme, the minimum time (in minutes) required for the Facility ~~or each component of the Facility,~~ between receiving a Dispatch Instruction and changing consumption level, otherwise for the Facility or each component of the Facility, the minimum time required between receiving a Dispatch Instruction in a cold state and operating at the minimum stable loading level for the Facility or each component of the Facility;

…

…

(l) evidence as appropriate for the Facility Class of the extent to which the Facility will be able to receive, confirm, and implement Dispatch Instructions from AEMO in accordance with the WEM Procedures referred to in clauses 2.35.4 and 7.6.18; and

…

…

4.10A. Network Augmentation Funding Facility

…

4.11. Setting Certified Reserve Capacity

Explanatory Note

The reference to clause 7.10.6A in clause 4.11.1(c)(v) is incorrect. The intended clause was numbered as 7.10.6A in the exposure draft for the *Wholesale Electricity Market Amendment (Reserve Capacity Reform) Rules 2023* (RC Reform Amendments), but was renumbered to clause 7.10.6B in the final Ministerial Instrument. Due to an oversight at the time, the reference in clause 4.11.1(c)(v) was not updated.

The obligations on AEMO to monitor compliance with clause 7.10.6B will not commence until 1 October 2026. Accordingly, clause 4.11.1(c)(v) will be set to "[Blank]" until 1 October 2026, when the clause will be reinserted with the correct reference to clause 7.10.6B.

4.11.1. Subject to clauses 4.11.1A and 4.11.12, AEMO must apply the following principles in assigning a quantity of Certified Reserve Capacity to a Facility or relevant component of a Facility for the Reserve Capacity Cycle for which an application for Certified Reserve Capacity has been submitted in accordance with section 4.10:

…

(c) AEMO must not assign Certified Reserve Capacity to a Facility for a Reserve Capacity Cycle if:

i. [Blank]

ii. the Facility is not operational or is not scheduled to commence operation for the first time so as to meet its Reserve Capacity Obligations by 1 October of Year 3 of the Reserve Capacity Cycle;

iii. the Facility will cease operation permanently, and hence cease to meet Reserve Capacity Obligations, from a time earlier than 1 August of Year 4 of the Reserve Capacity Cycle;

iv. the Facility already has Capacity Credits assigned to it under clause 4.28C for the Reserve Capacity Cycle; or

v. ~~during any of the previous three Capacity Years, a Market Participant held Capacity Credits for that Facility, and did not comply with clause 7.10.6A in respect of the Facility; or~~[Blank]

vi. the Facility is a Demand Side Programme and it has submitted under clause 4.10.1(f)(v) a minimum notice period for dispatch under clause 7.6.15 of more than two hours.

…

…

4.12. Setting Reserve Capacity Obligations

…

4.13. Reserve Capacity Security

…

Explanatory Note

When Reserve Capacity Security is drawn on under clauses 4.13.11 and 4.13.11A, this is characterised as "compensation" and therefore not subject to GST. However, when Reserve Capacity Security is applied to offset the cost of Supplementary Capacity and rebates under clause 4.13.11A, this is offsetting a GST-applicable payment, and is therefore, in effect, a payment subject to GST.

As a result, when AEMO draws on Reserve Capacity Security and settles the WEM for that week, AEMO ends up with a shortfall in funds.

Clause 4.13.11A is amended to address this issue by ensuring that Reserve Capacity Security drawn down on by AEMO is paid to Market Participants as compensation.

4.13.11. If a Market Participant that provides a Reserve Capacity Security in respect of a Facility fails to operate that Facility in accordance with clauses 4.13.10(a) and (b) before the end of the relevant Capacity Year then the Market Participant must pay to AEMO, as compensation to the market, an amount equal to the Reserve Capacity Security amount for that Facility as soon as practicable after the end of the relevant Capacity Year and in any event by 30 November of Year 4 of the relevant Reserve Capacity Cycle.

~~4.13.11A. The payment obligation under clause 4.13.11 may be satisfied by AEMO drawing upon the Reserve Capacity Security for the Facility, and applying the amount claimed (after meeting AEMO's costs associated with doing so) so as to:~~

~~(a) firstly, offset the cost of funding Supplementary Capacity Contracts for any capacity shortage stemming entirely or in part from the Facility not being available; and~~

~~(b) secondly, once all costs to which clause 4.13.11A(a) refers are covered, make a rebate payment to Market Participants in proportion to their Individual Reserve Capacity Requirements during the relevant Trading Day in accordance with Chapter 9.~~

4.13.11A. The payment obligation under clause 4.13.11 may be satisfied by AEMO drawing upon the Reserve Capacity Security for the Facility, and paying the amount claimed, as compensation, to Market Participants in proportion to their Individual Reserve Capacity Requirements during the relevant Trading Day in accordance with Chapter 9.

…

Explanatory Note:

Clause 4.13.13 is amended to:

- clarify that the Trading Intervals described in clause 4.13.13(a) must fall within the relevant Capacity Year; and
- insert a full stop after the clause number.

4.13.13. A Market Participant may apply to AEMO for the release of any Reserve Capacity Security held by AEMO, at any time prior to the end of the relevant Capacity Year, if the Reserve Capacity Security relates to a Facility that:

(a) has operated at a level equivalent to its Required Level, adjusted to 100 percent of the level of Peak Capacity Credits specified in clause 4.20.5A, in at least two Trading Intervals ~~prior to the end of~~ during the relevant Capacity Year; and

(b) is considered by AEMO to be in Commercial Operation.

…

4.13A. DSP Reserve Capacity Security

…

4.13B. Coordinator Review of Effectiveness of Certification of Reserve Capacity for Energy and Availability Limited Technologies

4.13B.1. The Coordinator must review the effectiveness of the approach for:

(a) certification of Reserve Capacity;

(b) determination of Reserve Capacity obligations;

(c) Reserve Capacity refunds; and

(d) the operation of clause 4.5.12 to ensure adequacy with clause 4.5.9(b),

for Electric Storage Resources and other energy limited resources in accordance with this section 4.13B.

…

Explanatory Note

Under clause 4.13B.1, the Coordinator must review the effectiveness of the approach for certification of Reserve Capacity, determination of Reserve Capacity obligations and Reserve Capacity refunds for Electric Storage Resources and other energy limited resources.

Under the existing clause 4.13B.2, the Coordinator must complete this review within five years of the start of the 2021 Reserve Capacity Cycle. The start of a Reserve Capacity Cycle is not defined in the WEM Rules.

A change to 4.13B.2 is proposed to set an actual date for the completion of this review. This would also allow more time for the completion of this review following the publication of the 2025 WEM ESOO (see reasons for proposed section 1.68 above).

4.13B.2. The Coordinator must complete a review under clause 4.13B.1:

(a) for the first review, ~~within five years of the start of the 2021 Reserve Capacity Cycle~~ before 1 October 2026; and

(b) for each subsequent review, at least once every five years from the completion of the preceding review under this section 4.13B.

…

Commitment of Capacity to Bilateral Trade

4.14. Bilateral Trade Declaration

…

Explanatory Note

When the RCM Sequencing Amendments inserted new clause 4.14.1CB, the commencement of subclause 4.14.1CB(b) was deferred until 1 January 2026.

The policy intent of the clause is that the condition is of the form "((a) or (b)) and (c) and (d)". The removal of (b) leaves the condition specified as "(a) or (c) and (d)", which could be construed as meaning that a Facility in Capability Class 2 or 3 could qualify for a 10-year fixed price.

Clause 4.14.1CB is amended to clarify that the condition is "(a) and (c) and (d)".

4.14.1CB. A Facility Technology Type within a Facility may only be nominated to be classified as a Fixed Price Component under clause 4.14.1B(b) if:

(a) it holds Peak Certified Reserve Capacity in Capability Class 1, and it holds Flexible Certified Reserve Capacity; ~~or~~

(b) [Blank]

(c) all Facility Technology Types within the Facility that have not been assigned Capacity Credits in a previous Reserve Capacity Cycle and are also nominated to be classified as Fixed Price Components; and

(d) it meets the requirements set out in clause 4.14.1CA to be classified as a Fixed Price Component under clause 4.14.1B(a).

…

4.16. Benchmark Reserve Capacity Prices

…

Explanatory Note

Clause 4.16.9(b) is amended to use the correct defined term.

4.16.9. The Economic Regulation Authority must review the WEM Procedure referred to in clause 4.16.3 and must undertake a public consultation process as part of the review:

(a) at least once in every five year period; and

(b) within one year of a review under clause 4.16.11, where that review determines a change to a Benchmark Capacity Provider.

…

4.24. Supplementary Capacity

…

Explanatory Note

Clauses 4.24.1B(iA) and 4.24.6(g) are amended to clarify that the website specified is the WEM Website.

4.24.1B. A notice calling for expressions of interest for supplementary capacity in accordance with clause 4.24.1A must include:

…

(i) the location on the WEM Website of the form to be used in responding to the call for expressions of interest;

(iA) the location on the ~~website~~ WEM Website for general information about supplementary capacity; and

(j) the location on the WEM Website of the WEM Procedure referred to in clause 4.24.18.

…

4.24.6. If AEMO decides to call for tenders for supplementary capacity, then, no earlier than 30 Business Days and no later than 10 Business Days prior to the proposed closing date for submission of tenders, AEMO must advertise the call for tenders in accordance with clause 4.24.6A. The advertisement must include:

…

(g) the location on the ~~website~~ WEM Website for general information about supplementary capacity;

…

…

Explanatory Note:

Clauses 4.24.7 is amended to:

- explicitly require the tender form to include the proposed commencement date and end date of the Supplementary Capacity Contract;
- clarify where proposed contract details are required on a Trading Day basis; and
- clarify that the availability price is a price per MW per Trading Day, which will apply for each Trading Day in the proposed contract period.

4.24.7. AEMO must prescribe the tender form to be used by those applying to provide Eligible Services. This form must require the provision of the following information:

(a) the name and contact details of the applicant;

(b) the nature of the Eligible Service to be provided;

(bA) whether the Eligible Service is being offered on an:

i. availability and activation basis; or

ii. activation-only basis;

~~(c) [Blank]~~

(c) the proposed commencement date and end date of the Supplementary Capacity Contract;

(d) the maximum number of hours over the term of the Supplementary Capacity Contract that the Eligible Service will be available;

(e) for an Eligible Service being offered on an availability and activation basis:

i. the maximum number of hours on each ~~day~~ Trading Day during the term of the Supplementary Capacity Contract that the Eligible Service will be available; and

ii. the time of each ~~day~~ Trading Day during the term of the Supplementary Capacity Contract that the Eligible Service will be available;

iii. the quantity of supplementary capacity being offered;

iv. the values of:

1. the availability price for the Eligible Service expressed in dollars per MW per Trading Day, which is the same price for each Trading Day during the term of the Supplementary Capacity Contract; and

2. the activation price for the Eligible Service, expressed in dollars per MW per hour of activation, where this price must reflect direct or opportunity costs incurred;

(f) for an Eligible Service being offered on an activation-only basis:

i. any restrictions on the availability of the Eligible Service, including the days during a typical week when the Eligible Service will not be available for activation;

ii. the maximum quantity of supplementary capacity being offered; and

iii. the value of the activation price for the Eligible Service, expressed in dollars per MW per hour of activation;

…

Explanatory Note

Clause 4.24.8(c) is amended to

- clarify that the sum of clauses 4.24.8(c)(iii) and 4.24.8(c)(iv) is an estimate of the cost per MW of a Supplementary Capacity Contract; and
- amend clause 4.24.8(c)(iii) to reflect that an availability price is a price per MW per Trading Day.

4.24.8. In determining the result of a call for tenders and entering into Supplementary Capacity Contracts for Eligible Services being offered on an availability and activation basis:

(a) AEMO must only accept an offer for the provision of Eligible Services;

(b) AEMO must only accept an offer for the provision of an Eligible Service being offered on an availability and activation basis if AEMO is satisfied that the Eligible Service will be available during times of system peak demand coinciding with the shortfall period;

(c) subject to clauses 4.24.8(a), 4.24.8(b) and 4.24.9, AEMO is to seek to enter into the lowest cost mix of Supplementary Capacity Contracts that:

i. will meet the requirement for supplementary capacity; or

ii. will, if it is not possible to meet the requirement for supplementary capacity, minimise the remaining Reserve Capacity shortfall,

where the cost per MW of each Supplementary Capacity Contract is to be defined to be the sum of:

iii. ~~the availability price~~the product of the availability price and the number of Trading Days in the proposed contract period; plus

iv. the product of the activation price and the lesser of:

1. the number of hours specified in the advertisement for the call for tenders under clause 4.24.6(d); and

2. the number of hours specified for the Eligible Service in the relevant tender form in accordance with clause 4.24.7(d); and

(d) AEMO must be reasonably satisfied that the provider of the Eligible Service has access to a network, where applicable.

…

Explanatory Note

Clause 4.24.10 is amended to make the terminology more consistent with that used in clause 4.24.7.

4.24.10. If AEMO negotiates directly with a potential supplier of Eligible Services in accordance with clause 4.24.2(b)(ii), then it must provide the following information to the potential supplier:

(a) the amount of capacity required;

(b) the relevant standard form Supplementary Capacity Contract; and

(c) details of the information to be provided by the potential supplier, including:

~~i. the amount of the Eligible Service available;~~

i. the quantity of supplementary capacity being offered;

ii. the mechanism for activating the Eligible Service;

iii. the mechanisms available for measuring the Eligible Service provided;

iv. the availability price for the Eligible Service expressed in dollars per MW per Trading Day;

v. the activation price for the Eligible Service, expressed in dollars per MW per hour of activation, where this price must reflect direct or opportunity costs incurred; and

vi. the location of the Eligible Service and any associated Transmission Node Identifier and any associated NMI, where applicable.

...

Explanatory Note:

Clause 4.24.11B is amended to:

- clarify and extend the Supplementary Capacity Contract details that AEMO is required to publish on the WEM Website;
- clarify that the published contract quantities and dates are the values specified in the executed contract, because the final values may vary (e.g. if the start of a contract is delayed because the conditions precedent have not been met); and
- remove the unnecessary cross-references in clause 4.24.11B(f), to avoid any misinterpretation that the details are not required to be published for a contract arising from direct negotiation.

4.24.11B. Following the completion of a tender process called under clauses 4.24.2(a) or 4.24.2(b)(i) and any negotiations in accordance with clause 4.24.2(b)(ii), as applicable, AEMO must publish on the WEM Website the following information for each Supplementary Capacity Contract:

(a) the name of the service provider that has been contracted to provide supplementary capacity;

(b) the intended quantity contracted under the Supplementary Capacity Contract expressed in MW;

(c) whether the contract was entered in through a tender process or direct negotiation;

(d) the type of the Eligible Service contracted;

(dA) the intended commencement date and end date of the Supplementary Capacity Contract;

~~(e) the availability price for the Eligible Service expressed in dollars, as defined in clause 4.24.7(e)(iv)(1); and~~

(e) for an Eligible Service provided on an availability and activation basis:

i. the maximum number of hours on each Trading Day during the term of the Supplementary Capacity Contract that the Eligible Service will be available;

ii. the time of each Trading Day during the term of the Supplementary Capacity Contract that the Eligible Service will be available; and

iii. the availability price for the Eligible Service expressed in dollars per MW per Trading Day; and

(f) the activation price for the Eligible Service, expressed in dollars per MW per hour of activation~~, as defined in clause 4.24.7(e)(iv)(2) or 4.24.7(f)(iii), as applicable~~.

…

4.29. Settlement Data

…

Explanatory Note

Clause 4.29.1D(a)(ii)(3) is amended to make it explicit that the formula uses:

- the decimal value of the forecasted annual percentage change in the Consumer Price Index sourced from the Reserve Bank of Australia's Statement of Monetary Policy publication; or
- the decimal value of the mid-point of the Reserve Bank of Australia's published target range of inflation.

The Australian Bureau of Statistics' Consumer Price Index series does not provide forecast figures. Therefore, the Reserve Bank of Australia will continue to be used as a credible source for forecasted changes in the Consumer Price Index.

4.29.1D. AEMO must set:

(a) for a Reserve Capacity Cycle from the 2019 Reserve Capacity Cycle to the 2023 Reserve Capacity Cycle, the Facility Monthly Peak Reserve Capacity Price for a Fixed Price Facility during a Peak Fixed Price Reserve Capacity Cycle, which for the Fixed Price Facility is:

i. for the first Reserve Capacity Cycle for which a Facility is classified as a Fixed Price Facility, the Reserve Capacity Price divided by 12; and

ii. for each subsequent Fixed Price Reserve Capacity Cycle for the Fixed Price Facility, the value calculated in accordance with the following formula divided by 12:

$$FRCP = FRCP_{[previous]} \times \max(1, (1 + CPI))$$

where:

1. FRCP is the Facility Monthly Peak Reserve Capacity Price for the Fixed Price Facility in the current Peak Fixed Price Reserve Capacity Cycle for that Fixed Price Facility;

2. $FRCP_{[previous]}$ is the Facility Monthly Peak Reserve Capacity Price for the Fixed Price Facility in the previous Peak Fixed Price Reserve Capacity Cycle for that Fixed Price Facility; and

~~3. CPI is the latest published value of the Reserve Bank of Australia's Statement of Monetary Policy forecast consumer price index for June of Year 3 of the relevant Fixed Price Reserve Capacity Cycle; or if that value is not available, the mid-point of the Reserve Bank of Australia's latest published target range of inflation at that time, at the time AEMO undertakes the calculation in clause 4.29.2A.~~

3. CPI is the latest decimal value of the published annual percentage change in the Reserve Bank of Australia's Statement of Monetary Policy for the Australian Consumer Price Index forecast for June of Year 3 of the relevant Fixed Price Reserve Capacity Cycle, or if that value is not available, the mid-point of the Reserve Bank of Australia's latest decimal value of the published target range of inflation, at the time AEMO undertakes the calculation in clause 4.29.2A;

(b) for the 2024 Reserve Capacity Cycle, the Facility Monthly Peak Reserve Capacity Price for a Fixed Price Facility or Fixed Price Component during a Peak Fixed Price Reserve Capacity Cycle for the Fixed Price Facility or Fixed Price Component, which is the Peak Reserve Capacity Price divided by 12; and

…

…

…

Explanatory Note

Clause 4.29.2(a) is amended to make it explicit that the formulas use:

- the decimal value of the forecasted annual percentage change in the Consumer Price Index sourced from the Reserve Bank of Australia's Statement of Monetary Policy publication; or
- the decimal value of the mid-point of the Reserve Bank of Australia's published target range of inflation.

The Australian Bureau of Statistics' Consumer Price Index series does not provide forecast figures. Therefore, the Reserve Bank of Australia will continue to be used as a credible source for forecasted changes in the Consumer Price Index.

Clause 4.29.2(c) is amended to:

- make it explicit that the formula uses the decimal value of the annual percentage change in the Consumer Price Index; and
- change the source of the index from the Reserve Bank to the Australian Bureau of Statistics.

