EXPOSURE DRAFT

PROPOSED WHOLESALE ELECTRICITY MARKET (WEM) AMENDING RULES

Explanatory Note for the Exposure Draft for Transitional exemption for Demand Side Programmes and Appendix 9 Proposed WEM Amending Rules.

Part A of this Exposure Draft contains proposed Amending Rules for a transition exemption for Demand Side Programmes (DSP), to:

- exempt Demand Side Programmes (DSP) comprised of Associated Loads that each have an expected Peak Capacity of less than 5 MW from providing the Australian Energy Market Operator (AEMO) with the single Transmission Node Identifier (TNI) for the Facility when submitting an application for Certification of Reserve Capacity; and
- remove the obligation for AEMO to provide details of the exempt DSP, including the TNI, to the Network Operator.

Part A Amending Rules remove a barrier to the participation of aggregated DSPs in the 2024 Reserve Capacity Cycle (RCC). It should be noted that further WEM Amending Rules will be developed in due course to require relevant DSPs to provide TNIs for each DSP prior to commencement of the 2026/27 Capacity Year. Energy Policy WA is undertaking a review to assess whether there are any other barriers to aggregated DSP participation in the Reserve Capacity Mechanism and, if required, propose any further amendments in time for the 2025 RCC.

Part B of this Exposure Draft contains proposed Amending Rules of Appendix 9 to reflect the arrangements introduced in the new WEM Rules introduced on 1 October 2023. The majority of these changes were previously consulted on during the Electricity Reform Taskforce work and relevant tranches of WEM Amending Rules.

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.

Energy Policy WA is seeking stakeholder feedback on this Exposure Draft by **5:00 PM (AWST) on 2 May 2024**. Feedback can be sent to energymarkets@energy.wa.gov.au.

PART A: TRANSITIONAL EXEMPTION FOR DEMAND SIDE PROGRAMMES

1.63. General Transitional Provisions – Operational Matters

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Explanatory Note

New clause 1.63.4 removes the requirement for AEMO to provide the Network Operator with details of each Facility specified in an application for certification of Reserve Capacity if the relevant Facility is subject to new clause 4.10.1B. This will have the effect of excluding the relevant Facilities from the Network Operators RCM Limit Advice, and consequently AEMO's RCM Constraint Equations. This is necessary as the Facilities subject to clause 4.10.1B will not be required to provide an associated TNI.

While the relevant Facilities will be excluded from RCM Constraint Equations they will still be included as a DSP in the NAQ model.

1.63.4. If a Facility specified in an application for Certified Reserve Capacity is subject to clause 4.10.1B, AEMO is not required to provide the details of the Facility to the Network Operator under clause 4.4B.7(a).

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4.10. Information Required for the Certification of Reserve Capacity

Explanatory Note

Clause 4.10.1(bA) is amended to fix a typographical error.

New clause 4.10.1B is added to exempt a Market Participant who is applying for certification of Reserve Capacity for a Demand Side Programme (DSP) comprised of more than one Associated Loads each with an expected Peak Capacity of less than 5 MW, from providing the single Transmission Node Identifier (TNI) for the Facility under 4.10.1(f)(viii).

Energy Policy WA notes that it intends to introduce an obligation to the Wholesale Electricity Market Rules for Market Participants who receive an exemption under new clause 4.10.1B, to provide the TNIs of each Associated Load to the Australian Energy Market Operator prior to commencement of the 2026/27 Capacity Year.

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:

(a) the identity of the Facility;

(b) the Reserve Capacity Cycle to which the application relates;

(bA) with the exception of applications for Conditional Peak Certified Reserve Capacity, or if the Facility is a Demand Side Programme,~~,~~ the following:

i. evidence of an Arrangement for Access or evidence that the Market Participant has accepted an Access Proposal from the relevant Network Operator made in respect of the Facility or other evidence from the Network Operator that the Facility will have an Arrangement for Access;

ii. evidence that the Facility will be entitled to have access from a specified date occurring prior to the date specified in clause 4.10.1(c)(iii)(7); and

iii. the Declared Sent Out Capacity for the Facility at the relevant connection point;

(c) if the Facility, or part of the Facility, is yet to enter service:

i. [Blank]

ii. with the exception of applications for Conditional Peak Certified Reserve Capacity, evidence that any necessary Environmental Approvals have been granted or evidence supporting the Market Participant's expectation that any necessary Environmental Approvals will be granted in time to have the Facility meet its Reserve Capacity Obligations by the date specified in clause 4.10.1(c)(iii)(7); and

iii. the Key Project Dates occurring after the date the request is submitted, including, if applicable, but not limited to:

1. when all approvals will be finalised or, in the case of Demand Side Programmes, when all required contracts will be in place;
2. when financing will be finalised;
3. when site preparation will begin;
4. when construction will commence;
5. when generating equipment will be installed or, in the case of Demand Side Programmes, when all required control equipment will be in place;
6. when the Facility, or part of the Facility, will be ready to undertake Commissioning Tests; and
7. when the Facility, or part of the Facility, will have completed all Commissioning Tests and be capable of meeting Reserve Capacity Obligations in full;

(d) if the Facility is a Registered Facility that will be decommissioned prior to the date specified in clause 4.1.30(a) for the Reserve Capacity Cycle to which the application relates, the planned decommissioning date;

