



WEM Procedure: Reserve Capacity Performance Monitoring

Prepared by: AEMO

Document ref:

Version: 7.0

Effective date: 1 October 2023

Status: FINAL

Approved for distribution and use by:

Approved by: Kate Ryan

Title: Executive General Manager – Western Australia & Strategy

Date: 27 September 2023

aemo.com.au

New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia

Australian Energy Market Operator Ltd ABN 94 072 010 327

Version Release History

Version	Effective Date	Summary of Changes
1.0	21 September 2006	Market Procedure at Market Start
2.0	15 October 2008	Amendments to Market Procedure resulting from PC_2008_07
3.0	18 April 2011	Amendments to Market Procedure resulting from PC_2010_05
4.0	30 November 2015	Changes resulting from the transfer of functions from the IMO to AEMO
5.0	18 April 2017	Changes resulting from the transfer of System Management functions to AEMO
6.0	1 October 2017	Changes resulting from AEPC_2017_09
7.0	1 October 2023	Replacement Procedure. Amendments in accordance with the Wholesale Electricity Market Amendment (Tranches 2 and 3 Amendments) Rules 2020.

Contents

1. Introduction	4
1.1. Purpose and scope	4
1.2. Definitions	4
1.3. Interpretation	4
1.4. Related documents	5
1.5. Communications and provision of information	6
2. Reserve Capacity performance monitoring	6
2.1. AEMO requirements	6
2.2. Format of a Reserve Capacity Performance Report	7
2.3. Format of a Reserve Capacity Performance Improvement Report	8
2.4. Consulting with a suitably qualified person under clause 4.27.6	8
3. Progress Reports	9
3.1. Requirements	9
3.2. Additional information that AEMO may request from a Market Participant	10
Appendix A. Relevant clauses of the WEM Rules	12

Tables

Table 1	Definitions	4
Table 2	Related documents.....	5
Table 3	Relevant clauses of the WEM Rules	12

1. Introduction

1.1. Purpose and scope

- 1.1.1. This WEM Procedure: Reserve Capacity Performance Monitoring (Procedure) is made in accordance with AEMO's functions under clause 2.1A.2(h) of the Wholesale Electricity Market Rules (WEM Rules).
- 1.1.2. The *Electricity Industry Act 2004* (WA), the WEM Regulations and the WEM Rules prevail over this Procedure to the extent of any inconsistency.
- 1.1.3. In this Procedure, where obligations are conferred on a Rule Participant, that Rule Participant must comply with the relevant obligations in accordance with clause 2.9.7A, 2.9.7D or 2.9.8 of the WEM Rules, as applicable.
- 1.1.4. The purpose of this Procedure is to:
 - (a) describe the procedure to be followed by Market Participants and AEMO when conducting Reserve Capacity performance monitoring; and
 - (b) list the documents and other items that may be required by AEMO as supporting evidence in accordance with clause 4.27.11D **[Clause 4.27.12]**.
- 1.1.5. Appendix A of this Procedure outlines the head of power clauses that this Procedure is made under, as well as other obligations in the WEM Rules covered by this Procedure.

1.2. Definitions

- 1.2.1. Terms defined in the *Electricity Industry Act 2004* (WA), the WEM Regulations and the WEM Rules have the same meanings in this Procedure unless the context requires otherwise.
- 1.2.2. The following definitions apply in this Procedure unless the context requires otherwise.

Table 1 Definitions

Term	Definition
Facility Upgrade	Either: a) physical works that have increased the nameplate capacity of a Facility and were completed after the date and time specified in clause 4.1.11 for the previous Reserve Capacity Cycle; or b) works expected to be completed that will increase the nameplate capacity or available capacity of a Facility, which is yet to be demonstrated through normal market operations or a Reserve Capacity Test.
Progress Report	A report that is required to be submitted under clause 4.27.10 and which relates to a Facility or Facility Upgrade that is yet to commence operation.
Wholesale Electricity Market System or WEMS	An interface software system that AEMO uses to administer and operate the Wholesale Electricity Market.

1.3. Interpretation

- 1.3.1. The following principles of interpretation apply in this Procedure unless the context requires otherwise.
 - (a) Clauses 1.3 to 1.5 of the WEM Rules apply in this Procedure.

WEM Procedure: Reserve Capacity Performance Monitoring

- (b) References to time are references to Australian Western Standard Time.
- (c) Terms that are capitalised, but not defined in this Procedure, have the meaning given in the WEM Rules.
- (d) A reference to the WEM Rules or WEM Procedures includes any associated forms required or contemplated by the WEM Rules or WEM Procedures.
- (e) Words expressed in the singular include the plural and vice versa.
- (f) A reference to a paragraph refers to a paragraph of this Procedure.
- (g) A reference to an appendix refers to an appendix of this Procedure.
- (h) A reference to a clause refers to a clause or section of the WEM Rules.
- (i) References to WEM Rules in this Procedure in bold and square brackets **[Clause XXX]** are included for convenience only, and do not form part of this Procedure.
- (j) Text located in boxes and headed as **E[X]** in this Procedure is included by way of explanation only and does not form part of this Procedure. The Procedure prevails to the extent of any inconsistency with the explanatory notes contained within it.
- (k) The body of this Procedure prevails to the extent of any inconsistency with the figures, diagrams, appendices, schedules, annexures or attachments contained within this document.