The Reserve Bank of Australia sources the actual Consumer Price Index figures from the Australian Bureau of Statistics. Therefore, there is no change to the value used in the formula.

4.29.2. The Consumer Price Index values to be used for the purpose of clauses 4.29.1C, 4.29.1D and 4.29.1H are:

~~(a) $ForecastCPI_{cy}$ is the latest published value of the Reserve Bank of Australia's Statement of Monetary Policy forecast Consumer Price Index for June of Year 3 of the relevant Reserve Capacity Cycle, or if that value is not available, the mid-point of the Reserve Bank's latest published target range of inflation, at the time AEMO determines the information required under clause 4.29.2B;~~

(a) $ForecastCPI_{cy}$ is the latest decimal value of the published annual percentage change in the Reserve Bank of Australia's Statement of Monetary Policy for the Australian Consumer Price Index forecast for June of Year 3 of the relevant Reserve Capacity Cycle, or if that value is not available, the mid-point of the Reserve Bank of Australia's latest decimal value of the published target range of inflation, at the time AEMO determines the information required under clause 4.29.2B;

(b) $ForecastCPI_{cy-2}$ is the value of ForecastCPI used for the Capacity Year two years before Capacity Year cy; and

~~(c) $ActualCPI_{cy-2}$ is the latest published value of the Reserve Bank of Australia's Consumer Price Index for 'All groups not seasonally adjusted', for June of Year 1 of the Reserve Capacity Cycle for Capacity Year cy or, if that value is not available, the latest available value of the Reserve Bank's Consumer Price Index.~~

(c) $ActualCPI_{cy-2}$ is the latest decimal value of the published annual percentage change in the Australian Bureau of Statistics quarterly Consumer Price Index for the Australian all groups (not seasonally adjusted), for June of Year 1 of the Reserve Capacity Cycle for Capacity Year cy or, if that value

is not available, the latest available decimal value of the percentage change value in the Australian Bureau of Statistics quarterly Consumer Price Index for the Australian all groups (not seasonally adjusted).

…

6.3A. Information to Support the Bilateral and STEM Submission Process

…

Explanatory Note

The original intent of clause 6.3A.2A was for AEMO to provide an up-to-date demand forecast to Market Participants for each Trading Day on the Scheduling Day, in a format and timeframe similar to that of the pre-New WEM Commencement Day Scheduling Day demand forecasts.

AEMO has deemed this requirement to be met by the publication of a Pre-Dispatch Schedule or Week-Ahead Schedule that includes all the Trading Intervals in the Trading Day, because the relevant solution files contain the Forecast Unscheduled Operational Demand, Forecast Operational Demand and Forecast Operational Withdrawal for each Trading Interval.

As implemented, the clause serves little purpose because it does not guarantee the provision of an up-to-date forecast. At the 18 June 2024 meeting of the Transformation Design and Operation Working Group (TDOWG), EPWA sought feedback from stakeholders on whether there was still a requirement for a separate Scheduling Day demand forecast and, if so, why and what specifically was required. EPWA received no responses to this request.

Clause 6.3A.2A is deleted, and clauses 6.4.6 and 6.4.6A amended, to remove the obligation.

~~6.3A.2A. AEMO must make available to each Market Participant, by 8:00 AM on each Scheduling Day, for each Trading Interval in the Trading Day for the Scheduling Day:~~

~~(a) the most recent Forecast Unscheduled Operational Demand; and~~

~~(b) subject to clause 7.11D.5, the Forecast Operational Demand and Forecast Operational Withdrawal from the most recently determined Pre-Dispatch Schedule or Week-Ahead Schedule containing that Trading Interval which AEMO has made available to Market Participants.~~

…

6.4. The STEM Auction Timetable and Process

…

6.4.6. In the event of a failure of AEMO's software systems or supporting infrastructure, or any delay in AEMO publishing a Pre-Dispatch Schedule which includes all Trading Intervals in the relevant Trading Day, or AEMO preparing information under clauses 6.2.3, 6.3.1, 6.3A.1, 6.3A.2, ~~6.3A.2A,~~ 6.3A.3, 6.3A.5 or 6.3B.4, which prevents AEMO from completing the relevant processes, AEMO may extend one or more of the timelines prescribed in sections 6.2, 6.3, 6.3A, 6.3B and this section 6.4, subject to any such extension:

(a) not resulting in more than a two-hour delay to any of the timelines prescribed in sections 6.2, 6.3, 6.3A, 6.3B and this section 6.4;

(b) maintaining a window of at least 120 minutes between AEMO making available the data referred to in clause 6.3A.2 and the Bilateral Submission Cutoff;

(c) ~~maintaining a window of at least 50 minutes between AEMO making available the data referred to in clause 6.3A.2A and the Bilateral Submission Cutoff;~~[Blank]

(d) maintaining a window of at least 20 minutes between AEMO making available the data referred to in clause 6.3A.5 and the Bilateral Submission Cutoff; and

(e) maintaining a window of at least 110 minutes between each of the following events and the STEM Submission Cutoff:

i. AEMO making available to Market Participants the first Pre-Dispatch Schedule that includes all Trading Intervals in the relevant Trading Day;

ii. AEMO making available to Market Participants the data referred to in clause 6.2.3 as at the Bilateral Submission Cutoff; and

iii. AEMO making available to Market Participants the data referred to in ~~clauses 6.3A.2A and~~ clause 6.3A.5.

6.4.6A. If AEMO becomes aware of an error in any of the information contained in a Pre-Dispatch Schedule or made available to Market Participants under clauses 6.2.3, 6.3A.1, 6.3A.2, ~~6.3A.2A,~~ 6.3A.5 or 6.3B.4 at any time before the publication of the relevant STEM Auction results under clause 6.4.3 or a suspension of the STEM under clause 6.10.1, AEMO may:

(a) publish or release (as applicable) corrected or updated versions of the information it has published or released under clauses 6.2.3, 6.3A.1, 6.3A.2, ~~6.3A.2A,~~ 6.3A.5 or 6.3B.4; and

(b) extend any of the relevant timelines prescribed in sections 6.2, 6.3, 6.3A, 6.3B and this section 6.4 to address the error, subject to any such extension:

i. not resulting in more than a two-hour delay to any of the timelines prescribed in sections 6.2, 6.3, 6.3A, 6.3B and this section 6.4;

ii. maintaining a window of at least 120 minutes between AEMO making available to Market Participants the data referred to in clause 6.3A.2 and the Bilateral Submission Cutoff;

iii. ~~maintaining a window of at least 50 minutes between AEMO making available to Market Participants the data referred to in clause 6.3A.2A and the Bilateral Submission Cutoff;~~[Blank]

iv. maintaining a window of at least 20 minutes between AEMO making available to Market Participants the data referred to in clause 6.3A.5 and the Bilateral Submission Cutoff; and

v. maintaining a window of at least 110 minutes between each of the following events and the STEM Submission Cutoff:

1. AEMO making available to Market Participants the first error-free Pre-Dispatch Schedule that includes all Trading Intervals in the relevant Trading Day;

2. AEMO making available to Market Participants the data referred to in clause 6.2.3 as at the Bilateral Submission Cutoff; and

3. AEMO making available to Market Participants the data referred to in ~~clauses 6.3A.2A and~~ clause 6.3A.5.

…

7.6. Dispatch

…

Explanatory Note

Clause 7.6.31 is amended to clarify that a Registered Facility is "Inflexible" if it can only operate at a fixed level of Injection or Withdrawal in a Dispatch Interval. A Registered Facility in this state would not be able to provide a Contingency or Regulation FCESS, but may, if accredited, still be able to provide RoCoF Control Service.

7.6.31. Where a Market Participant reasonably expects that its Scheduled Facility or Semi-Scheduled Facility will be unable to comply with a Dispatch Instruction for the Registered Facility in a future Dispatch Interval, the Market Participant must immediately:

(a) amend its Real-Time Market Submission for energy for the Registered Facility by specifying:

i. the Registered Facility is Inflexible in the relevant Dispatch Interval; and

ii. a single offer tranche which specifies the fixed level of Injection or Withdrawal~~, Withdrawal, or Frequency Co-optimised Essential System Service enablement,~~ at which the Registered Facility must be operated in the Dispatch Interval;

(aA) amend, as required, its Real-Time Market Submissions for Frequency Co-optimised Essential System Services to reflect that the Registered Facility must operate at a fixed level of Injection or Withdrawal in the Dispatch Interval;

(b) provide AEMO with a reason why the Registered Facility is Inflexible which must be able to be independently verified; and

(c) if required, submit any Outages for the Registered Facility in accordance with section 3.21.

…

7.10. Compliance with Dispatch Instructions

Explanatory Note

Clause 7.10.1 is amended to clarify that Ramp Rate is not a defined term.

7.10.1. Unless otherwise directed by AEMO, a Market Participant must comply with the following in the most recently issued Dispatch Instruction applicable to its Scheduled Facility, Semi-Scheduled Facility or Interruptible Load for the Dispatch Interval:

(a) the Dispatch Target or Dispatch Cap as applicable;

(b) Essential System Service Enablement Quantities; and

(c) ~~Ramp Rate~~ramp rate.

…

Explanatory Note

New clause 7.10.6B is currently scheduled to commence on 1 October 2026, through Schedule 3, paragraph 1 of the RCM Sequencing Amendments. However, the clause needs to commence as soon as possible to provide clarity to Market Participants around the obligation.

Note that the associated obligations on AEMO to monitor compliance with this clause will not commence until 1 October 2026.

The clause has been amended from the version in Schedule 3 of the RCM Sequencing Amendments to replace “Non-Dispatchable Load” with “Load”, because a Non-Dispatchable Load is a type of Facility, not a Facility Technology Type within a Facility.

7.10.6B. If a Market Participant holds Capacity Credits associated with an Energy Producing System for a Facility that also includes a Load, the Market Participant must not operate the Energy Producing System in a manner that results in, or has the effect of, reducing the Individual Reserve Capacity Requirement for the relevant Facility unless operating pursuant to a Dispatch Instruction or in accordance with a direction from AEMO.

…

7.11D. Real-Time Market Suspension

…

Explanatory Note

Clause 7.11D.5 is amended to remove the reference to clause 6.3A.2A, which is being deleted.

7.11D.5. Where AEMO suspends the Real-Time Market under clause 7.11D.1, clauses ~~6.3A.2A(b),~~ 7.1.1, 7.2.2, 7.2.4, 7.6.1, 7.6.2, 7.11B.1A, 7.11B.3, 7.11C.1A, 7.11C.6, 7.13.1, 7.13.1A, 7.13.1CC, 7.13.1D, 7.13.1DA, 7.13.1EA, 7.13.1G, 7.13A.1 and 7.14.1 do not apply.

…

8.3. Meter Registry

Explanatory Note

Clause 8.3.1(bA) is introduced to require each Metering Data Agent to record whether the meter is associated with a non-contestable customer. This will provide AEMO with information it needs to check the requirements of 2.29.5E(c).

8.3.1. Each Metering Data Agent must maintain a separate Meter Registry for each Network it serves. ~~-~~At a minimum, the Meter Registry for a Network must:

(a) subject to clause 8.3.1A, record each meter connected to the Network or located at a Measurement Point;

(b) record the Market Participant(s) whose generation or consumption is measured by the meter;

(bA) for each meter, record whether the meter is associated with a non-contestable or contestable customer, as defined under the Metering Code;

(c) facilitate changes to the identity of the Market Participant(s) whose generation or consumption is measured by a meter as of a specified time;

(d) record how metered quantities are to be allocated between Market Participants if more than one Market Participant's generation or consumption is measured by that meter.

…

9.9. Settlement Calculations – Real-Time Energy

Explanatory Note

Clause 9.9.9(e) is amended to remove the superfluous "and" at the end of the clause.

9.9.9. The mispricing trigger for Registered Facility f in Dispatch Interval DI is:

…

(e) FacilitiesInBindingDownRampRate(DI) is the set of Registered Facilities whose EOI Quantity is higher than it would otherwise be in Dispatch Interval DI as a result of a binding ramp rate constraint applied under clause 7.2.4(c); ~~and~~

(f) FacilitiesInBindingESSEnablementMinimum(DI) is the set of Registered Facilities whose EOI Quantity is constrained to its Enablement Minimum

value in Dispatch Interval DI, as a result of a binding Essential System Service Enablement Minimum Constraint applied under clause 7.8.5(b)(i) for a Frequency Co-optimised Essential System Service other than RoCoF Control Service; and

(g) FacilitiesInBindingNCESS(c,DI) is the set of Registered Facilities provided under clause 5.9.1(b) for NCESS Contract c and Dispatch Interval DI.

Glossary

…

Explanatory Note

The definitions of Benchmark Flexible Capacity Provider and Benchmark Peak Capacity Provider are amended to correct clause reference errors.

Benchmark Flexible Capacity Provider: In respect of a Reserve Capacity Cycle, a notional new Facility of the Facility Technology Type which is expected to be able to provide Flexible Capacity at the lowest annual capital cost and annual fixed operating and maintenance costs as determined by the Coordinator of Energy under clause ~~4.6.11~~ 4.16.11.

Benchmark Peak Capacity Provider: In respect of a Reserve Capacity Cycle, a notional new Facility of the Facility Technology Type which is expected to be able to provide Peak Capacity at the lowest annual capital cost and annual fixed operating and maintenance costs as determined by the Coordinator of Energy under clause ~~4.6.11~~ 4.16.11.

…

Explanatory Note

A definition of Candidate Fixed Price Component is inserted. The defined term is currently used but its definition was accidentally omitted from Schedule 1 of the RCM Sequencing Amendments.

Candidate Fixed Price Component: A Facility Technology Type within a Facility that has been nominated to be classified as a Fixed Price Component in accordance with clause 4.14.1B.

…

Electricity System and Market Rules: These rules made under the ESM Regulations and contemplated by section 123 of the *Electricity Industry Act 2004*.

…

Explanatory Note

The term “ESM Regulations” is added to reflect the name change of the WEM Regulations to the *Electricity Industry (Electricity System and Market) Regulations 2004*. It will replace the term “WEM Regulations” in the ESM Rules.

ESM Regulations: The *Electricity Industry (Electricity System and Market) Regulations 2004*.

…

Explanatory Note

The term “ESM Rules” will be used to refer to the Electricity System and Market Rules within that document.

ESM Rules: The Electricity System and Market Rules.

…

Explanatory Note

The definition of Fixed Assessment Period is amended to correct a typographical error.

Fixed Assessment Period: A period of at least seven consecutive Trading Days in which the Constraint Equation relevant to the identification of a Constrained Portfolio under clause 2.16B.2(b) has continuously bound within or across a Rolling Test Window. A Rolling Test Window may contain multiple Fixed Assessment Periods.

…

Explanatory Note

The definition of Flexible Fixed Price Reserve Capacity Cycle is amended to use standard clause numbering.

Flexible Fixed Price Reserve Capacity Cycle: ~~Means, for~~ For a Fixed Price Component that was first assigned Peak Capacity Credits and Flexible Capacity Credits in the same Reserve Capacity Cycle:

(a) if the Fixed Price Component was nominated in accordance with clause 4.14.1B(a):

~~(i)~~i. the Reserve Capacity Cycle in which the Fixed Price Component was first assigned Flexible Capacity Credits; or

~~(ii)~~ii. any of the subsequent four Reserve Capacity Cycles; and

(b) if the Fixed Price Component was nominated in accordance with clause 4.14.1B(b):

~~(i)~~i. the Reserve Capacity Cycle in which the Fixed Price Component was first assigned Flexible Capacity Credits; or

~~(ii)~~ii. any of the subsequent nine Reserve Capacity Cycles.

…

Explanatory Note

The definitions of Interval Meter and Metering Code are introduced to clarify that "interval meter" in the WEM Rules has the meaning as in the Metering Code.

Interval Meter: As described in the Metering Code.

…

Metering Code: The Electricity Industry (Metering) Code 2012.

…

Explanatory Note

The definition of Notional Wholesale Meter is amended to clarify that a Non-Dispatchable Load is not a meter or deemed to be a meter.

Notional Wholesale Meter: A notional interval meter representing Non-Dispatchable Loads that are deemed ~~as non~~ to not have interval meters that are served by Synergy.

…

Explanatory Note

The changes to the Electricity Industry Act that became effective on 6 February 2025 repealed the *Electricity Industry (Rule Change Panel) Regulations 2016*. The definition has been amended to reflect this. Consideration will be given at a later date to whether the sections of the ESM Rules regarding the Rule Change Panel can be removed.

Panel Regulations: ~~Means the~~ The former *Energy Industry (Rule Change Panel) Regulations 2016*.

…

Explanatory Note

The definition of Peak Fixed Price Reserve Capacity Cycle is amended to use standard clause numbering.

Peak Fixed Price Reserve Capacity Cycle: Means:

(a) for a Fixed Price Component that was nominated in accordance with clause 4.14.1B(a):

~~(i)~~i. the Reserve Capacity Cycle in which the Fixed Price Component was first assigned Peak Capacity Credits; or

~~(ii)~~ii. any of the subsequent nine Reserve Capacity Cycles; and

(b) for all other Fixed Price Facilities and Fixed Price Components:

~~(i)~~i. the Reserve Capacity Cycle in which the Fixed Price Facility or Fixed Price Component was first assigned Peak Capacity Credits; or

~~(ii)~~ii. any of the subsequent four Reserve Capacity Cycles.

…

Explanatory Note

Appendix 7 uses the term "RLM Reference Period", based on the assumption that the change to the term made in Schedule 5 of the RCM Sequencing Amendments has commenced, i.e. that the period is five Capacity Years. The appendix has been drafted under this assumption.

However, the current definition of RLM Reference Period specifies a number of years commencing on 1 April. To resolve the conflict, a new defined term "RD Profile Reference Period" is created for use in Appendix 7.

RD Profile Reference Period: For a Reserve Capacity Cycle, the five year period ending at 8:00 AM on 1 October of Year 1 of the previous Reserve Capacity Cycle.

…

Explanatory Note

The definition of RLM Reference Period is amended to use the correct terminology for the first year of a Reserve Capacity Cycle.

RLM Reference Period: For a Reserve Capacity Cycle, the five year period ending at 8:00 AM on 1 April of ~~Capacity~~ Year 1.

…

Explanatory Note

The term State Electricity Objective is added to reflect the introduction of the State Electricity Objective. It will replace the term Wholesale Market Objectives in the ESM Rules.

State Electricity Objective: The objectives set out in Section 3A(1) of the Electricity Industry Act and repeated in clause 1.2.1 of these ESM Rules.

…

Explanatory Note

The definition of WEM Regulations is being retained as subsidiary instruments (e.g. WEM Procedures) may still refer to this definition until they are updated. However, the meaning of WEM Regulations is amended to reflect the name change of the regulations to the *Electricity Industry (Electricity System and Market) Regulations 2004*.

~~**WEM Regulations:** Means the Electricity Industry (Wholesale Electricity Market) Regulations 2004.~~

WEM Regulations: The ESM Regulations.

…

Explanatory Note

The definition of WEM Rules is being retained as subsidiary instruments (e.g. WEM Procedures) may still refer to this definition until they are updated. However, the definition is amended to point to the new defined term Electricity System and Market Rules.

~~**WEM Rules**: These rules relating to the Wholesale Electricity Market and to the operation of the SWIS.~~

WEM Rules: The Electricity System and Market Rules.

…

Explanatory Note

The definition of Wholesale Market Objectives is being retained as subsidiary instruments (e.g. WEM Procedures) may still refer to this definition until they are updated. However, the definition is amended to point to the new defined term State Electricity Objective.

~~**Wholesale Market Objectives**: The market objectives set out in Section of 122(2) of the Electricity Industry Act and repeated in clause 1.2.1.~~

Wholesale Market Objectives: The State Electricity Objective.

…

Explanatory Note

The definition of DSP_Reduction in the Appendix 7 Observed Demand calculation refers to "the quantity published under clause 7.13.1F(c)". However, clause 7.13.1F(c) is not scheduled to commence until 1 October 2026. An alternative definition, based on the corresponding DSP_Reduction definition in the Existing Facility Load for Scheduled Generation calculation in Appendix 9, will be used until clause 7.13.1F(c) commences.

Appendix 7 is also amended to:

- replace "RLM Reference Period" with the new defined term "RD Profile Reference Period"; and
- replace "Current" with "current" in references to "Current Reserve Capacity Cycle", because "Current Reserve Capacity Cycle" is not a defined term.

Appendix 7: Reference Demand Profile

Step 1. Determine the "**Observed Demand**" (in MW) for each Trading Interval in the ~~RLM Reference Period~~ RD Profile Reference Period as:

$$\begin{aligned}\text{Observed\_Demand}(t) \\ = (\text{Total\_Generation}(t) + \text{Interruptible\_Reduction}(t) \\ + \text{Involuntary\_Reduction}(t) + \text{DSP\_Reduction}(t)) \times 2\end{aligned}$$

where:

(a) Total_Generation(t) is the Total Sent Out Generation in Trading Interval t;

(b) Interruptible_Reduction(t) is the quantity published under clause 7.13.1F(b) for Trading Interval t;

(c) Involuntary_Reduction(t) is the quantity published under clause 7.13.1F(a) for Trading Interval t; and

~~(d) DSP_Reduction(t) is the quantity published under clause 7.13.1F(c) for Trading Interval t.~~

(d) DSP_Reduction(t) is half the sum of the quantities calculated by AEMO under clause 7.13.5 for each Demand Side Programme for Trading Interval t.

Step 2. Determine the "**DER Adjusted Demand Profile**" for the ~~RLM Reference Period~~ RD Profile Reference Period by adjusting the Observed Demand for each Trading Interval determined under step 1 to account for the change in behind-the-meter photovoltaic capacity in the SWIS over time, so that the resulting system demand is equal to AEMO's best estimate of what the Observed Demand would have been in that Trading Interval if the level of behind-the-meter photovoltaic capacity had been equal to the level that AEMO expects to exist on 1 October in Year 3 of the ~~Current~~ current Reserve Capacity Cycle.

Step 3. Identify the Capacity Year in the ~~RLM Reference Period~~ RD Profile Reference Period with the lowest maximum demand in the DER Adjusted Demand Profile.

Step 4. Determine the "**ELCC Reference Period**" by selecting all Trading Intervals in the ~~RLM Reference Period~~ RD Profile Reference Period except those in the Capacity Year identified in step 3.

Step 5. Determine the "**Reference Demand Profile**" for the ELCC Reference Period by adjusting the DER Adjusted Demand Profile so that the peak demand and total annual energy for each Capacity Year in the ELCC Reference Period matches the values determined for the Capacity Year commencing on 1 October of the ~~Current~~ current Reserve Capacity Cycle in the scenario described in clause 4.5.10(a)(iv).

…

Appendix 12: Transmission Connected Generating System Generator Performance Standards

…

Explanatory Note

Appendix 12 is amended to correct formatting errors.

A12.4.2.7. A Reactive Power, including a Power Factor, Control System must:

(a) regulate Reactive Power or Power Factor (as applicable) to within:

~~(i)~~i. for a Generating System operating in Reactive Power mode, 2% of the Rated Maximum Apparent Power of the Generating System from the Target Setpoint; or

~~(ii)~~ii. for a Generating System operating in Power Factor mode, a Power Factor equivalent to 2% of the Rated Maximum Apparent Power of the Generating System from the Target Setpoint; and

(b) allow the Reactive Power or Power Factor Target Setpoint to be continuously controllable across the Reactive Power Capability range specified in the relevant Generator Performance Standard.

…

A12.4.2.10. Each Synchronous Generating Unit must have an Excitation Control System that:

(a) is capable of operating the stator continuously at 105% of nominal voltage when operating at the maximum Active Power output specified in the Temperature Dependency Data provided under Part A12.2 for the relevant temperature;

(b) has an excitation ceiling voltage of at least:

~~(i)~~i. for a Static Excitation System, 2.3 times; or

~~(ii)~~ii. for other Excitation Control Systems, 1.5 times,

the excitation required to achieve generation at the rated output, rated speed and nominal voltage in accordance with the relevant Australian Standard or ISO Standard for Synchronous Generating Units. The details regarding which relevant Australian Standard or ISO Standard applies is documented in the guidelines published by the Network Operator under clause 3A.4.4;

…

…

A12.4.3.5. A Generating System's Reactive Power or Power Factor Control System must:

(a) regulate Reactive Power or Power Factor (as applicable) to within:

~~(i)~~i. for a Generating System operating in Reactive Power mode, 5% of the Rated Maximum Apparent Power of the Generating System from the Target Setpoint; or

~~(ii)~~ii. for a Generating System operating in Power Factor mode, a Power Factor equivalent to 5% of the Rated Maximum Apparent Power of the Generating System from the Target Setpoint;

…

…

A12.9.2.2. A Generating System and each of its operating Generating Units must remain in Continuous Uninterrupted Operation for any disturbances caused by:

(a) a Credible Contingency;

(b) a three phase fault in a Transmission System cleared by all relevant primary Protection Systems; and

(c) a two phase to ground, phase to phase or phase to ground fault in a transmission or distribution system or a three phase fault in a distribution system cleared in:

~~(i)~~i. the longest time expected to be taken for a relevant breaker fail Protection System to clear the fault; or

~~(ii)~~ii. if a Protection System referred to in clause A12.9.2.2.(c)(i) is not installed, the greater of 450 milliseconds and the longest time expected to be taken for all relevant primary Protection Systems to clear the fault,

provided that the event is not one that would disconnect the Generating Unit from the SWIS by removing Network elements from service or as a result of the operation of an existing inter-trip, Protection Scheme or runback scheme approved by the Network Operator and AEMO.

…

A12.9.2.5. Subject to any changed power system conditions or energy source availability beyond the operator of the Generation System's reasonable control, a Generating System comprised of Asynchronous Generating Units, for the faults referred to in clause A12.9.2.2, must have equipment capable of supplying to, or absorbing from, the Network:

(a) to assist the maintenance of power system voltages during the fault:

~~(i)~~i. capacitive reactive current in addition to its pre-disturbance level of at least 4% of the Maximum Continuous Current of the Generating System including all operating Asynchronous Generating Units (in the absence of a disturbance) for each 1% reduction of voltage at the Connection Point below a specified threshold level within the under-voltage range of 85% to 90% of nominal voltage, except where a Generating System is directly connected to the SWIS with no step-up or connection Transformer and voltage at the Connection Point is 5% or lower of nominal voltage; and

~~(ii)~~ii. inductive reactive current in addition to its pre-disturbance level of at least 6% of the Maximum Continuous Current of the

Generating System including all operating Asynchronous Generating Units (in the absence of a disturbance) for each 1% increase of voltage at the Connection Point above a specified threshold level within the over-voltage range of 110% to 115% of nominal voltage,

during the disturbance and maintained until Connection Point voltage recovers to between 90% and 110% of nominal voltage, or such other range agreed with the Network Operator and AEMO; and

(b) from 100 milliseconds after clearance of the fault, Active Power of at least 95% of the level existing just prior to the fault.

…

A12.9.3.5. Subject to a Generating System's thermal limitations as specified in clause A12.9.1.8 and any changed power system conditions or energy source availability beyond the operator of the Generating System's reasonable control, a Generating System comprised of Asynchronous Generating Units, for the faults referred to in clause A12.9.3.2, must have equipment capable of supplying to, or absorbing from, the Network:

(a) to assist the maintenance of power system voltages during the fault:

~~(i)~~i. capacitive reactive current in addition to its pre-disturbance level of at least 2% of the Maximum Continuous Current of the Generating System including all operating Asynchronous Generating Units (in the absence of a disturbance) for each 1% reduction of voltage at the Connection Point below a specified threshold level agreed by the Network Operator and AEMO within the under-voltage range of 80% to 90% of nominal voltage, except where:

1. voltage at the Connection Point is 15% or lower of nominal voltage; or

2. where the Generating System is directly connected to the SWIS with no step-up or connection Transformer and voltage at the Connection Point is 20% or lower of nominal voltage; and

~~(ii)~~ii. inductive reactive current in addition to its pre-disturbance level of at least 2% of the Maximum Continuous Current of the Generating System including all operating Asynchronous Generating Units (in the absence of a disturbance) for each 1% increase of voltage at the Connection Point above a specified threshold level agreed by the Network Operator and AEMO within the over-voltage range of 110% to 120% of nominal voltage,

during the disturbance and maintained until the Connection Point voltage recovers to between 90% and 110% of nominal voltage, or such other range agreed with the Network Operator and AEMO; and

(b) returning to at least 95% of the pre-fault Active Power output, after clearance of the fault, within a period of time agreed by the operator, AEMO and the Network Operator.

Schedule 3: Amending Rules to commence on 1 January 2026 (directly after commencement of Schedule 2 of the RCM Sequencing Amendments)

…

2.13. Compliance Monitoring and Enforcement

…

Explanatory Note

Schedule 2 of the RCM Sequencing Amendments includes the replacement of clause 2.13.7. The following issues with the replacement clause have been identified:

- The replacement accidentally deleted clauses 2.13.7(d) and 2.13.7(e).
- New clause 2.13.7(b) refers to clause 7.10.6B, which currently is not scheduled to commence until 1 October 2026. Although clause 7.10.6B is now proposed to commence earlier (i.e. immediately after the gazettal of the Tranche 8 Amendments), AEMO's associated monitoring obligations will remain delayed until 1 October 2026.
- Clauses 2.13.7(c) and 2.13.7(e) place obligations on AEMO in respect of its monitoring under clause 2.13.7(a), which for consistency should also apply to its monitoring under clause 2.13.7(b).
- The replacement restores the obsolete term "WEM Rules".

Clause 2.13.7 is amended to address these issues. The clause will be further amended after the commencement of Schedule 3 of the RCM Sequencing Amendments, to restore the reference to clause 7.10.6B in clause 2.13.7(b).

2.13.7. AEMO must, in accordance with the WEM Procedure referred to in clause 2.15.4:

(a) monitor Rule Participants' behaviour for compliance with the ~~WEM Rules~~ ESM Rules specified in the list referred to in clause 2.16.2A(aA);

(b) monitor Rule Participants' behaviour for compliance with ~~clauses 4.12.2(d) and 7.10.6B~~ clause 4.12.2(d);

(c) ensure it has processes and systems in place to enable it to monitor Rule Participants' behaviour in accordance with ~~clause 2.13.7(a)~~ clauses 2.13.7(a) and 2.13.7(b) and in accordance with the list of ~~WEM Rules~~ ESM Rules that AEMO must monitor for compliance provided under clause 2.16.2A(aA) including developing systems for monitoring;

(d) support the Economic Regulation Authority's monitoring of Rule Participants' behaviour, including having processes and systems to provide the Economic Regulation Authority with data, information, documents or analysis under clauses 2.13.4, 2.13.7, 2.13.8(a), 2.13.8(b) or 2.13.14, as applicable; and

(e) subject to clause 2.13.12, record and report to the Economic Regulation Authority any alleged breach of the ESM Rules or WEM Procedures resulting from its monitoring under clauses 2.13.7(a) and 2.13.7(b).

…

2.29. Facility Registration Classes

…

Explanatory Note

Clause 2.29.5BA (introduced in Schedule 2 of the RCM Sequencing Amendments) is deleted as EPWA considers this framework is captured by the Metering Code.

~~2.29.5BA. A Network Operator must, at the request of a Market Participant, install and operate an interval meter at any Non-Dispatchable Load that the Market Participant intends to associate under clause 2.29.5B.~~

…

Explanatory Note

Clause 2.29.5E is amended and clause 2.29.5EA inserted to allow AEMO to reject an application for association of a Non-Dispatchable Load to a Demand Side Programme or Interruptible Load if:

- the Non-Dispatchable Load is not equipped with an interval-capable meter;
  - Note: EPWA intends to introduce a provision in the Metering Code to transition interval-capable accumulation meters to interval meters on request by Synergy;
- AEMO considers that the Non-Dispatchable Load is behind a Transmission Node included in the list of Transmission Nodes behind which one is not allowed to locate Associated Loads; and
- AEMO considers that a Market Participant other than Synergy has applied to associate a non-contestable load.

2.29.5E. AEMO must accept an application submitted under clause 2.29.5B unless:

(a) AEMO considers that the evidence provided by the Market Participant under clauses 2.29.5B and 2.29.5C is not satisfactory;

(b) the relevant Non-Dispatchable Load is not equipped with ~~interval metering~~ a meter which complies with the requirements of clause 3.16 of the Metering Code;

(c) ~~[Blank]~~AEMO considers that the application does not comply with clauses 2.29.5AC or 2.29.5AK;

(d) for an application relating to a Demand Side Programme, the relevant Non-Dispatchable Load is registered as an Intermittent Load for any part of the proposed Association Period;

(e) subject to clause 2.29.2A, the relevant Non-Dispatchable Load is already associated with a Demand Side Programme or an Interruptible Load registered to a different Market Participant for any part of the proposed Association Period;

(f) during the same Capacity Year, the relevant Non-Dispatchable Load was an Associated Load of another Demand Side Programme and, while it was so associated:

i. the other Demand Side Programme passed a Reserve Capacity Test or a Verification Test; or

ii. any part of DSP Reserve Capacity Security associated with the other Demand Side Programme was returned or relinquished under:

1. clause 4.13A.19 by operation of clause 4.13A.18; or

2. clause 4.13A.24; or

(g) the Transmission Node Identifier for the relevant Non-Dispatchable Load does not match the single Transmission Node Identifier for the Demand Side Programme; or

(h) the application relates to a Non-Dispatchable Load behind a Connection Point, and:

i. there are Separate Facilities behind the Connection Point; and

ii. the registered Market Participant for the Separate Facilities differs from the Market Participant submitting the application.

2.29.5EA. In considering whether to accept an application in accordance with clause 2.29.5E, AEMO must, with the assistance of the Network Operator, confirm that the Transmission Node Identifier for the relevant Non-Dispatchable Load matches the single Transmission Node Identifier for the Demand Side Programme.

…

Explanatory Note

Schedule 2 of the RCM Sequencing Amendments replaces clause 2.29.13. The new clause 2.29.13(e) includes a reference to clause 7.10.6C, which will not commence until 1 October 2026. Clause 2.29.13 is amended to delay the commencement of clause 2.29.13(e) until 1 October 2026, when AEMO will have the relevant procedures and processes in place.

2.29.13. Facility Sub-Metering is to be used solely for the purpose of:

(a) certification of Reserve Capacity under section 4.9;

(b) a Reserve Capacity Test under section 4.25;

(c) in accordance with clause 4.13.10B, the determination of whether a Facility is in Commercial Operation; and

(d) reviewing expert reports under clause 4.11.7~~; and~~.

~~(e) monitoring compliance with clause 7.10.6B in accordance with the WEM Procedure referred to in clause 7.10.6C.~~

To avoid doubt, Facility Sub-Metering must not be used for the purposes of settlement under Chapter 9.

…

2.33. The Registration Application Forms

…

Explanatory Note

Clause 2.33.3 is amended to require AEMO to prescribe a single Application Fee for multiple Small Aggregations being registered by the same Market Participant. This is in response to a concern raised by a Market Participants that multiple Application Fees present a barrier to aggregation of small size storage resources into a Small Aggregations for the purpose of participating in the Reserve Capacity Mechanism.

2.33.3. AEMO must prescribe a Facility registration application form that requires an applicant to provide the following:

(a) the relevant non-refundable Application Fee where this Application Fee:

i. may differ for different Facility Classes; ~~and~~

ii. must be a single Application Fee for multiple registered Demand Side Programmes being allocated Capacity Credits under clause 2.29.5AB(a); and

iii. must be a single Application Fee for multiple Small Aggregations being registered by the same Market Participant;

(b) the identity of the person making the application, where that person must be a Rule Participant or be in the process of applying to be registered as a Rule Participant;

…

…

4.5. Long Term Projected Assessment of System Adequacy

…

Explanatory Note

Clause 4.5.10 is amended to include a blank clause (bB) for consistent clause numbering.

4.5.10. AEMO must use the information assembled under clauses 4.5.2, 4.5.2A, 4.5.4, 4.5.5, 4.5.6 and 4.5.8 to:

…

(bA) forecast the expected highest Four-Hour Demand Increase and the corresponding Flexible Reserve Capacity Target for each Capacity Year during the Long Term PASA Study Horizon, where:

i. the Flexible Reserve Capacity Target for a Capacity Year is the greater of:

1. the Flexible Capacity required to meet the requirements specified in clause 4.5.9(c) in that year under the scenario described in clause 4.5.10(a)(iii); and

2. the Flexible Capacity required to meet clause 4.5.9(c) in that year under the scenario described in clause 4.5.10(a)(iv);

ii. the expected highest Four-Hour Demand Increase in that year is the greater of:

1. the highest Four-Hour Demand Increase under the scenario described in clause 4.5.10(a)(iii); and

2. the highest Four-Hour Demand Increase under the scenario described in clause 4.5.10(a)(iv);

(bB) [Blank]

(bC) forecast the expected ESR Duration Requirement for each Capacity Year during the Long Term PASA Study Horizon;

…

…

4.10. Information Required for the Certification of Reserve Capacity

Explanatory Note

Currently the periods when a DSP can be dispatched must include the period between 8:00 AM and 8:00 PM on all Business Days.

Stakeholders have noted that aggregated DSPs will include batteries and that for Electric Storage Resources (ESR) the ESR Obligation Duration is 4 hours but for DSPs the dispatch period requirement is for 12 hours.

During the recent WEM Development reviews, including the Demand Side Response Participation Review, stakeholders discussed the potential to split the 12 hour dispatch period requirement so it does not cover the middle of the day period when DSP dispatch is unlikely.