1.4. Related documents

1.4.1. The documents in Table 2 are associated with this Procedure.

Table 2 **Related documents**

Reference	Title	Location
WEM Procedure	WEM Procedure: Certification of Reserve Capacity	WEM Website
WEM Procedure	WEM Procedure: Outages	WEM Website
WEM Procedure	WEM Procedure: Reserve Capacity Security	WEM Website
Template	Progress Report template	WEM Website

1.5. Communications and provision of information

- 1.5.1. All communication and provision of information by a Market Participant to AEMO under this Procedure must be via email, unless otherwise specified in this Procedure.
- 1.5.2. All communication and provision of information by AEMO to a Market Participant under this Procedure will be via email, unless otherwise specified in this Procedure.

2. Reserve Capacity performance monitoring

2.1. AEMO requirements

- 2.1.1. AEMO may use WEMS to assess the number of Equivalent Planned Outage Hours for the purpose of clause 4.27.2, for Scheduled Facilities and Semi-Scheduled Facilities.
- 2.1.2. In deciding whether to require a Reserve Capacity Performance Report or a Reserve Capacity Performance Improvement Report under clause 4.27.3, AEMO may consider matters including, but not limited to:
 - (a) the number of Equivalent Planned Outage Hours taken over the lifetime of the Facility;
 - (a) the description of the purpose of Outages that have contributed to the number of Equivalent Planned Outage Hours taken by the Facility in the previous 12 Trading Months, as submitted in Outage Plans by the Market Participant under clause 3.18B.3(a)(iii);
 - (b) an Outage Intention Plan submitted under clause 3.19.1 that indicates the Facility's Equivalent Planned Outage Hours are unlikely to fall below 1,750 in the next six months;
 - (c) relevant information about Outages provided by a Market Participant in a Certified Reserve Capacity application made for the Facility under clause 4.9.1;
 - (d) Reserve Capacity Test results;
 - (e) operation in the Short Term Energy Market or Real-Time Market; and
 - (f) any other relevant information that is available to AEMO.
- 2.1.3. If, following its assessment under paragraph 2.1.2, AEMO determines that the number of Equivalent Planned Outage Hours was attributable to specific, infrequent events, then AEMO will not require the relevant Market Participant to provide a Reserve Capacity Performance Report or a Reserve Capacity Performance Improvement Report.
- 2.1.4. Where AEMO decides a Reserve Capacity Performance Report and a Reserve Capacity Performance Improvement Report is required under clause 4.27.3, it will notify the Market Participant as soon as practicable after making AEMO's decision under clause 4.27.3.

WEM Procedure: Reserve Capacity Performance Monitoring

- 2.1.5. AEMO's notification under paragraph 2.1.4 will specify a due date for the first Reserve Capacity Performance Improvement Report and the time interval for subsequent reports, which will meet the requirements of clause 4.27.3(b).
- 2.1.6. In addition to the information to be included under clause 4.27.4 and 4.27.4A, AEMO may request specific information to be included in a Reserve Capacity Performance Report or a Reserve Capacity Performance Improvement Report.

2.2. Format of a Reserve Capacity Performance Report

- 2.2.1. Reserve Capacity Performance Reports must be provided by the Market Participant in writing by email to wa.capacity@aemo.com.au.
- 2.2.2. Reserve Capacity Performance Reports must be signed, which may be an electronic signature or a scanned copy of an original wet signature, by an Authorised Officer of the Market Participant.
- 2.2.3. In addition to the requirements under clause 4.27.4, a Reserve Capacity Performance Report must include a declaration by the Authorised Officer of the Market Participant including the following text:

Declaration
(To be made by an Authorised Officer of the Market Participant)

On behalf of (company or business name).....,

I declare that the above information provided in respect to this Reserve Capacity Performance Report is accurate and complete.

Signed

Date:

Person making declaration:

Position held in company or business:

Postal address:

Phone:

Email address:

- 2.2.4. A Reserve Capacity Performance Report must include any information requested by AEMO under paragraph 2.1.6, and may include any other information deemed relevant by the Market Participant.

2.3. Format of a Reserve Capacity Performance Improvement Report

- 2.3.1. Reserve Capacity Performance Improvement Reports must be provided by the Market Participant in writing by emailing wa.capacity@aemo.com.au.
- 2.3.2. Reserve Capacity Performance Improvement Reports must be signed, which may be an electronic signature or a scanned copy of an original wet signature, by an Authorised Officer of the Market Participant.
- 2.3.3. In addition to the requirements under clause 4.27.4A, a Reserve Capacity Performance Improvement Report must include a declaration by the Authorised Officer of the Market Participant including the following text:

Declaration (To be made by an Authorised Officer of the Market Participant) On behalf of (Company or business name)....., I declare that the above information provided in respect to this Reserve Capacity Performance Improvement Report is accurate and complete. Signed Date: Person making declaration: Position held in company or business: Postal address: Phone: Email address:
--

- 2.3.4. A Reserve Capacity Performance Improvement Report must include all information requested by AEMO under paragraph 2.1.5, and may include any other supporting information deemed relevant by the Market Participant.