While recognising that there was some opposition to a potential split at the time, EPWA now proposes to split the dispatch period requirement, as follows:

- the periods between 6:00 AM and 10:00 AM, and 2:00 PM and 10:00 PM on all Business Days,

noting that AEMO has indicated that this would not be implemented for the 2025 Reserve Capacity Cycle.

EPWA notes that:

- as more ESR enters the WEM, the ESR Obligation Duration is expected to increase from the current 4 hours, as flagged in the 2024 WEM ESOO (and indicated above on page 5); and
- Capability Class 1 facilities with Capacity Credits must be available all the time (unless on an outage) and have 14-hour fuel requirement

Clause 4.10.1 is also amended to:

- remove clause 4.10.1(fA)(vi)(3), which relates to Non-Intermittent Generating Systems and was incorrectly included in clause 4.10.1(fA) (which relates to Electric Storage Resources) by Schedule 2 of the RCM Sequencing Amendments; and
- correct several minor typographical errors.

4.10.1. Each Market Participant must ensure that information submitted to AEMO with an application for certification of Reserve Capacity pertains to the Reserve Capacity Cycle to which the certification relates, and is supported by documented evidence and includes, if applicable, except to the extent that it is already accurately provided in Standing Data:

…

(e) for a Non-Intermittent Generating System:

…

v. details of primary and any alternative fuels, including:

1. if the Non-Intermittent Generating System has primary and alternative fuels:

i. the process for changing from one fuel to another; and

ii. the fuel or fuels which the Non-Intermittent Generating System is to use in respect of the application for Certified Reserve Capacity; ~~and~~

2. details acceptable to AEMO together with supporting evidence of both firm and any non-firm fuel supplies and the factors that determine restrictions on fuel availability that could prevent the Non-Intermittent Generating System operating at its full capacity during Capability Class 1 Availability Assessment Intervals on Business Days; and

3. optionally, evidence to show:

i. that all fuels to be used in the Non-Intermittent Generating System in the relevant Capacity Year will be from Eligible Renewable Energy Sources; and

ii. if the Non-Intermittent Generating System was a Fixed Price Component under clause 4.14.1C(b) in the previous Capacity Year, that all fuels used in the previous Capacity Year by the Non-Intermittent Generating System were from Eligible Renewable Energy Sources; and

vi. the expected Forced Outage rate based on manufacturer data;

vii. [Blank]

(f) for Demand Side Programmes:

…

v. the minimum notice period required for dispatch under clause 7.6.15 of the Facility, which must be no more than:

1. if the application is only for Peak Capacity, two hours; and

2. if the application includes both Peak Capacity and Flexible Capacity, five minutes;

vi. the periods when the Facility can be dispatched, which must include~~: the period between 8:00 AM and 8:00 PM on all Business Days; and~~

1. for a Reserve Capacity Cycle up to and including the 2025 Reserve Capacity Cycle, the period between 8:00 AM and 8:00 PM on all Business Days; and

2. for a Reserve Capacity Cycle from the 2026 Reserve Capacity Cycle onwards, the periods between 6:00 AM and 10:00 AM and 2:00 PM and 10:00 PM on all Business Days; and

vii. [Blank]

viii. the single Transmission Node Identifier for the Facility;

(fA) for an Electric Storage Resource, except if clause 4.10.1(fD) applies:

…

iv. manufacturer nameplate capacity and maximum Charge Level capability and minimum Charge Level capability data of the Electric Storage Resource for each year of its expected remaining life;

v. the expected Forced Outage rate of the Electric Storage Resource taking into account the Peak Electric Storage Resource Obligation Duration based on manufacturer data, and where available, operational performance data; and

vi. optionally, evidence to show:

1. that the Market Participant can supply sufficient energy from Eligible Renewable Energy Sources for the Electric Storage Resource to discharge at its Peak Certified Reserve Capacity for the ESR Duration Requirement in each Trading Day of the applicable Capacity Year; or

2. if the Electric Storage Resource was a Fixed Price Component under clause 4.14.1C(b) in the previous Capacity Year, that the Market Participant supplied sufficient energy from Eligible Renewable Energy Sources to account for the energy supplied to the Electric Storage Resource during the previous Capacity Year;

~~3. minimum stable loading level of the Non-Intermittent Generating System expressed as a percentage of nameplate capacity;~~

…

…

4.11. Setting Certified Reserve Capacity

…

Explanatory Note

Clause 4.11.4 is amended to:

- clarify that AEMO needs to assign a Capability Class to each component of a Scheduled Facility or Semi-Scheduled Facility in clause 4.11.4(a)(ii); and
- insert the missing full stop after the clause number.

4.11.4. Subject to clause 4.11.12, when assigning Peak Certified Reserve Capacity, AEMO must assign a Capability Class to apply to the relevant Facility or component of a Facility as follows:

(a) Capability Class 1 if:

i. the Peak Certified Reserve Capacity is not associated with a Facility which is registered as, or is expected to be registered as a Non-Scheduled Facility; and

ii. AEMO reasonably expects the Facility or component of a Facility to be available to be dispatched for the MW quantity of its Peak Certified Reserve Capacity for all Trading Intervals in a Capacity Year, allowing for Outages; or

(b) Capability Class 2 if the Peak Certified Reserve Capacity:

i. is not associated with a Facility which is registered as, or is expected to be registered as, a Non-Scheduled Facility; and

ii. is:

1. associated with a Demand Side Programme or Electric Storage Resource; or

2. has energy or availability limitations such that AEMO does not expect it to be available to be dispatched for the MW quantity of its Peak Certified Reserve Capacity in all Trading Intervals in a Capacity Year but, allowing for Outages, AEMO reasonably expects it to be available to be dispatched for the MW quantity of its Peak Certified Reserve Capacity during all Default Peak Electric Storage Resource Obligation Intervals on each Business Day; and

(c) otherwise; Capability Class 3.

…

4.14. Bilateral Trade Declaration

…

Explanatory Note

Clause 4.14.1CB is amended to:

- restructure the clause (following the commencement of Schedule 2 of the RCM Sequencing Amendments) to clarify the policy intent, i.e. that the form of the condition is "((a) or (b)) and (c) and (d)", by combining (a) and (b) into a single subclause (a); and
- clarify that the Peak Certified Reserve Capacity referred to in clause 4.14.1CB(b)(ii) (which is renumbered to 4.14.1CB(a)(ii)(2)) is the quantity of Peak Certified Reserve Capacity traded bilaterally under clause 4.14.1(c) (because a Market Participant may nominate a reduced level of Peak Certified Reserve Capacity under clause 4.14.1(c) to qualify for a Fixed Price, if the Electric Storage Resource Duration is forecast to increase over the relevant period).

Clause 4.14.1CC is amended to reflect the restructuring of clause 4.14.1CB.

4.14.1CB. A Facility Technology Type within a Facility may only be nominated to be classified as a Fixed Price Component under clause 4.14.1B(b) if:

~~(a) it holds Peak Certified Reserve Capacity in Capability Class 1 and it holds Flexible Certified Reserve Capacity; or~~

~~(b) it holds Peak Certified Reserve Capacity in Capability Class 1 or Capability Class 2, and:~~

~~i. AEMO has advised the applicant under clause 4.9.9(b) that AEMO considers that the Energy Producing System will only be fuelled from Eligible Renewable Energy Sources; or~~

~~ii. it is an Electric Storage Resource that can maintain output at the level of its Peak Certified Reserve Capacity in each Trading Day for at least as long as the highest forecast ESR Duration Requirement for any Capacity Year in the Long Term PASA Study Horizon published in the most recent Electricity Statement of Opportunities; and~~

(a) either:

i. it holds Peak Certified Reserve Capacity in Capability Class 1 and it holds Flexible Certified Reserve Capacity; or

ii. it holds Peak Certified Reserve Capacity in Capability Class 1 or Capability Class 2, and:

1. AEMO has advised the applicant under clause 4.9.9(b) that AEMO considers that the Energy Producing System will only be fuelled from Eligible Renewable Energy Sources; or

2. it is an Electric Storage Resource that can maintain output at the level of its Peak Certified Reserve Capacity traded bilaterally under clause 4.14.1(c) in each Trading Day for at least as long as the highest forecast ESR Duration Requirement for any Capacity Year in the Long Term PASA Study Horizon published in the most recent Electricity Statement of Opportunities;

(b) [Blank]

(c) all Facility Technology Types within the Facility that have not been assigned Capacity Credits in a previous Reserve Capacity Cycle and are also nominated to be classified as Fixed Price Components; and

(d) it meets the requirements set out in clause 4.14.1CA to be classified as a Fixed Price Component under clause 4.14.1B(a).

4.14.1CC. If a Facility Technology Type within a Facility that has been classified as a Fixed Price Component under clause 4.14.1B(b) in a previous Reserve Capacity Cycle:

(a) for a Facility nominated in accordance with ~~clause 4.14.1CB(a)~~ clause 4.14.1CB(a)(i), does not hold Flexible Capacity Credits in the current Reserve Capacity Cycle; or

(b) for a Facility nominated in accordance with ~~clause 4.14.1CB(b)(i)~~ clause 4.14.1CB(a)(ii)(1), AEMO has advised the applicant under clause 4.9.9(b) that AEMO considers that the energy sources used by the Energy Producing System have not been or will not be from Eligible Renewable Energy Sources, or the applicant has not provided sufficient evidence under clauses 4.10.1(e)(v)(3) or 4.10.1(fA)(vi)(2) to allow AEMO to make a determination under clause 4.9.9(b); or

(c) for a Facility nominated in accordance with ~~clause 4.14.1CB(b)(ii)~~ clause 4.14.1CB(a)(ii)(2), if the Facility Technology Type is an Electric Storage Resource, it cannot currently maintain output at the level of its Peak Certified Reserve Capacity for at least as long as the highest expected ESR Duration Requirement for any year in the Long Term PASA Study Horizon published in the Electricity Statement of Opportunities for Year 1 of the Reserve Capacity Cycle in which the Facility Technology Type was first awarded Peak Certified Reserve Capacity; and

(d) the Fixed Daily Peak Reserve Capacity Price for that Fixed Price Component is greater than or equal to the Floating Daily Peak Reserve Capacity Price;

then in the current Reserve Capacity Cycle and all future Reserve Capacity Cycles, AEMO must no longer treat that Facility Technology Type as if it had been nominated as a Fixed Price Component under clause 4.14.1B(b), but instead must treat it as if it had been nominated as a Fixed Price Component under clause 4.14.1B(a).

…

4.24. Supplementary Capacity

…

Explanatory Note

Clauses 4.24.1B, 4.24.1C, 4.24.18(c) and 4.24.18B are amended for consistency with the convention for listing clauses.

4.24.1B. A notice calling for expressions of interest for supplementary capacity in accordance with ~~clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD~~ clauses 4.24.1A, 4.24.1AB or 4.24.1AD must include:

…

4.24.1C. Following the close of a call for expressions of interest for supplementary capacity in accordance with ~~clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD~~ clauses 4.24.1A, 4.24.1AB or 4.24.1AD, AEMO:

…

…

Explanatory Note

Clause 4.24.13(h)(i)(1) is amended to correct a typographical error.

4.24.13. A standard form Supplementary Capacity Contract will require the supplier of an Eligible Service to reduce net consumption, or to increase energy production, on instruction from AEMO and must specify:

…

(h) blank schedules specifying:

i. the term of the Supplementary Capacity Contract, where:

1. for supplementary Peak Capacity, this term is not to exceed, but may be shorter than, the Hot Season; and

2. for supplementary Flexible Capacity, this term is not to apply during the Hot Season;

ii. the sources of the net consumption reduction or energy production increase;

…

…

4.24.18. AEMO must document in a WEM Procedure:

…

(c) requirements, developed in consultation with Western Power, regarding the information that must be provided by those intending to respond to a call for expressions of interest under ~~clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD~~ clauses 4.24.1A, 4.24.1AB or 4.24.1AD, or intending to provide supplementary capacity in response to a call for tenders or direct negotiation under clause 4.24.2, who request assistance or an assessment from Western Power in accordance with clause 4.24.18B;

…

…

4.24.18B. A request to Western Power for assistance or an assessment by those intending to respond to a call for expressions of interest under ~~clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD~~ clauses 4.24.1A, 4.24.1AB or 4.24.1AD, or intending to provide supplementary capacity in response to a call for tenders or direct negotiation under clause 4.24.2 or a request to Western Power by AEMO must:

…

…

Glossary

…

…

Explanatory Note

The definition of Fixed Price Component is amended to use the correct defined term.

Fixed Price Component: Means a Candidate Fixed Price Component that was assigned Peak Capacity Credits for the Reserve Capacity Cycle in which it nominated in accordance with clause 4.14.1B to be classified as a ~~Peak~~ Fixed Price Component.

…

Explanatory Note

Appendix 3 is amended to clarify that a Candidate Fixed Price Component is not always a Facility Upgrade, because a new Scheduled Facility or Semi-Scheduled Facility may include one or more Candidate Fixed Price Components.

Appendix 3: Determination of Network Access Quantities

The objectives of this appendix are:

1. To prevent AEMO determining Network Access Quantities (and assigning Peak Capacity Credits) for Facilities that have been assigned Peak Certified Reserve Capacity that have insufficient access to the Network and availability to usefully address the Peak Reserve Capacity Requirement. A single algorithm is used for testing of Peak Certified Reserve Capacity and for determining whether, in respect of a Reserve Capacity Cycle, a Network Access Quantity will be determined for any new Candidate Fixed Price Facilities for the current Reserve Capacity Cycle. The process is:

    - if the Facilities, for which Peak Capacity Credits for the current Reserve Capacity Cycle are being sought, do not include a Candidate Fixed Price Facility or a ~~Facility Upgrade that is a~~ Candidate Fixed Price Component, set out in Part A; and
    - if the Facilities, for which Peak Capacity Credits for the current Reserve Capacity Cycle are being sought, include a Candidate Fixed Price Facility or a ~~Facility Upgrade that is a~~ Candidate Fixed Price Component, set out in Part B.

…

Part A No Candidate Fixed Price Facility or ~~Facility Upgrade that is a~~ Candidate Fixed Price Component

…

Part B Candidate Fixed Price Facility or ~~Facility Upgrade that is a~~ Candidate Fixed Price Component

Step 1: Identify the Peak Reserve Capacity Requirement for the relevant Capacity Year.

…

Step 5: Add to the Network Access Quantity Model:

(a) any remaining committed Facilities, excluding:

i. any new Early CRC Facilities; and

ii. any committed Candidate Fixed Price Facilities or Candidate Fixed Price Components; and

(b) any committed Facility Upgrade for an NAQ Facility, excluding any that are Candidate Fixed Price Components, then:

(c) using the Network Access Quantity Model and, subject to the NAQ rules:

i. determine the preliminary Network Access Quantity for each such Facility, or Facility Upgrade; and

ii. if applicable, adjust the preliminary Network Access Quantity determined for a Facility or Facility Upgrade under a prior step or the Indicative Network Access Quantity for an Indicative NAQ Facility.

…

Step 6A: Add all committed Candidate Fixed Price Facilities and committed ~~Facility Upgrades that are~~ Candidate Fixed Price Components to the Network Access Quantity Model, then, using the Network Access Quantity Model and, subject to the NAQ rules:

(a) determine the preliminary Network Access Quantity for each ~~committed Candidate Fixed Price~~ Facility and each Facility Upgrade ~~that is a Candidate Fixed Price Component~~; and

(b) if applicable, adjust the preliminary Network Access Quantity determined for a Facility or Facility Upgrade under a prior step or the Indicative Network Access Quantity for an Indicative NAQ Facility.

Step 6B: If the sum of the preliminary Network Access Quantity determined for each Facility under all prior steps does not fully cover the Peak Reserve Capacity Requirement, then:

(a) add the Facilities and Facility Upgrades referred to in Step 6B(a)(i) and Step 6B(a)(ii) (each step comprising a "group") in the order specified to the Network Access Quantity Model, except that before adding the next group of Facilities and Facility Upgrades to the Network Access Quantity Model, undertake Steps 6B(b), 6B(c), 6B(d) and 6B(e)(i) for that group of Facilities and Facility Upgrades, and Step 6B(e)(ii) in respect to the Facilities and Facility Upgrades referred to in Step 6B(e)(ii), before adding the next group of Facilities and Facility Upgrades, if required, and repeating Steps 6B(b), 6B(c), 6B(d) and 6B(e)(i) for that subsequent group of Facilities and Facility Upgrades, and Step 6B(e)(ii) in respect to the Facilities referred to in Step 6B(e)(ii):

i. any remaining Facilities that are not committed and are not Candidate Fixed Price Facilities, and any remaining Facility Upgrades that are not committed and are not Candidate Fixed Price Components; then

ii. Candidate Fixed Price Facilities that are not committed and ~~Facility Upgrades that are~~ Candidate Fixed Price Components that are not committed; then

…

…

Explanatory Note

The formula for Observed Demand in Appendix 7 includes adjustment terms for demand reductions relating to involuntary load shedding and the operation of Interruptible Loads and Demand Side Programmes. However, unlike the Existing Facility Load for Scheduled Generation formula in Appendix 9, the Observed Demand formula does not include adjustment terms to account for demand reductions due to the operation of Supplementary Capacity Contracts and NCESS Contracts.

Appendix 7 is amended to include the missing SC_Reduction and NCESS_Reduction terms in the Observed Demand calculation. The terms both refer to clause 7.13.1FA, which is expected to commence on 1 October 2025 through Schedule 2 of the *Wholesale Electricity Market Amendment (Cost Allocation Reform) Rules 2024* (CAR Amendments).

Appendix 7: Reference Demand Profile

Step 1. Determine the "Observed Demand" (in MW) for each Trading Interval in the RD Profile Reference Period as:

~~$Observed\_Demand(t) = (Total\_Generation(t) + Interruptible\_Reduction(t) + Involuntary\_Reduction(t) + DSP\_Reduction(t)) \times 2$~~

$$Observed\ Demand(t) = (Total\ Generation(t) + Interruptible\ Reduction(t) + Involuntary\ Reduction(t) + DSP\ Reduction(t) + SC\ Reduction(t) + NCESS\ Reduction(t)) \times 2$$

where:

(a) Total_Generation(t) is the Total Sent Out Generation in Trading Interval t;

(b) Interruptible_Reduction(t) is the quantity published under clause 7.13.1F(b) for Trading Interval t;

(c) Involuntary_Reduction(t) is the quantity published under clause 7.13.1F(a) for Trading Interval t; ~~and~~

(d) DSP_Reduction(t) is half the sum of the quantities calculated by AEMO under clause 7.13.5 for each Demand Side Programme for Trading Interval t~~.~~;

(e) SC_Reduction is the quantity published under clause 7.13.1FA(a) for Trading Interval t; and

(f) NCESS_Reduction is the quantity published under clause 7.13.1FA(b) for Trading Interval t.

…

Explanatory Note

The definitions of SC_Reduction and NCESS_Reduction in Step 7 of Appendix 9 are amended to refer to the quantities published under new clause 7.13.1FA, which is expected to commence on 1 October 2025.

Appendix 9: Relevant Level Determination

…

Step 7: Determine for each Trading Interval in each 12 month period identified in Step 1(b) the Existing Facility Load for Scheduled Generation (in MWh) as:

(Total_Generation + DSP_Reduction + Interruptible_Reduction + Involuntary_Reduction + SC_Reduction + NCESS_Reduction) – CF_Generation

where:

Total_Generation is the Total Sent Out Generation of all Registered Facilities;

DSP_Reduction is half the sum of the quantities calculated by AEMO under clause 7.13.5 for each Demand Side Programme for the Trading Interval;

Interruptible_Reduction is the total quantity by which all Interruptible Loads reduced their consumption in the provision of Contingency Reserve Raise, as recorded by AEMO under clause 7.13.1F(b);

Involuntary_Reduction is the total quantity of energy not served due to involuntary load shedding (manual and automatic), as recorded by AEMO under clause 7.13.1F(a);

SC_Reduction is the total quantity of energy by which Facilities reduced their consumption in accordance with the terms of a Supplementary Capacity Contract for the Trading Interval, as published by AEMO under clause 7.13.1FA(a);

NCESS_Reduction is the total quantity of energy by which Facilities reduced their consumption in accordance with the terms of an NCESS Contract for the Trading Interval, as published by AEMO under clause 7.13.1FA(b); and

CF_Generation is the total sent out generation of all Candidate Facilities, as identified in Step 4.

…

Schedule 4: Amending Rules to commence on 1 October 2026 (directly after commencement of Schedule 3 of the RCM Sequencing Amendments)

…

2.13. Compliance Monitoring and Enforcement

…

Explanatory Note

Clause 2.13.7 is amended to restore the reference to clause 7.10.6B in clause 2.13.7(b), which is temporarily removed in Schedule 3 of these draft Amending Rules. Note that the changes are marked up against the clause as amended by Schedule 3.

2.13.7. AEMO must, in accordance with the WEM Procedure referred to in clause 2.15.4:

(a) monitor Rule Participants' behaviour for compliance with the ESM Rules specified in the list referred to in clause 2.16.2A(aA);

(b) monitor Rule Participants' behaviour for compliance with ~~clause 4.12.2(d)~~ clauses 4.12.2(d) and 7.10.6B;

(c) ensure it has processes and systems in place to enable it to monitor Rule Participants' behaviour in accordance with clauses 2.13.7(a) and 2.13.7(b) and in accordance with the list of ESM Rules that AEMO must monitor for compliance provided under clause 2.16.2A(aA) including developing systems for monitoring;

(d) support the Economic Regulation Authority's monitoring of Rule Participants' behaviour, including having processes and systems to provide the Economic Regulation Authority with data, information, documents or analysis under clauses 2.13.4, 2.13.7, 2.13.8(a), 2.13.8(b) or 2.13.14, as applicable; and

(e) subject to clause 2.13.12, record and report to the Economic Regulation Authority any alleged breach of the ESM Rules or WEM Procedures resulting from its monitoring under clauses 2.13.7(a) and 2.13.7(b).

…

2.29. Facility Registration Classes

Explanatory Note

Clause 2.29.5AH is amended to correct an incorrect clause reference.

2.29.5AH. AEMO must:

(a) use the Unadjusted Baseline Method if a Market Participant fails to nominate a method for the determination of the Relevant Demand of the Demand Side Programme in accordance with clause 4.29.5AG; or

(b) if a Market Participant nominates a method for the determination of the Relevant Demand of the Demand Side Programme in accordance with ~~clause 4.29.5AG~~ clause 2.29.5AG:

i. acknowledge the receipt of the nomination within two Business Days; and

ii. effect the nomination within five Business Days of receipt and notify the Market Participant when the nomination is effective.

…

Explanatory Note

Clause 2.29.13 is amended to restore clause 2.29.13(e), which is temporarily removed in Schedule 3 of these draft Amending Rules. Note that the changes are marked up against the clause as amended by Schedule 3.

2.29.13. Facility Sub-Metering is to be used solely for the purpose of:

(a) certification of Reserve Capacity under section 4.9;

(b) a Reserve Capacity Test under section 4.25;

(c) in accordance with clause 4.13.10B, the determination of whether a Facility is in Commercial Operation; ~~and~~

(d) reviewing expert reports under clause 4.11.7~~.~~; and

(e) monitoring compliance with clause 7.10.6B in accordance with the WEM Procedure referred to in clause 7.10.6C.

To avoid doubt, Facility Sub-Metering must not be used for the purposes of settlement under Chapter 9.

…

4.11. Setting Certified Reserve Capacity

…

Explanatory Note

Clause 4.11.1 is amended to restore clause 4.11.1(c)(v), which is temporarily removed in Schedule 2 of these draft Amending Rules. Note that the changes are marked up against the clause as amended by Schedule 2, and include the correct cross-reference (to clause 7.10.6B).

4.11.1. Subject to clauses 4.11.1A and 4.11.12, AEMO must apply the following principles in assigning a quantity of Certified Reserve Capacity to a Facility or relevant component of a Facility for the Reserve Capacity Cycle for which an application for Certified Reserve Capacity has been submitted in accordance with section 4.10:

…

(c) AEMO must not assign Certified Reserve Capacity to a Facility for a Reserve Capacity Cycle if:

i. [Blank]

ii. the Facility is not operational or is not scheduled to commence operation for the first time so as to meet its Reserve Capacity Obligations by 1 October of Year 3 of the Reserve Capacity Cycle;

iii. the Facility will cease operation permanently, and hence cease to meet Reserve Capacity Obligations, from a time earlier than 1 August of Year 4 of the Reserve Capacity Cycle;

iv. the Facility already has Capacity Credits assigned to it under clause 4.28C for the Reserve Capacity Cycle; ~~or~~

v. ~~[Blank]~~during any of the previous three Capacity Years, a Market Participant held Capacity Credits for that Facility, and did not comply with clause 7.10.6B in respect of the Facility; or

vi. the Facility is a Demand Side Programme and it has submitted under clause 4.10.1(f)(v) a minimum notice period for dispatch under clause 7.6.15 of more than two hours.

…

…

4.26. Financial Implications of Failure to Satisfy Reserve Capacity Obligations

…

Explanatory Note

Clause 4.26.1A(a) is amended to replace the full stop at the end of subclause 4.26.1A(a)(ii)(5) with "; and".

4.26.1A. AEMO must calculate the Reserve Capacity Deficit refund for each Facility f, for which a Market Participant holds Capacity Credits, ("**Facility Reserve Capacity Deficit Refund**") in each Trading Interval t as the lesser of:

(a) the product of:

i. the Trading Interval Refund Rate, calculated under clause 4.26.1(a), applicable to Facility f in Trading Interval t; and

ii. the Reserve Capacity Deficit for Facility f in Trading Interval t, where the Reserve Capacity Deficit for Facility f in Trading Interval t is equal to whichever of the following applies:

…

5. if Facility f is a Demand Side Programme, the capacity shortfall calculated as:

$$max\big(PDSPTS(f,t), PDSPDS(f,t)\big)$$

where:

i. PDSPTS(f,t) is the Peak DSP Test Shortfall in MW determined by AEMO under clause 4.25.3D, clause 4.25.4(b) or clause 4.25.6(b)(i), or zero if AEMO has not determined a Peak DSP Test Shortfall; and

ii. PDSPDS(f,t) is the Peak DSP Delivery Shortfall in MW determined by AEMO under clause 4.26.1AA~~.~~; and

(b) the Maximum Facility Refund for the Facility in the relevant Capacity Year, less all Facility Reserve Capacity Deficit Refunds applicable to the Facility in previous Trading Intervals falling in the same Capacity Year.

…

Explanatory Note

Clause 4.26.2D is amended to apply standard clause numbering to the variable list in 4.26.2D(a).

4.26.2D. AEMO must determine the shortfall in Peak Capacity ("Capacity Shortfall") supplied by each Market Participant holding Peak Capacity Credits associated with a Demand Side Programme f in each Trading Interval t relative to its Reserve Capacity Obligation Quantity as:

(a) if AEMO has issued a Dispatch Instruction with a non-zero MW quantity under section 7.6 to the Demand Side Programme f for the Trading Interval:

$$max\left(0, min\big(RCOQ(f,t), DIMW(f,t)\big) - max\big(0, RD(f,t) - DSPLMW(f,t)\big)\right)$$

where:

i. RCOQ(f,t) is the Reserve Capacity Obligation Quantity of the Demand Side Programme f for Trading Interval t (in MW);

ii. DIMW(f,t) is the quantity by which the Demand Side Programme f was instructed by AEMO to restrict its DSP Energy Level in Trading Interval t as specified by AEMO in accordance with clause 7.13.5;

iii. RD(f,t) is the Relevant Demand of the Demand Side Programme f for Trading Interval t, determined by AEMO in accordance with clause 4.26.2CA; and

iv. DSPLMW(f,t) is the Demand Side Programme Load of the Demand Side Programme f in Trading Interval t, multiplied by two to convert to units of MW; and

(b) zero, if AEMO has issued a Dispatch Instruction with a zero MW quantity under section 7.6 to the Demand Side Programme f for Trading Interval t.

…

Explanatory Note

Clause 4.30.4 is amended to replace “WEM Rules” with “ESM Rules”.

4.30.4. AEMO must reject a Capacity Credit Allocation Submission in respect of a Facility or a Separately Certified Component if the sum of the Peak Capacity Credits:

(a) proposed to be allocated in the Capacity Credit Allocation Submission; and

(b) proposed to be allocated in any other Capacity Credit Allocation Submission for that Facility or Separately Certified Component by that Market Participant for the relevant Trading Day,

exceeds the number of Peak Capacity Credits that are able to be traded bilaterally for that Facility or Separately Certified Component by that Market Participant under the ~~WEM Rules~~ ESM Rules for the Trading Day.

…

7.4A. DSP Profile Submissions

…

Explanatory Note

Clause 7.4A.8 is amended to correct a typographical error.

7.4A.8. If a Market Participant receives a notification relating to a Reserve Capacity Test of a Demand Side Programme under clause 4.25.9(h), the Market Participant must:

(a) as soon as practicable and no later than one hour before the Reserve Capacity Test is due to commence, review and update the DSP Profile Submissions for the Demand Side Programme for, subject to clause 7.4A.9A, each future Dispatch Interval in the Trading Day in which the Reserve Capacity Test will be conducted; and

(b) take the information provided in the notification under clause 4.25.9(h) into account in determining the relevant DSP Constrained Quantities.

…

7.6. Dispatch

…

Explanatory Note

Clause 7.6.13A is amended to correct a typographical error.

7.6.13A. Where AEMO has issued a Dispatch Instruction with a zero MW quantity to a Demand Side Programme, the Market Participant may, from the start of the Dispatch Interval specified under clause 7.6.11A(c) for the Dispatch Instruction, increase the DSP Energy Level of ~~of~~ the Demand Side Programme above the level specified in the previous Dispatch Instruction.

…

7.10. Compliance with Dispatch Instructions

…

Explanatory Note

The amendments in Schedule 2 of this Tranche 8 exposure draft propose to insert clause 7.10.6B ahead of its original scheduled commencement on 1 October 2026. This means that when Schedule 3 of the RCM Sequencing Amendments commences it will insert a second, superfluous version of the clause, which will need to be deleted. (Note the clause to be deleted is the one that includes the words “Non-Dispatchable Load”.)

7.10.6B. If a Market Participant holds Capacity Credits associated with an Energy Producing System for a Facility that also includes a Load, the Market Participant must not operate the Energy Producing System in a manner that results in, or has the effect of, reducing the Individual Reserve Capacity Requirement for the relevant Facility unless operating pursuant to a Dispatch Instruction or in accordance with a direction from AEMO.

~~7.10.6B. If a Market Participant holds Capacity Credits associated with an Energy Producing System for a Facility that also includes a Non-Dispatchable Load, the Market Participant must not operate the Energy Producing System in a manner that results in, or has the effect of, reducing the Individual Reserve Capacity Requirement for the relevant Facility unless operating pursuant to a Dispatch Instruction or in accordance with a direction from AEMO.~~

…

7.13. Settlement and Monitoring Data

…

Explanatory Note

Clause 7.13.1G(a)(i) is amended to use the updated defined term.

7.13.1G. Subject to clause 7.11D.5, AEMO must make available to Market Participants, for each Dispatch Interval of each DSP Pre-Dispatch Schedule or DSP Week-Ahead

Schedule, within 30 minutes of determining that DSP Schedule, the following information:

(a) for each Demand Side Programme:

i. DSP Unconstrained ~~Withdrawal~~ Quantity;

ii. DSP Constrained Quantity;

iii. estimated Relevant Demand;

iv. [Blank]

v. estimated Reserve Capacity Obligation Quantity;

vi. DSP Forecast Capacity; and

vii. DSP Forecast Reduction;

(b) the sum of the DSP Forecast Capacities of each Demand Side Programme; and

(c) the sum of the DSP Forecast Reductions of each Demand Side Programme.

…

Explanatory Note

The definition of DSP_Reduction in the Appendix 7 formula for Observed Demand is amended to refer to the more appropriate value introduced by Schedule 3 of the RCM Sequencing Amendments and published under new clause 7.13.1F(c).

Appendix 7: Reference Demand Profile

Step 1. Determine the "Observed Demand" (in MW) for each Trading Interval in the RD Profile Reference Period as:

$$Observed\_Demand(t) = (Total\_Generation(t) + Interruptible\_Reduction(t) + Involuntary\_Reduction(t) + DSP\_Reduction(t) + SC\_Reduction(t) + NCESS\_Reduction(t)) \; x \; 2$$

where:

(a) Total_Generation(t) is the Total Sent Out Generation in Trading Interval t;

(b) Interruptible_Reduction(t) is the quantity published under clause 7.13.1F(b) for Trading Interval t;

(c) Involuntary_Reduction(t) is the quantity published under clause 7.13.1F(a) for Trading Interval t;

~~(d) DSP_Reduction(t) is half the sum of the quantities calculated by AEMO under clause 7.13.5 for each Demand Side Programme for Trading Interval t;~~

(d) DSP_Reduction(t) is the quantity published under clause 7.13.1F(c) for Trading Interval t;

(e) SC_Reduction is the quantity published under clause 7.13.1FA(a) for Trading Interval t; and

(f) NCESS_Reduction is the quantity published under clause 7.13.1FA(b) for Trading Interval t.

…

Explanatory Note

The definition of DSP_Reduction in the Appendix 9 formula for Existing Facility Load for Scheduled Generation is amended to refer to the more appropriate value introduced by Schedule 3 of the RCM Sequencing Amendments and published under new clause 7.13.1F(c)..

Appendix 9: Relevant Level Determination

…

Step 7: Determine for each Trading Interval in each 12 month period identified in Step 1(b) the Existing Facility Load for Scheduled Generation (in MWh) as:

(Total_Generation + DSP_Reduction + Interruptible_Reduction + Involuntary_Reduction + SC_Reduction + NCESS_Reduction) – CF_Generation

where:

Total_Generation is the Total Sent Out Generation of all Registered Facilities;

~~DSP_Reduction is half the sum of the quantities calculated by AEMO under clause 7.13.5 for each Demand Side Programme for the Trading Interval;~~

DSP_Reduction is the quantity published under clause 7.13.1F(c) for the Trading Interval;

Interruptible_Reduction is the total quantity by which all Interruptible Loads reduced their consumption in the provision of Contingency Reserve Raise, as recorded by AEMO under clause 7.13.1F(b);

Involuntary_Reduction is the total quantity of energy not served due to involuntary load shedding (manual and automatic), as recorded by AEMO under clause 7.13.1F(a);

SC_Reduction is the total quantity of energy by which Facilities reduced their consumption in accordance with the terms of a Supplementary Capacity Contract for the Trading Interval, as published by AEMO under clause 7.13.1FA(a);

NCESS_Reduction is the total quantity of energy by which Facilities reduced their consumption in accordance with the terms of an NCESS

Contract for the Trading Interval, as published by AEMO under clause 7.13.1FA(b); and

CF_Generation is the total sent out generation of all Candidate Facilities, as identified in Step 4.

…

Schedule 5: Amending Rules to commence on 1 October 2027 (directly after commencement of Schedule 4 of the RCM Sequencing Amendments)

…

1.63. General Transitional Provisions – Operational Matters

…

Explanatory Note

Clause 1.63.10 is amended to correct a typographical error.

1.63.10. For the 2025 Reserve Capacity Cycle, if the Flexible Reserve Capacity Price is less than or equal to the Peak Reserve Capacity Price then in respect of the 2027 Capacity Year:

…

(f) AEMO must determine and publish:

i. the forecast highest Four-Hour Demand Increase as required by section 7.3 and section 3.16; and

ii. the Flexible Reserve Capacity Price under clause 4.29.1(b)(ii);

(g) AEMO is not required to update or publish WEM Procedures relating to the activities in clauses 1.63.10(b), 1.63.10(d), 1.63.10(e)(iv) or 1.63.10(e)(viii) until 1 January 2026;

(h) AEMO must not conduct Reserve Capacity Tests under clause 4.25.1B or clause 4.25.2BA;

(i) Market Participants must not apply to AEMO for a reduction in Flexible Capacity Credits under clause 4.25.4A;

(j) Market Participants must not submit Capacity Credit Allocation Submissions in respect of Flexible Capacity Credits; and

(k) AEMO must not issue Dispatch Instructions under 7.6.11(b)(ii).

…

4.12. Setting Reserve Capacity Obligations

…

Explanatory Note

Clause 4.12.5 is amended to remove a duplicated word “Peak” from the header paragraph.

4.12.5. AEMO must determine the Peak Reserve Capacity Obligation Quantity for each Separately Certified Component of a Scheduled Facility or Semi-Scheduled

Facility, for each Dispatch Interval for which the Separately Certified Component is assigned ~~Peak~~ Peak Capacity Credits, as follows:

(a) the Peak Reserve Capacity Obligation Quantity for an Intermittent Generating System is equal to zero for each Dispatch Interval;

…

…

4.13A. DSP Reserve Capacity Security

…

Explanatory Note

Clause 4.13A.15A is amended to correct typographical errors.

4.13A.15A. If a Demand Side Programme that was subject to clause 4.10.1B in Year 1 of the relevant Reserve Capacity Cycle has its Capacity Credits reduced by AEMO under clause 2.29.5AE or clause 2.29.5AF, then the Market Participant that provides the DSP Reserve Capacity Security for the Demand Side Programme must pay to AEMO, as compensation to the market, either: ~~:~~

(a) ~~If~~ if AEMO has reduced the level of Peak Capacity Credits under clause 2.29.5AE, the product of:

i. the shortfall in Peak Capacity Credits calculated by AEMO under clause 2.29.5AE; and

ii. the Floating Daily Peak Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year; or

(b) ~~If~~ if AEMO has reduced the level of Flexible Capacity Credits under clause 2.29.5AF, the product of:

i. the shortfall in Flexible Capacity Credits calculated by AEMO under clause 2.29.5AF; and

ii. the Floating Daily Flexible Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year.