2.4. Consulting with a suitably qualified person under clause 4.27.6

- 2.4.1. When deciding whether to consult with a suitably qualified person under clause 4.27.6, AEMO will act efficiently and ensure that any costs incurred are reasonable and prudent.

3. Progress Reports

3.1. Requirements

- 3.1.1. The requirement for Market Participants to submit a Progress Report for a Facility that is yet to commence operation in accordance with clause 4.27.10 also applies to a Facility Upgrade that is yet to commence operation.
- 3.1.2. A Market Participant must submit a Progress Report by email to wa.capacity@aemo.com.au.
- 3.1.3. Market Participants may submit Progress Reports more frequently than required under clause 4.27.10.
- 3.1.4. AEMO will publish a Progress Report template on the WEM Website.
- 3.1.5. AEMO may amend the Progress Report template by publishing a new version of the template on the WEM Website.
- 3.1.6. A Progress Report must:
 - (a) include the following information:
 - (i) changes to Key Project Dates, as required by clause 4.27.11;
 - (ii) a summary of the key activities undertaken over the past three months;
 - (iii) a summary of the key activities that are planned for the next three months;
 - (iv) any factors that the Market Participant is aware of that may affect the Facility's ability to fully meet its Reserve Capacity Obligations on the date specified in the report;
 - (b) be signed, which may be an electronic signature or a scanned copy of an original wet signature, by an Authorised Officer for the Market Participant; and
 - (c) use the version of the template published by AEMO on the WEM Website under paragraph 3.1.4 at the time the Progress Report is submitted to AEMO.

WEM Procedure: Reserve Capacity Performance Monitoring

- 3.1.7. AEMO will determine if a Progress Report received under paragraph 3.1.1 meets the requirements of paragraph 3.1.5 within 5 Business Days of receipt.
- 3.1.8. If AEMO determines that the information provided in a Progress Report is insufficient, AEMO may contact the Market Participant and request the required information as specified in the Progress Report template.
- 3.1.9. AEMO will reject a change to the date referred to in clause 4.10.1(c)(iii)(7) that was proposed in a Progress Report submitted under clause 4.27.10(b) in accordance with clause 4.27.11C.
- 3.1.10. If AEMO rejects the change to the Key Project Dates under clause 4.27.11A, the date will remain as the last approved date by AEMO.
- 3.1.11. In accordance with clause 4.1.26(e)(ii)(5) AEMO may use the information contained in any Progress Report to determine the start date of any applicable Reserve Capacity Obligations associated with that Facility.

3.2. Additional information that AEMO may request from a Market Participant

- 3.2.1. If AEMO requires additional information under clause 4.27.11D after rejecting a change to Key Project Dates, it will notify the Market Participant in writing within five Business Days of rejecting the Market Participant's change to the Key Project Dates and list the information to be submitted to AEMO.
- 3.2.2. Additional information (which may be in the form of supporting evidence) that may be requested by AEMO under paragraph 3.2.1 may include, but is not limited to:
 - (a) relevant construction and operational licenses;
 - (b) independent construction schedules for the plant, network and fuel supply facilities;
 - (c) repair and/or rework schedules;
 - (d) photographs of construction works;
 - (e) evidence of environmental test completion;
 - (f) evidence of network connection tests completion;
 - (g) full load testing results;
 - (h) practical completion certificates; and
 - (i) quality assurance certificates.

WEM Procedure: Reserve Capacity Performance Monitoring

- 3.2.3. If a Market Participant is requested to provide additional information or supporting evidence under paragraph 3.2.1, an Authorised Officer of the Market Participant must provide the requested information or evidence to AEMO within five Business Days.
- 3.2.4. The Market Participant must provide reasons where it cannot provide additional information or supporting evidence requested under paragraph 3.2.1 within five Business Days. Failure to provide the requested information or evidence may result in AEMO rejecting the change to the Key Project Dates.
- 3.2.5. AEMO may take whatever steps it deems reasonably necessary to determine the accuracy of information or supporting evidence provided under paragraph 3.2.3.
- 3.2.6. After receiving additional information or supporting evidence under paragraph 3.2.3, and completing its determination under paragraph 3.2.5, AEMO must assess whether the progress of the Facility or Facility Upgrade will be impacted, and may revise the date specified in clause 4.10.1(c)(iii)(7).

Appendix A. Relevant clauses of the WEM Rules

Table 3 details:

- (a) the head of power clauses in the WEM Rules under which the Procedure has been developed; and
- (b) each clause in the WEM Rules requiring an obligation, process or requirement be documented in a WEM Procedure, where the obligation, process or requirement has been documented in this Procedure.

Table 3 Relevant clauses of the WEM Rules

Clause
4.27.12