…

Explanatory Note

Clause 4.13A.16(d) is amended to remove a duplicated word “Peak”.

4.13A.16. The payment obligation under clause 4.13A.15 or clause 4.13A.15A may be satisfied by AEMO drawing upon:

…

(d) secondly, once all costs to which clause 4.13A.16(c) refers are covered, make a rebate payment to Market Participants in proportion to their ~~Peak~~

Peak Individual Reserve Capacity Requirements during the relevant Trading Day in accordance with Chapter 9.

…

4.13B. Coordinator Review of Effectiveness of Certification of Reserve Capacity for Energy and Availability Limited Technologies

…

Explanatory Note

Clause 4.13B.3(e) is amended to replace "Wholesale Market Objectives" with "State Electricity Objective".

4.13B.3. A review conducted under clause 4.13B.1 must examine:

(a) whether the method for rating the capacity of Electric Storage Resources and other energy limited resources for the purposes of setting Certified Reserve Capacity remains consistent with the State Electricity Objective;

(b) whether the use of different Peak Electric Storage Resource Obligation Durations for Electric Storage Resources commissioned in different years remains consistent with the State Electricity Objective;

(c) whether the method to determine ESR Duration Requirements for Electric Storage Resources as set out in clause 4.5.12(d) remains consistent with the State Electricity Objective;

(d) whether the method and processes used by AEMO to determine the Mid Peak Electric Storage Resource Obligation Intervals remain consistent with the State Electricity Objective;

(e) whether applying Flexible Capacity refunds only outside the Hot Season remains consistent with the ~~Wholesale Market Objectives~~ State Electricity Objective;

(f) any trend in the Availability Duration Gap from year to year, and its implications for the approach to certification of Energy Storage Resources in the WEM; and

(g) whether the method to determine the Peak Demand Side Programme Dispatch Requirement and Flexible Demand Side Programme Dispatch Requirement, as set out in clauses 4.5.12(f), 4.5.12(g), and 4.5.12(h) remains consistent with the ~~Wholesale Market Objectives~~ State Electricity Objective.

…

4.25. Reserve Capacity Testing

…

Explanatory Note

Clause 4.25.1B(a)(ii) is amended to replace the semi-colon at the end of the clause with a comma.

4.25.1B. AEMO must take steps to verify, in accordance with clause 4.25.1C, that each Facility or Separately Certified Component of a Facility assigned Flexible Capacity Credits can:

(a) in the case of a Non-Intermittent Generating System or an Electric Storage Resource, during the period the Reserve Capacity Obligations apply:

i. start from a cold state and ramp to provide Injection at a MW quantity matching the number of Flexible Capacity Credits currently held (converted to a sent out basis to 41 degrees Celsius using temperature dependence information submitted to AEMO under clause 4.10.1(e)(i) or provided in Standing Data (if available)); and

ii. start from a level of Injection at a MW quantity matching the number of Flexible Capacity Credits currently held (converted to a sent out basis to 41 degrees Celsius using temperature dependence information submitted to AEMO under clause 4.10.1(e)(i) or provided in Standing Data (if available)) and ramp to zero~~;~~,

while meeting the minimum standards set under clause 4.10.1A(d), at least once during each of the following periods:

iii. 1 October to 31 March; and

iv. 1 April to 30 September; and

(b) in the case of a Demand Side Programme, during the period the Reserve Capacity Obligations apply, decrease its consumption to operate at a level equivalent to its Relevant Demand minus the Flexible Capacity Credits assigned to the Facility, while meeting the minimum standards set under clause 4.10.1A(d) at least once during each of the following periods:

i. 1 October to 31 March; and

ii. 1 April to 30 September.

…

Explanatory Note

Schedule 4, paragraph 15.3 of the RCM Sequencing Amendments could not be implemented because of an error in the Ministerial Instrument. Clause 4.25.2A is amended to make change intended in Schedule 4, paragraph 15.3.

4.25.2A. A Market Participant for a Facility required to install Facility Sub-Metering in accordance with clause 2.29.12 may provide AEMO with meter data, recorded by Facility Sub-Metering, by:

(a) 5 February, in respect of the immediately preceding period commencing 1 October; and

(b) 5 August, in respect of the immediately preceding period commencing 1 April,

for the purposes of observing the Separately Certified Component in accordance with ~~clause 4.25.2(e)(i)~~ clauses 4.25.2(e)(i) or clause 4.25.1C(c)(i).

Explanatory Note

Schedule 4 of the RCM Sequencing Amendments inserted a new clause 4.25.2AB. This new clause was intended to be numbered 4.25.2BA and is referred to as clause 4.25.2BA in other provisions. To correct the error, clause 4.25.2AB is deleted and a new clause 4.25.2BA inserted. The replacement clause is the same as the original clause except that a reference to clause 4.25.1C(b) has been included in the header paragraph account for Demand Side Programmes.

4.25.2AB. AEMO must subject a Facility or Separately Certified Component to a Reserve Capacity Test under clauses 4.25.1C(a)(ii) or 4.25.1C(c)(ii) if:

(a) AEMO has determined, in accordance with clauses 4.25.1C(a)(i) or 4.25.1C(c)(i), that the Facility or Separately Certified Component of the Facility, as applicable, did not demonstrate the capability specified in clause 4.25.1B(a):

i. in respect of the period 1 October to 31 January, by 31 January that same year; or

ii. in respect of the period 1 April to 31 July, by 31 July that same year;

(b) the Market Participant for the Facility has not provided meter data, recorded by the Facility Sub-Metering to AEMO, if applicable, in accordance with and by the time specified in clause 4.25.2A;

(c) AEMO is conducting a re-test in accordance with clause 4.25.3F, clause 4.25.6(b)(ii), clause 4.25.6(a)(ii) and/or 4.25.6(c)(ii); or

(d) a Demand Side Programme has failed to deliver the quantity determined by AEMO under clause 7.13.5.

Explanatory Note

The header paragraph of clause 4.25.2B is amended to include a reference to clause 4.25.2(b), to account for Demand Side Programmes.

4.25.2B. AEMO must subject a Facility or Separately Certified Component to a Reserve Capacity Test under clauses 4.25.2(a)(ii), 4.25.2(b) or 4.25.2(e)(ii) if:

(a) the Market Participant for the Facility, has not provided meter data, recorded by the Facility Sub-Metering to AEMO, if applicable, in accordance with and by the time specified in clause 4.25.2A;

(b) AEMO has determined, in accordance with clauses 4.25.2(a)(i) or 4.25.2(e)(i), that the Facility or Separately Certified Component of the Facility, as applicable, did not operate at the level specified in clause 4.25.1(a) by:

i. 31 January, in respect of the immediately preceding period 1 October to 31 January; and

ii. 31 July, in respect of the immediately preceding period 1 April to 31 July;

(c) AEMO is conducting a re-test in accordance with:

i. clauses 4.25.4 or 4.25.6(b)(i); or

ii. clauses 4.25.6(a)(i) and/or 4.25.6(c)(i); or

(d) a Demand Side Programme has failed to deliver the quantity determined by AEMO under clause 7.13.5.

4.25.2BA. AEMO must subject a Facility or Separately Certified Component to a Reserve Capacity Test under clauses 4.25.1C(a)(ii), 4.25.1C(b) or 4.25.1C(c)(ii) if:

(a) AEMO has determined, in accordance with clauses 4.25.1C(a)(i) or 4.25.1C(c)(i), that the Facility or Separately Certified Component of the Facility, as applicable, did not demonstrate the capability specified in clause 4.25.1B(a):

i. in respect of the period 1 October to 31 January, by 31 January that same year; or

ii. in respect of the period 1 April to 31 July, by 31 July that same year;

(b) the Market Participant for the Facility has not provided meter data, recorded by the Facility Sub-Metering to AEMO, if applicable, in accordance with and by the time specified in clause 4.25.2A;

(c) AEMO is conducting a re-test in accordance with clause 4.25.3F, clause 4.25.6(b)(ii), clause 4.25.6(a)(ii) and/or 4.25.6(c)(ii); or

(d) a Demand Side Programme has failed to deliver the quantity determined by AEMO under clause 7.13.5.

…

Explanatory Note

Clause 4.25.4CB is amended to replace “WEM Rules” with “ESM Rules”.

4.25.4CB. AEMO must not approve an application received under clause 4.25.4A if the reduction of Flexible Capacity Credits for the relevant Facility would result in the number of Flexible Capacity Credits for the Facility allocated by the relevant Market Participant in Capacity Credit Allocations for a Trading Day exceeding the number of Flexible Capacity Credits for the Facility held for that Trading Day by the Market Participant that are able to be traded bilaterally under the ~~WEM Rules~~ ESM Rules.

…

Explanatory Note

Clauses 4.25.4G, 4.25.4H, 4.25.5 and 4.25.6 are amended for consistency with the convention for listed clauses.

4.25.4G. A Market Participant may, for a Demand Side Programme that failed a Reserve Capacity Test requested by AEMO under ~~clause 4.25.1C or clause 4.25.2~~ clauses 4.25.1C or 4.25.2, elect not to subject the relevant Demand Side Programme to a second Reserve Capacity Test in accordance with ~~clause 4.25.3F or clause 4.25.4~~ clauses 4.25.3F or 4.25.4 by providing notice to AEMO in accordance with clause 4.25.4H.

4.25.4H. A notification provided under clause 4.25.4G must be given to AEMO by 5:00 PM on the second Business Day after receiving notification from AEMO that the relevant Demand Side Programme failed the Reserve Capacity Test requested by AEMO under ~~clause 4.25.1C or clause 4.25.2~~ clauses 4.25.1C or 4.25.2.

…

4.25.5. In the event that the number of Capacity Credits held by a Market Participant is reduced during a Capacity Year in accordance with ~~clause 4.25.4 or 4.25.3G~~ clauses 4.25.4 or 4.25.3G, then that Market Participant may request once prior to the end of the Capacity Year that AEMO perform a single re-test to be conducted for the Facility, or Separately Certified Component of the Facility, during the seven days following that request.

4.25.6. If AEMO receives a request for a Reserve Capacity re-test in accordance with ~~clause 4.25.4I or clause 4.25.5~~ clauses 4.25.4I or 4.25.5, then:

…

…

4.26. Financial Implications of Failure to Satisfy Reserve Capacity Obligations

…

Explanatory Note

Clauses 4.26.1 is amended to structure each subclause as a distinct paragraph.

4.26.1. If a Market Participant holding Capacity Credits associated with a Facility fails to comply with its Reserve Capacity Obligations applicable to any given Trading Interval then the Market Participant must pay a refund to AEMO calculated in accordance with the following provisions.

(a) The Peak Trading Interval Refund Rate for a Facility f in the Trading Interval t is determined as follows:

$$Peak\ Trading\ Interval\ Refund\ Rate(f,t)=PRF(f,t) \times PY(f,t)$$

where:

i. Peak Trading Interval Refund Rate (f,t) is the Peak Trading Interval Refund Rate for Facility f in Trading Interval t;

ii. PRF(f,t) is the Peak Capacity refund factor for Facility f in Trading Interval t and is calculated in accordance with clause 4.26.1(c); and

iii. PY(f,t) is the per Trading Interval price for Peak Capacity associated with Facility f in Trading Interval t and is determined in accordance with clause 4.26.1(b).

(b) For a Facility f, for which a Market Participant holds Peak Capacity Credits, in the Trading Interval t, PY(f,t) is determined as follows:

…

iv. if Facility f is a Non-Scheduled Facility, PY(f,t) equals the Entity Daily Peak Reserve Capacity Price for the Facility divided by 48; and

v. if Facility f is a Demand Side Programme:

$$PY(f,t) = \frac{EDPRCP(f,t)}{48} \times \frac{1}{48} \times \frac{TICY(t)}{DSPTICY(f,t)}$$

where:

1. EDPRCP(f,t) is the Entity Daily Peak Reserve Capacity Price for Facility f in Trading Interval t; and

2. TICY(t) is the number of Trading Intervals in the Capacity Year in which Trading Interval t falls; and

3. DSPTICY(f,t) is the number of Trading Intervals in the Capacity Year in which Trading Interval t falls which fall in the period specified under clause 4.10.1(f)(vi) for Demand Side Programme f;.

(c) The Peak Capacity refund factor PRF(f,t) for a Facility f in the Trading Interval t is the lesser of:

i. six; and

ii. the greater of the Peak Capacity dynamic refund factor PRF_dynamic(t) as determined under clause 4.26.1(d) and the minimum Peak Capacity refund factor PRFfloor(f,t) as determined under clauses 4.26.1(f) or 4.26.1(g) as appropriate.

(d) The Peak Capacity dynamic refund factor PRF_dynamic(t) in Trading Interval t is determined as follows:

$$PRF\_dynamic(t) = 11.75 - \left(\frac{5.75}{750}\right) \times \sum_{f \in F} Spare(f,t)$$

where:

i. F is the set of all Registered Facilities for which Market Participants hold Peak Capacity Credits in the Trading Interval t and f is a Facility within that set; and

ii. Spare(f,t) is the available Peak Capacity related to Registered Facility f, which is not dispatched in Trading Interval t determined in accordance with clause 4.26.1(e).

(e) For Registered Facility f in the Trading Interval t, Spare(f,t) is determined as follows:

…

ii. if Facility f is a Non-Scheduled Facility, zero; and

iii. if Facility f is a Demand Side Programme in the Trading Interval t, Spare(f,t) is equal to:

1. If Demand Side Programme f is subject to a Dispatch Instruction issued under clause 7.6.5A with a non-zero dispatch quantity determined under clause 7.13.5, then:

$$max\left(0, PRCOQ(f,t) - \left(RD(f,t) - 2 \times DSP\ Load(f,t)\right)\right)$$

2. Otherwise, PRCOQ(f,t),

where:

3. PRCOQ(f,t) is the Peak Reserve Capacity Obligation for the Demand Side Programme f in the Trading Interval t;

4. DSP Load(f,t) is the Demand Side Programme Load for the Demand Side Programme f in the Trading Interval t as determined under clause 9.5.4; and

5. RD(f,t) is the Relevant Demand for Demand Side Programme f in Trading Interval t.

(f) Subject to clause 4.26.1(g), the minimum refund factor PRF floor(f,t) in the Trading Interval t is determined as follows:

$$PRF\ floor(f,t) = 1 - 0.75 \times Dispatchable(f,t)$$

where:

i. Dispatchable(f,t) for a Facility f in the Trading Interval t is its portion of capacity which is not subject to a Forced Outage for energy over the 4320 previous Trading Intervals pt prior to and including the Trading Interval t, where this is equal to one in the Trading Interval if no Peak Capacity Credits are held by the Facility in any of the 4320 previous Trading Intervals, determined as follows:

$$Dispatchable(f,t) = 1 - \left(\frac{\sum_{pt \in PT} PCAFO(f,pt)}{\sum_{pt \in PT} PCC(f,pt)}\right)$$

where:

1. PT is the set of 4320 Trading Intervals immediately prior to and including the Trading Interval t and pt is a Trading Interval within that set;

2. PCAFO(f,pt) is the Peak Capacity Adjusted Forced Outage Quantity for Facility f in the Trading Interval pt, as determined in accordance with clause 3.21.7B; and

3. PCC(f,pt) is the number of Peak Capacity Credits a Market Participant holds for Facility f in the Trading Interval pt~~;~~.

(g) PRF floor(f,t) is equal to one in the Trading Interval t for a Facility f to which any of the following applies:

i. the Facility f is a Demand Side Programme; or

ii. the Facility f is not a Registered Facility or AEMO has deemed the Facility to not be in Commercial Operation in the Trading Interval t~~; and~~.

(h) The Flexible Trading Interval Refund Rate for a Facility f in the Trading Interval t is determined as follows:

$$Flexible\ Trading\ Interval\ Refund\ Rate(f,t) = FRF(f,t) \times FY(f,t)$$

where:

i. Flexible Trading Interval Refund Rate (f,t) is the Flexible Trading Interval Refund Rate for Facility f in Trading Interval t;

ii. FRF(f,t) is the Flexible Capacity refund factor for Facility f in Trading Interval t and is calculated in accordance with clause 4.26.1(j); and

iii. FY(f,t) is the per Trading Interval price for Flexible Capacity associated with Facility f in Trading Interval t and is determined in accordance with clause 4.26.1(i)~~;~~.

(i) For a Facility f, for which a Market Participant holds Flexible Capacity Credits, in the Trading Interval t, FY(f,t) is zero if Trading Interval t falls in the Hot Season, and is otherwise determined as follows:

…

iv. if Facility f is a Demand Side Programme:

$$FY(f,t) = \frac{12}{8} \times EDFRCP(f,t) \times \frac{1}{48} \times \frac{TICY(t)}{DSPTICY(f,t)}$$

where:

1. EDFRCP(f,t) is the Entity Daily Flexible Reserve Capacity Price for Facility f in Trading Interval t;

2. TICY(t) is the number of Trading Intervals in the Capacity Year in which Trading Interval t falls; and

3. DSPTICY(f,t) is the number of Trading Intervals in the Capacity Year in which Trading Interval t falls which fall in

the period specified under clause 4.10.1(f)(vi) for Demand Side Programme f~~;~~.

(j) The Flexible Capacity refund factor FRF(f,t) for a Facility f in Trading Interval t is the lesser of:

i. six; and

ii. the greater of the Flexible Capacity dynamic refund factor FRF_dynamic(t) as determined under clause 4.26.1(k) and one~~; and~~.

(k) The Flexible Capacity dynamic refund factor FRF_dynamic(t) in Trading Interval t is determined as follows:

$$FRF\_dynamic(t) = 2 \times \frac{2 \times (OD(t) - OD(t-1))}{0.25 \times EHFHDI}$$

where:

i. OD(t) is the Operational Demand for Trading Interval t; and

ii. EHFHDI is the expected highest Four-Hour Demand Increase determined under clause 4.5.10(bA)(ii) for the Capacity Year in which Trading Interval t falls.

…

Explanatory Note

Clause 4.26.1AA is amended to remove a duplicated word “Peak”.

4.26.1AA. AEMO must determine the Peak DSP Delivery Shortfall as the average of the Peak ~~Peak~~ Capacity Shortfall values for a Demand Side Programme determined under clause 4.26.2D from the first Trading Day of the Capacity Year and ending with and including the relevant Trading Day, but excluding:

(a) Trading Intervals in which the Demand Side Programme failed to deliver its Reserve Capacity Obligation Quantity occurring prior to the Demand Side Programme subsequently passing a Reserve Capacity Test under clause 4.25.2B(d); and

(b) Trading Intervals in which the Demand Side Programme was not subject to a Dispatch Instruction issued under clause 7.6.5A with the quantity determined by AEMO under clause 7.13.5.

…

Explanatory Note

Clause 4.26.3A is amended to use standard clause numbering.

4.26.3A. The Peak Demand Side Programme Capacity Cost Refund for Trading Interval t for a Facility f with a Facility Class (or, for an unregistered Facility, an indicative Facility Class) of Demand Side Programme is equal to the lesser of:

(a) the Maximum Peak Facility Refund for Facility f in the Capacity Year the Trading Interval t falls in, less all Peak Demand Side Programme Capacity Cost Refunds applicable to the Facility in previous Trading Intervals falling in the same Capacity Year; and

(b) the sum of:

i. either:

1. if Facility f is a Registered Facility:

$$PTIRR(f,t) \times PCS$$

where:

i. PCS is the Peak Capacity Shortfall in MW for Facility f in Trading Interval t determined in accordance with clause 4.26.2D, and

ii. PTIRR(f,t) is the Peak Trading Interval Refund Rate for Facility f in Trading Interval t; or

2. otherwise, zero; and

ii. the Peak Facility Reserve Capacity Deficit Refund for Trading Interval t for Facility f, determined in accordance with clause 4.26.1A.

…

Explanatory Note

Clause 4.26.4A is amended to include a full stop after the clause number.

4.26.4A. AEMO must determine the Flexible DSP Delivery Shortfall as the average of the Flexible Capacity Shortfall values for a Demand Side Programme determined under clause 4.26.14 from the first Trading Day of the Capacity Year and ending with and including the relevant Trading Day, but excluding:

(a) Trading Intervals in which the Demand Side Programme failed to deliver its Flexible Reserve Capacity Obligation Quantity occurring prior to the Demand Side Programme subsequently passing a Reserve Capacity Test under clause 4.25.2BA(d); and

(b) Trading Intervals in which the Demand Side Programme was not subject to a Dispatch Instruction issued under clause 7.6.5A with the quantity determined by AEMO under clause 7.13.5.

…

Explanatory Note

Clauses 4.26.14 and 4.26.18 are amended to use standard clause numbering.

4.26.14. AEMO must determine the Flexible Capacity shortfall ("**Flexible Capacity Shortfall**") supplied by each Market Participant holding Flexible Capacity Credits associated with a Demand Side Programme f in each Trading Interval t outside the Hot Season relative to its Flexible Reserve Capacity Obligation Quantity as:

(a) if AEMO has issued a Dispatch Instruction with a non-zero MW quantity under section 7.6 to the Demand Side Programme f for the Trading Interval:

$$max(0, min(FRCOQ(f,t), DIMW(f,t)) - max(0, RD(f,t) - DSPLMW(f,t)))$$

where:

i. FRCOQ(f,t) is the Flexible Reserve Capacity Obligation Quantity of the Demand Side Programme f for Trading Interval t (in MW);

ii. DIMW(f,t) is the quantity by which the Demand Side Programme f was instructed by AEMO to restrict its DSP Energy Level in Trading Interval t as specified by AEMO in accordance with clause 7.13.5;

iii. RD(f,t) is the Relevant Demand of the Demand Side Programme f for Trading Interval t, determined by AEMO in accordance with clause 4.26.2CA; and

iv. DSPLMW(f,t) is the Demand Side Programme Load of the Demand Side Programme f in Trading Interval t, multiplied by two to convert to units of MW; and

(b) zero, if AEMO has issued a Dispatch Instruction with a zero MW quantity under section 7.6 to the Demand Side Programme f for Trading Interval t.

…

4.26.18. The Flexible Demand Side Programme Capacity Cost Refund for Trading Interval t for a Facility f with a Facility Class (or, for an unregistered Facility, an indicative Facility Class) of Demand Side Programme is equal to the lesser of:

(a) the Maximum Flexible Facility Refund for Facility f in the Capacity Year the Trading Interval t falls in, less all Flexible Demand Side Programme Capacity Cost Refunds applicable to the Facility in previous Trading Intervals falling in the same Capacity Year; and

(b) the sum of:

i. either:

1. if Facility f is a Registered Facility:

$$FTIRR(f,t) \times FCS(f,t)$$

where:

i. FCS(f,t) is the Flexible Capacity Shortfall in MW for Facility f determined in accordance with clause 4.26.14 in Trading Interval t, and

ii. FTIRR(f,t) is the Flexible Trading Interval Refund Rate for Facility f in Trading Interval t; or

2. otherwise, zero; and

ii. the Flexible Facility Reserve Capacity Deficit Refund for Trading Interval t for Facility f, determined in accordance with clause 4.26.4.

…

4.30. Daily Capacity Credit Allocation Process

…

Explanatory Note

Clause 4.30.4A is amended to replace "WEM Rules" with "ESM Rules".

4.30.4A. AEMO must reject a Capacity Credit Allocation Submission in respect of a Facility or a Separately Certified Component if the sum of the Flexible Capacity Credits:

(a) proposed to be allocated in the Capacity Credit Allocation Submission; and

(b) proposed to be allocated in any other Capacity Credit Allocation Submission for that Facility or Separately Certified Component by that Market Participant for the relevant Trading Day,

exceeds the number of Flexible Capacity Credits that are able to be traded bilaterally for that Facility or Separately Certified Component by that Market Participant under the ~~WEM Rules~~ ESM Rules for the Trading Day.

…

Explanatory Note

Clause 4.30.5 is amended for consistency with the convention for listed clauses.

4.30.5. AEMO must approve a Capacity Credit Allocation Submission if the Capacity Credit Allocation Submission is not rejected in accordance with ~~clause 4.30.4 or clause 4.30.4A~~ clauses 4.30.4 or 4.30.4A.

…

7.4A. DSP Profile Submissions

…

Explanatory Note

Clause 7.4A.8 is amended for consistency with the convention for listed clauses.

7.4A.8. If a Market Participant receives a notification relating to a Reserve Capacity Test of a Demand Side Programme under clause 4.25.9(h), the Market Participant must:

(a) as soon as practicable and, in the case of a Reserve Capacity Test under ~~clause 4.25.2(b)(ii), clause 4.25.4 or clause 4.25.6(b)(i)~~ clauses 4.25.2(b)(ii), 4.25.4 or 4.25.6(b)(i), no later than one hour before the Reserve Capacity Test is due to commence, review and update the DSP Profile Submissions for the Demand Side Programme for, subject to clause 7.4A.9A, each future Dispatch Interval in the Trading Day in which the Reserve Capacity Test will be conducted; and

(b) take the information provided in the notification under clause 4.25.9(h) into account in determining the relevant DSP Constrained Quantities.

…

7.8A. DSP Schedules

…

Explanatory Note

Schedule 4, paragraphs 26.1-26.3 of the RCM Sequencing Amendments attempted to amend clause 7.8A.1(b)(i) and insert clause 7.8A.1(b)(ii), but the "(b)" was omitted from the Ministerial Instrument. As a result the changes to clause 7.8A.1(b)(i) were not made and an erroneous clause 7.8A.1(ii) has been inserted.

Clause 7.8A.1 is amended to implement the intent of Schedule 4, paragraphs 26.1-26.3.

7.8A.1. A DSP Pre-Dispatch Schedule or DSP Week-Ahead Schedule is a schedule that includes, for each Demand Side Programme, for each Dispatch Interval in the Pre-Dispatch Schedule Horizon or Week-Ahead Schedule Horizon (as applicable):

(a) the DSP Unconstrained Quantity and DSP Constrained Quantity provided by the Market Participant in its DSP Profile Submission;

(b) AEMO's reasonable estimate based on the information available to AEMO of:

i. the Peak Reserve Capacity Obligation Quantity of the Demand Side Programme in the Dispatch Interval; and

ii. the Flexible Reserve Capacity Obligation Quantity of the Demand Side Programme in the Dispatch Interval;

(c) the DSP Forecast Capacity, determined by AEMO in accordance with clause 7.8A.3; and

(d) the DSP Forecast Reduction, determined by AEMO in accordance with clause 7.8A.4.

~~ii. the Flexible Reserve Capacity Obligation Quantity of the Demand Side Programme in the Dispatch Interval.~~

…

9.8. Settlement Calculations - Reserve Capacity

…

Explanatory Note

Clause 9.8.3A is amended to replace the semi-colon at the end of clause 9.8.3A(a)(iv) with a comma.

9.8.3A. For the purposes of clause 9.8.3, Peak_Capacity_Payments(p,d) is calculated as:

$$Peak\_Capacity\_Payments(p,d) = \sum_{e \in PCCEntities(p,d)} \left((PCC(e,d) - PCCA(e,d)) \times EDPRCP(e,d) \right)$$

where:

(a) e∈PCCEntities(p,d) denotes all:

i. Separately Certified Components of Scheduled Facilities;

ii. Separately Certified Components of Semi-Scheduled Facilities;

iii. Non-Scheduled Facilities; and

iv. Demand Side Programmes~~;~~,

registered to Market Participant p on Trading Day d, and e is an entity in that set;

(b) PCC(e,d) is the number of Peak Capacity Credits assigned to entity e for Trading Day d;

(c) PCCA(e,d) is the sum of the Peak Capacity Credits associated with entity e for Trading Day d that have been allocated in Capacity Credit Allocations; and

(d) EDPRCP(c,d) is the Entity Daily Peak Reserve Capacity Price associated with entity e in Trading Day d;

…

Explanatory Note

Clause 9.8.7 is amended to replace the semi-colon at the end of clause 9.8.7(a)(iii) with a comma.

9.8.7. For the purposes of clause 9.8.6, Flexible_Capacity_Payments(p,d) is calculated as:

$$Flexible\_Capacity\_Payments(p,d) = \sum_{e \in FCCEntities(p,d)} \left((FCC(e,d) - FCCA(e,d)) \times EDFRCP(e,d) \right)$$

where:

(a) e∈FCCEntities(p,d) denotes all:

i. Separately Certified Components of Scheduled Facilities;

ii. Separately Certified Components of Semi-Scheduled Facilities; and

iii. Demand Side Programmes~~;~~,

registered to Market Participant p on Trading Day d, and e is an entity in that set;

(b) FCC(e,d) is the number of Flexible Capacity Credits assigned to entity e for Trading Day d;

(c) FCCA(c,d) is the sum of the Flexible Capacity Credits associated with entity e for Trading Day d that have been allocated in a Capacity Credit Allocation;

(d) EDFRCP(e,d) is the Entity Daily Flexible Reserve Capacity Price associated with entity e in Trading Day d.

…

Glossary

…

Explanatory Note:

Schedule 4, paragraph 30.24 of the RCM Sequencing Amendments inserts a second, identical definition for the Flexible IRCR Intervals, which needs to be deleted.

Flexible IRCR Intervals: For a Capacity Year, the Trading Intervals determined by AEMO under clause 4.28.5C.

~~**Flexible IRCR Intervals:** For a Capacity Year, the Trading Intervals determined by AEMO under clause 4.28.5C.~~

…

Explanatory Note:

The definitions of Maximum Flexible Facility Refund, Maximum Flexible Participant Generation Refund, Maximum Peak Facility Refund, Maximum Peak Participant Generation Refund and Peak Refund Exempt Planned Outage Count are amended to replace “WEM Rules” with “ESM Rules”.

Maximum Flexible Facility Refund: The total amount of the Flexible Capacity Credit payments paid or to be paid under these ~~WEM Rules~~ ESM Rules to a Market Participant in relation to a Facility and in relation to a Capacity Year assuming that:

(a) AEMO acquires all of the Flexible Capacity Credits held by the Market Participant in relation to its Facility; and

(b) the cost of each Flexible Capacity Credit so acquired is determined in accordance with clause 4.28.2(f).

Maximum Flexible Participant Generation Refund: The total amount of the Flexible Capacity Credit payments paid or to be paid under these ~~WEM Rules~~ ESM Rules to a Market Participant in relation to its Facilities (other than Facilities with a Facility Class or indicative Facility Class of Demand Side Programme) and in relation to a Capacity Year assuming that:

(a) AEMO acquires all of the Flexible Capacity Credits held by the Market Participant in relation to those Facilities; and

(b) the cost of each Flexible Capacity Credit so acquired is determined in accordance with clause 4.28.2(f).

Maximum Peak Facility Refund: The Facility Maximum Peak Refund Factor multiplied by the total amount of the Peak Capacity Credit payments paid or to be paid under these ~~WEM Rules~~ ESM Rules to a Market Participant in relation to a Facility and in relation to a Capacity Year assuming that:

(a) AEMO acquires all of the Peak Capacity Credits held by the Market Participant in relation to its Facility; and

(b) the cost of each Peak Capacity Credit so acquired is determined in accordance with clause 4.28.2(d).

Maximum Peak Participant Generation Refund: The total amount of the Peak Capacity Credit payments paid or to be paid under these ~~WEM Rules~~ ESM Rules to a Market Participant in relation to its Facilities (other than Facilities with a Facility Class or indicative Facility Class of Demand Side Programme) and in relation to a Capacity Year assuming that:

(a) AEMO acquires all of the Peak Capacity Credits held by the Market Participant in relation to those Facilities; and

(b) the cost of each Peak Capacity Credit so acquired is determined in accordance with clause 4.28.2(d).

…

Peak Refund Exempt Planned Outage Count: In respect of a Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility and a period of time, the sum over all Trading Intervals in that period of:

(a) if the Trading Interval occurs on or after 8:00 AM on 1 June 2016 and before New WEM Commencement Day, the total MW quantity of Refund Exempt Planned Outage determined for the relevant Scheduled Generator (or Scheduled Generators) in the Trading Interval under the ~~WEM Rules~~ ESM Rules that were in force immediately before New WEM Commencement Day, divided by the number of Capacity Credits

associated with the Scheduled Generator (or Scheduled Generators) in the Trading Interval;

(b) if the Trading Interval occurs on or after New WEM Commencement Day and before RCM Reform Commencement, the total Refund Exempt Planned Outage Quantity determined by AEMO for the Separately Certified Component in the Trading Interval under the ~~WEM Rules~~ ESM Rules that were in force immediately before RCM Reform Commencement, divided by the number of Peak Capacity Credits associated with the Separately Certified Component in the Trading Interval; or

(c) if the Trading Interval occurs on or after RCM Reform Commencement, the total Peak Refund Exempt Planned Outage Quantity determined by AEMO for the Separately Certified Component in the Trading Interval under clauses 4.26.1C or 4.26.1CA, divided by the number of Peak Capacity Credits associated with the Separately Certified Component in the Trading Interval.

…

Explanatory Note:

Appendix 1 is amended to:

- amend items (b)(vD), (b)(xiiA), (c)(vD), (c)(xii) and (d)(vD) to clarify that a Facility can only have a single Peak Electric Storage Resource Obligation Duration at a time;
- amend items (b)(xB), (b)(xiiA), (c)(xB), and (c)(xiiA) to correct clause reference errors; and
- restore item (b)(xviA), which was accidentally deleted by Schedule 4 of the RCM Sequencing Amendments.

Appendix 1: Standing Data

This Appendix describes the Standing Data to be maintained by AEMO for use by AEMO in market processes and in dispatch processes.

Standing Data required to be provided as a pre-condition of Market Participant registration and which Market Participants are to update as necessary, is described in Appendix 1(a).

Standing Data required to be provided as a pre-condition of Facility registration and which Rule Participants are to update as necessary, is described in Appendix 1(b) to 1(f).

Standing Data not required to be provided as a pre-condition of Facility registration but which AEMO is required to maintain, and which Rule Participants are to update as necessary, includes the data described in Appendix 1(g) to 1(i).

(a) For each Market Participant, the maximum Loss Factor adjusted quantity of energy, in units of MWh, that could be consumed during a Trading Interval by the Market Participant's Registered Facilities and Non-Dispatchable Loads.

(b) For a Scheduled Facility:

i. the total nameplate capacity of the Facility's Energy Producing System, expressed in MW;

…

vD. the maximum sent out capacity, net of embedded and Parasitic Loads, that can be available for supply to the relevant Network from Electric Storage Resources in the Facility under optimal conditions across the Peak Electric Storage Resource Obligation Duration ~~for each Electric Storage Resources in the Facility~~, expressed in MW;

…

xB. if the Facility has a Separately Certified Component that is a Non-Intermittent Generating System, the maximum sent out capacity, net of embedded and Parasitic Loads, that can be available for supply to the relevant Network from the Non-Intermittent Generating System under optimal conditions, while meeting the requirements determined under ~~clause 4.10.1A(i)~~ clause 4.10.1A(a)(i), expressed in MW;

…

xiiA. if the Facility has a Separately Certified Component that is an Electric Storage Resource, the maximum sent out capacity, net of embedded and Parasitic Loads, that can be available for supply to the relevant Network from the Electric Storage Resource under optimal conditions, across the Peak Electric Storage Resource Obligation Duration ~~for each Electric Storage Resource in the Facility~~, while meeting the requirements determined under ~~clause 4.10.1A(iii)~~ clause 4.10.1A(a)(iii), expressed in MW;

…

xviA. if the Facility comprises only an Electric Storage Resource, whether the Market Participant requires AEMO to include Constraint Equations in the Dispatch Algorithm under clause 7.5.10 relating to restrictions on the simultaneous dispatch of energy and Frequency Co-optimised Essential System Service;

xvii. if the Facility is a Fast Start Facility;

…

(c) For a Semi-Scheduled Facility:

…

vD. the maximum sent out capacity, net of embedded and Parasitic Loads, that can be available for supply to the relevant Network from Electric Storage Resources in the Facility under optimal conditions

across the Electric Storage Resource Obligation Duration ~~for each Electric Storage Resource in the Facility~~, expressed in MW;

…

xB. if the Facility has a Separately Certified Component that is a Non-Intermittent Generating System, the maximum sent out capacity, net of embedded and Parasitic Loads, that can be available for supply to the relevant Network from the Non-Intermittent Generating System under optimal conditions, while meeting the requirements determined under ~~clause 4.10.1A(i)~~ clause 4.10.1A(a)(i), expressed in MW;

xi. if the Facility has a Separately Certified Component that is an Electric Storage Resource, the maximum sent out capacity, net of embedded and Parasitic Loads, that can be available for supply to the relevant Network from the Electric Storage Resource when it is operated normally at an ambient temperature of:

1. 41 degrees Celsius; and

2. 45 degrees Celsius;

xii. if the Facility has a Separately Certified Component that is an Electric Storage Resource, the maximum sent out capacity, net of embedded and Parasitic Loads, that can be available for supply to the relevant Network from the Electric Storage Resource under optimal conditions across the Electric Storage Resource Obligation Duration ~~for each Electric Storage Resource in the Facility~~, expressed in MW;

xiiA. if the Facility has a Separately Certified Component that is an Electric Storage Resource, the maximum sent out capacity, net of embedded and Parasitic Loads, that can be available for supply across the Peak Electric Storage Resource Obligation Duration to the relevant Network from the Electric Storage Resource under optimal conditions, while meeting the requirements determined under ~~clause 4.10.1A(iii)~~ clause 4.10.1A(a)(iii), expressed in MW, expressed in MW;

…

(d) for a Non-Scheduled Facility:

…

vD. the maximum sent out capacity, net of embedded and Parasitic Loads, that can be available for supply to the relevant Network from Electric Storage Resources in the Facility under optimal conditions across the Electric Storage Resource Obligation Duration ~~for each Electric Storage Resource in the Facility~~, expressed in MW;

…

…

Explanatory Note:

Appendix 5, Step 11 is amended to use the correct defined term.

Appendix 5: Peak Individual Reserve Capacity Requirements

…

Step 11: The ~~Individual Peak~~ Peak Individual Reserve Capacity Requirement Contribution of an individual metered Associated Load for Trading Month n of a Capacity Year is determined as follows:

(a) for meter u at a connection point measuring Non-Temperature Dependent Load that was registered with AEMO for all of the 12 Peak SWIS Trading Intervals equals (NTDL(u) x NTDL_Ratio x Total_Ratio);

(b) for meter v at a connection point measuring Temperature Dependent Load that was registered with AEMO for all of the 12 Peak SWIS Trading Intervals equals (TDL(v) x TDL_Ratio x Total_Ratio);

(c) for meter u at a new connection point identified in Step 5 measuring Non-Temperature Dependent Load equals (NMNTCR(u) x Total_Ratio); and

(d) for meter v at a new connection point identified in Step 5 measuring Temperature Dependent Load equals (NMTDCR(v) x Total_Ratio).

…

Schedule 6: Amending Rules to commence directly after commencement of Schedule 5 of the RCM Sequencing Amendments (date TBD)

…

Glossary

…

Explanatory Note:

The defined term RD Profile Reference Period will not be required after the removal of Appendix 7 by Schedule 5, paragraph 7.1 of the RCM Sequencing Amendments.

~~**RD Profile Reference Period**: For a Reserve Capacity Cycle, the five year period ending at 8:00 AM on 1 October of Year 1 of the previous Reserve Capacity Cycle.~~

…

Explanatory Note:

The proposed amendment to the definition of RLM Reference Period in Schedule 2 of these draft Amending Rules will prevent the amendment to the definition specified in Schedule 5, paragraph 6.1 of the RCM Sequencing Amendments from proceeding. The definition is amended to implement the intent of Schedule 5, paragraph 6.1.

RLM Reference Period: For a Reserve Capacity Cycle, the five year period ending at 8:00 AM on ~~1 April of Year 1~~ 1 October of Year 1 of the previous Reserve Capacity Cycle.

…

Explanatory Note

Schedule 5, paragraph 8.1 of the RCM Sequencing Amendments replaces Appendix 9 (Relevant Level Determination). The following errors have been identified in the new Appendix:

- The formula for Observed Demand in step B.2.1 does not include terms to account for demand reductions due to the operation of Supplementary Capacity Contracts and NCESS Contracts.
- Step B.3.4 requires AEMO to determine Non-Candidate Availability Scenarios for the Part D ELCC Period, which is not defined at this point in the process. The reference should be to the "ELCC Reference Period".

Appendix 9 is amended to address these errors.

Appendix 9: Relevant Level Determination

…

B.2.1. Determine the "**Observed Demand**" (in MW) for each Trading Interval in the RLM Reference Period as:

~~Observed_Demand(t) = (Total_Generation(t) + Interruptible_Reduction(t) + Involuntary_Reduction(t) + DSP_Reduction(t)) x 2~~

$$Observed\ Demand(t) = (Total\ Generation(t) + Interruptible\ Reduction(t) + Involuntary\ Reduction(t) + DSP\ Reduction(t) + SC\ Reduction(t) + NCESS\ Reduction(t)) \times 2$$

where:

(a) Total_Generation(t) is the Total Sent Out Generation in Trading Interval t;

(b) Interruptible_Reduction(t) is the quantity published under clause 7.13.1F(b) for Trading Interval t;

(c) Involuntary_Reduction(t) is the quantity published under clause 7.13.1F(a) for Trading Interval t; ~~and~~

(d) DSP_Reduction(t) is the quantity published under clause 7.13.1F(c) for Trading Interval t~~.~~;

(e) SC_Reduction is the quantity published under clause 7.13.1FA(a) for Trading Interval t; and

(f) NCESS_Reduction is the quantity published under clause 7.13.1FA(b) for Trading Interval t.

…

B.3.4 Determine at least 50 "**Non-Candidate Availability Scenarios**", which identify, for each Non-Candidate, in each Trading Interval of the ~~Part D ELCC Period~~ ELCC Reference Period, whether the Non-Candidate is available. The likelihood of a Non-Candidate being unavailable in each Trading Interval of a Non-Candidate Availability Scenario must match the Non-Candidate Forced Outage Rate for that Non-Candidate.

…

Schedule 7: RCS Uplift Payments - Amending Rules to commence TBD

Explanatory Note

The *Wholesale Electricity Market Amendment (FCESS Cost Review) Rules 2024* (FCESS Cost Review Amendments) included changes to the WEM Rules to remove FCESS Uplift Payments for RoCoF Control Service providers. Additionally, new clause 7.7.8A was inserted and clause 7.14.1 amended to ensure that if AEMO needed to constrain on a Facility to provide RoCoF Control Service, the Facility would be eligible for an Energy Uplift Payment to cover its enablement costs.

The timely introduction of the Energy Uplift Payments was facilitated by classifying the relevant Constraint Equations as "Network" Constraint Equations. This approach was selected because it was quick to implement and ensured Market Participants were kept whole if their Facilities were constrained on.

However, the use of Energy Uplift Payments was recognised as only a short-term solution because it allocates the costs to loads only, rather than all the causers of RoCoF Control Service requirements. Since the FCESS Cost Review Amendments commenced on 20 November 2024, AEMO has needed to constrain on Facilities to provide RoCoF Control Service far more often than anticipated, increasing the priority of resolving the cost allocation deficiency.

This schedule includes changes required to:

- explicitly identify the Constraint Equations used by AEMO to facilitate directions to provide RoCoF Control Service; and
- replace the Energy Uplift Payments made in these situations with a new payment type ("RCS Uplift Payment"), which will be similar to an Energy Uplift Payment except that the costs are allocated to all the causers of RoCoF Control Service.

The schedule also includes a change to the FCESS Uplift Payment eligibility flag calculation in clause 9.10.3F, to ensure that Facilities constrained on under an NCESS Contract do not receive FCESS Uplift Payments.

AEMO has not yet confirmed the commencement date for these Amending Rules, but it is expected that they will commence before the end of 2025, at the same time as Schedule 4 of the CAR Amendments, which implements a new cost allocation method for Contingency Reserve Lower.

…

7.7. Scarcity and Intervention

...

7.7.8. Where AEMO issues a direction to a Market Participant in accordance with this section 7.7 or under clauses 3.4.4, 3.4.5 or 3.5.5, AEMO must, as soon as practicable, input appropriate Constraint Equations in the Dispatch Algorithm to ensure that the Dispatch Algorithm generates Dispatch Instructions that will allow the Registered Facility to comply with those directions.

Explanatory Note

Clause 7.7.8A is amended and new clause 7.7.8B inserted to explicitly identify the Constraint Equations used by AEMO to facilitate directions to provide RoCoF Control Service.

7.7.8A. If AEMO includes a Constraint Equation in the Dispatch Algorithm under clause 7.7.8 to facilitate a direction to~~:~~ ensure, during a period subject to a Low Reserve Condition Declaration, a minimum level of Injection from a Registered Facility, then for the purposes of clauses 7.14.1 and 9.9.9, the Constraint Equation is deemed to reflect a Network Constraint.

~~(a) synchronise a Registered Facility to provide a RoCoF Control Service; or~~

~~(b) ensure, during a period subject to a Low Reserve Condition Declaration, a minimum level of Injection from a Registered Facility,~~

~~then for the purposes of clauses 7.14.1 and 9.9.9, the Constraint Equation is deemed to reflect a Network Constraint.~~

7.7.8B. If AEMO includes a Constraint Equation in the Dispatch Algorithm under clause 7.7.8 to facilitate a direction to synchronise a Registered Facility to provide a RoCoF Control Service, then the Constraint Equation is deemed to be an RCS Provision Constraint Equation.

…

9.10. Settlement Calculations - Essential System Services

…

Explanatory Note

Clause 9.10.3 is amended to include the new RCS Uplift Payments.

9.10.3. The Essential System Service amount payable to Market Participant p for Trading Day d is:

~~ESS_Payable(p,d) =~~
~~CR_Payable(p,d) + CL_Payable(p,d) +~~
~~RCS_Payable(p,d) + Regulation_Payable(p,d) +~~
~~SRS_Payable(p,d) + NCESS_Payable(p,d) +~~
~~FCESSUplift_Payable(p,d)~~

$$ESS\_Payable(p,d) = CR\_Payable(p,d) + CL\_Payable(p,d) + RCS\_Payable(p,d) + Regulation\_Payable(p,d) + SRS\_Payable(p,d) + NCESS\_Payable(p,d) + FCESSUplift\_Payable(p,d) + RCSUplift\_Payable(p,d)$$

where:

(a) CR_Payable(p,d) is the Contingency Reserve Raise amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.4;

(b) CL_Payable(p,d) is the Contingency Reserve Lower amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.8;

(c) RCS_Payable(p,d) is the RoCoF Control Service amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.12;

(d) Regulation_Payable(p,d) is the Regulation amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.20;

(e) SRS_Payable(p,d) is the System Restart Service amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.25;

(f) NCESS_Payable(p,d) is the NCESS amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.27A; ~~and~~

(g) FCESSUplift_Payable(p,d) is the FCESS uplift amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.3A~~.~~; and

(h) RCSUplift_Payable(p,d) is the RoCoF Control Service uplift amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.3Q.

…

Explanatory Note

Clause 9.10.3F is amended to ensure that Facilities constrained on under an NCESS Contract do not receive FCESS Uplift Payments.

9.10.3F. The FCESS Uplift Payment eligibility flag for Registered Facility f in Dispatch Interval DI is:

~~$$FCESSUpliftEligibleFlag(f,DI) = \begin{cases} 1, \text{ if } RTMSuspFlag(DI)=0 \\ \text{and } f \in EligibleFacilities(DI) \\ \text{and } IsMisPriced(f,DI)=0 \\ \text{and } DispatchTarget(f,DI)>0 \\ \text{and } \sum_{m \in FCESS} EnablementQty(m,f,DI) > 0 \\ 0, \text{ otherwise} \end{cases}$$~~

$$FCESSUpliftEligibleFlag(f,DI) = \begin{cases} 1, \text{ if } RTMSuspFlag(DI)=0 \\ \text{and } f \in EligibleFacilities(DI) \\ \text{and } IsMisPriced(f,DI)=0 \\ \text{and } DispatchTarget(f,DI)>0 \\ \text{and } \forall c\ (f \notin FacilitiesInBindingNCESS(c,DI)) \\ \text{and } \sum_{m \in FCESS} EnablementQty(m,f,DI) > 0 \\ 0, \text{ otherwise} \end{cases}$$

where:

(a) RTMSuspFlag(DI) is the RTM Suspension Flag for Dispatch Interval DI;

(b) EligibleFacilities(DI) is the set of Scheduled Facilities
and Semi-Scheduled Facilities in Dispatch Interval DI;

(c) IsMisPriced(f,DI) is the mispricing trigger for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.9.9;

(d) DispatchTarget(f,DI) is the Dispatch Target for Registered Facility f in Dispatch Interval DI;

(dA) FacilitiesInBindingNCESS(c,DI) is the set of Registered Facilities provided under clause 5.9.1(b) for NCESS Contract c and Dispatch Interval DI;

(e) m∈FCESS denotes each of the Contingency Reserve Raise, Contingency Reserve Lower, Regulation Raise and Regulation Lower Frequency Co-optimised Essential System Services; and

(f) EnablementQty(m,f,DI) is the Essential System Service Enablement Quantity for Registered Facility f in Dispatch Interval DI for Frequency Co-optimised Essential System Service m, determined in accordance with clauses 9.10.6(c), 9.10.10(c), 9.10.22(c) or 9.10.23(c) as applicable.

…

Explanatory Note

New clauses 9.10.3Q to 9.10.3T calculate the RoCoF Control Service uplift amounts payable to each Facility/Market Participant.

9.10.3Q. The RoCoF Control Service uplift amount payable to Market Participant p for Trading Day d is:

$$RCSUplift\_Payable(p,d) = \sum_{f \in p} \sum_{t \in d} RCSUpliftPayment(f,t)$$

where:

(a) RCSUpliftPayment(f,t) is the RCS Uplift Payment for Registered Facility f in Trading Interval t as calculated in accordance with clause 9.10.3R;

(b) f∈p denotes all Registered Facilities f registered to Market Participant p; and

(c) t∈d denotes all Trading Intervals t in Trading Day d.

9.10.3R. The RCS Uplift Payment for Registered Facility f in Trading Interval t is:

$$RCSUpliftPayment(f,t) = \sum_{DI \in t} RCSUpliftPayment(f,DI)$$

where:

(a) RCSUpliftPayment(f,DI) is the RCS Uplift Payment for Registered Facility f in Dispatch Interval DI as calculated under clause 9.10.3S; and

(b) DI∈t denotes all Dispatch Intervals DI in Trading Interval t.

Explanatory Note

An RCS Uplift Payment is made to a Facility if it meets the eligibility criteria in the Dispatch Interval. The payment amount is the same as the amount the Facility would receive for an Energy Uplift Payment.

9.10.3S. The RCS Uplift Payment for Registered Facility f in Dispatch Interval DI is:

$$RCSUpliftPayment(f,DI) = RCSUpliftEligibleFlag(f,DI) \times EnergyUpliftPrice(f,DI) \times EnergyUpliftQuantity(f,DI)$$

where:

(a) RCSUpliftEligibleFlag(f,DI) is the RCS Uplift Payment eligibility flag for Registered Facility f in Dispatch Interval DI, calculated in accordance with clause 9.10.3T;

(b) EnergyUpliftPrice(f,DI) is the Energy Uplift Price for Registered Facility f in Dispatch Interval DI calculated in accordance with clause 9.9.10; and

(c) EnergyUpliftQuantity(f,DI) is the Energy Uplift Quantity for Registered Facility f in Dispatch Interval DI calculated in accordance with clause 9.9.11.

Explanatory Note:

A Facility is eligible for an RCS Uplift Payment in a Dispatch Interval if:

- AEMO has not suspended the Real-Time Market;
- the Facility is subject to a binding RCS Provision Constraint Equation;
- the Facility is not eligible for an Energy Uplift Payment or FCESS Uplift Payment;
- the Facility has been dispatched for an energy quantity > 0;
- the Facility is not constrained on under an NCESS Contract; and
- the Marginal Offer Price for the Facility exceeds the Energy Market Clearing Price.

9.10.3T. The RCS Uplift Payment eligibility flag for Registered Facility f in Dispatch Interval DI is:

$$RCSUpliftEligibleFlag(f,DI) = \begin{cases} 1, \text{ if } RTMSuspFlag(DI)=0 \\ \text{and } f \in FacilitiesInBindingRCSProvision(DI) \\ \text{and } IsMisPriced(f,DI)=0 \\ \text{and } FCESSUpliftEligibleFlag=0 \\ \text{and } ClearedQuantity(f,DI)>0 \\ \text{and } \forall\, c\ (f \notin FacilitiesInBindingNCESS(c,DI)) \\ \text{and } MarginalOfferPrice(f,DI) > Energy\_MCP(DI) \\ 0, \text{ otherwise} \end{cases}$$

where:

(a) RTMSuspFlag(DI) is the RTM Suspension Flag for Dispatch Interval DI;

(b) FacilitiesInBindingRCSProvision(DI) is the set of Scheduled Facilities and Semi-Scheduled Facilities that are subject to a binding RCS Provision Constraint Equation in Dispatch Interval DI;

(c) IsMisPriced(f,DI) is the mispricing trigger for Registered Facility f in Dispatch Interval DI, as calculated in accordance with clause 9.9.9;

(d) FCESSUpliftEligibleFlag is the FCESS Uplift Payment eligibility flag for Registered Facility f in Dispatch Interval DI, as calculated in accordance with clause 9.10.3F;

(e) ClearedQuantity(f,DI) is the cleared energy quantity for Registered Facility f in Dispatch Interval DI as recorded in the relevant Dispatch Instruction (where this quantity can be a Dispatch Target, Dispatch Cap or Dispatch Forecast);

(f) FacilitiesInBindingNCESS(c,DI) is the set of Registered Facilities provided under clause 5.9.1(b) for NCESS Contract c and Dispatch Interval DI;

(g) MarginalOfferPrice(f,DI) is the highest Loss Factor Adjusted Price associated with any cleared (or scheduled) Price-Quantity Pair for In-Service Capacity in respect of a Market Participant's Real-Time Market Offer for energy that was dispatched for Registered Facility f in Dispatch Interval DI; and

(h) Energy_MCP(DI) is the Final Energy Market Clearing Price for Dispatch Interval DI.

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Explanatory Note

Clause 9.10.15 is amended to include the total cost of RCS Uplift Payments for the Dispatch Interval in RCS_Payable(DI).

9.10.15. The cost of procuring RoCoF Control Service in Dispatch Interval DI is:

~~$RCS\_Payable(DI) = \sum_{f \in Facilities} RCS\_Payable(f,DI)$~~

$$RCS\_Payable(DI) = \sum_{f \in Facilities} RCS\_Payable(f,DI) + RCSUpliftPayment(f,DI)$$

where:

(a) RCS_Payable(f,DI) is the RoCoF Control Service amount payable for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.10.14; ~~and~~

(b) ~~[Blank]~~RCSUpliftPayment(f,DI) is the RCS Uplift Payment for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.10.3S; and

(c) f∈Facilities denotes all Registered Facilities f.

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Glossary

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RCS Provision Constraint Equation: A Constraint Equation included in the Dispatch Algorithm under clause 7.7.8 to facilitate a direction to synchronise a Facility to provide a RoCoF Control Service.

RCS Uplift Payment: A payment made to a Market Participant as compensation for enablement losses incurred by a Registered Facility that is directed to synchronise by AEMO to provide a RoCoF Control Service, determined in accordance with:

(a) clause 9.10.3R, for a Trading Interval; and

(b) clause 9.10.3S, for a Dispatch Interval.

Schedule 8: Amending Rules to commence directly after commencement of Schedule 2 of the Wholesale Electricity Market Amendment (Supplementary Capacity No. 3) Rules 2024 (date TBD)

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Explanatory Note

Clause 4.24.14A is amended to replace “WEM Rules” with “ESM Rules”.

4.24.14A. Matters specified in a Supplementary Capacity Contract, including but not limited to:

(a) the notification time for an activation; and

(b) the method(s) for measuring the response of Eligible Services contracted to reduce their net consumption;

must be aligned, to the extent practicable and considering the characteristics of the facility providing the Eligible Service, with the equivalent provisions applicable to a similar type of facility providing a similar service under the ~~WEM Rules~~ ESM Rules.

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