(dA) except if the Facility is a Demand Side Programme, a description and a configuration of the main components of the Facility including the nameplate capacity of each component, expressed in MW;

(dB) for a Semi-Scheduled Facility or Scheduled Facility, the minimum stable loading level of the Facility expressed in MW;

(e) for a Non-Intermittent Generating System:

i. the capacity of the Non-Intermittent Generating System and the temperature dependence of that capacity;

ii. the maximum sent out capacity, net of Loads, that can be guaranteed to be available for supply to the relevant Network from the Non-Intermittent Generating System when it is operated normally at an ambient temperature of 41 degrees Celsius;

iii. [Blank]

iv. at the option of the applicant, the method to be used to measure the ambient temperature at the site of the Non-Intermittent Generating System for the purpose of defining the Reserve Capacity Obligation Quantity, where the method specified may be either:

1. a publicly available daily maximum temperature at a location representative of the conditions at the site of the Facility as reported daily by a meteorological service; or

2. a daily maximum temperature measured at the site of the Facility by the SCADA system operated by AEMO or the relevant Network Operator (as applicable).

If no method is specified, AEMO must use a temperature of 41 degrees Celsius;

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;

vi. the expected forced and unforced outage rate based on manufacturer data; and

vii. for Non-Intermittent Generating Systems that operated for at least 12 months, the forced and unforced outage rate of the Non-Intermittent Generating System;

(f) for Demand Side Programmes:

i. if the Demand Side Programme has, or is expected to have, a single Associated Load, the quantity of Peak Capacity the Market Participant expects to make available from the Facility;

iA. if the Demand Side Programme has, or is expected to have more than one Associated Load, the quantity of Peak Capacity that the Market Participant nominates to apply for the Demand Side Programme;

ii. the maximum number of Trading Intervals that the Demand Side Programme will be available to provide Reserve Capacity during a Capacity Year, which must be at least the Peak Demand Side Programme Dispatch Requirement for that Reserve Capacity Cycle;

iii. the maximum number of Trading Intervals per Trading Day that the Facility will be available to provide Peak Capacity if issued a Dispatch Instruction, where this must be at least twenty four Trading Intervals;

iv. [Blank]

v. the minimum notice period required for dispatch under clause 7.6.15 of the Facility;

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

vii. [Blank]

viii. the single Transmission Node Identifier for the Facility;

…

4.10.1B. A Market Participant applying for certification of Reserve Capacity for the 2024 Reserve Capacity Cycle, for a Demand Side Programme with more than one Associated Load, is exempt from the requirement in clause 4.10.1(f)(viii) if the expected quantity of Peak Capacity for each Associated Load in that Demand Side Programme is less than 5 MW.

PART B: AMENDMENTS TO APPENDIX 9

1. Introduction

1.63. General Transitional Provisions – Operational Matters

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Explanatory Note

Transitional clause 1.63.3 is added to bridge the Wholesale Electricity Market (WEM) Rules in place before, and after, New WEM Commencement Day (NWCD) for calculation of the Relevant Level Method (RLM). This amendment requires AEMO to use the pre-NWCD Rules for the periods identified in Step 1 of the RLM occurring pre-NWCD and similarly, use the post-NWCD for periods identified in Step 1 of the RLM occurring post-NWCD.

1.63.3. For the purposes of Step 3 and Step 4 of Appendix 9, AEMO must estimate the output of a Facility under clause 7.13.6 for any Trading Interval before New WEM Commencement Day in which the Facility was:

(a) affected by a Consequential Outage under the WEM Rules as in force immediately before the New WEM Commencement Day, and AEMO must treat the Facility as being restricted by a Network limitation; and

(b) a GIA Facility issued an Operating Instruction under a Network Control Service Contract under the WEM Rules as in force immediately before the New WEM Commencement Day, and AEMO must treat the Facility as having been restricted by a Dispatch Instruction.

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7.13. Settlement and Monitoring Data

Explanatory Note

Clause 7.13.1F is amended to remove the requirement to publish MWh values for a Dispatch Interval. AEMO is currently unable to determine these values for a Dispatch Interval given meter data is only provided for a 30-minute Trading Interval. The removal of the reference to Dispatch Interval may be revisited when five-minute settlement is introduced.

Clause 7.13.1F is also amended to require AEMO to publish the value it uses to calculate DSP_Reduction under Step 7 of the Relevant Level Method.

New clause 7.13.1FA is added to require AEMO to publish the value it uses for SC_Reduction and NCESS_Reduction under Step 7 of the Relevant Level Method. This clause will be commenced by the Minister for Energy by a notice published in the Western Australian Government Gazette.

7.13.1F. AEMO must prepare and publish on the WEM Website, for each Trading Interval ~~and Dispatch Interval~~ of a Trading Day, by noon on the first Business Day following the day on which the Trading Day ends:

(a) an estimate of the total quantity of energy not served (in MWh) due to involuntary load shedding (manual and automatic); ~~and~~

(b) an estimate of the change in Withdrawal (in MWh) of any Interruptible Loads in the provision of Contingency Reserve Raise~~.~~; and

(c) the requested change in Withdrawal (in MWh) of Demand Side Programmes in response to any Dispatch Instructions.

7.13.1FA. AEMO must prepare and publish on the WEM Website, for each Trading Interval of a Trading Week, by noon on the first Business Day following the date specified in clause 9.3.4:

(a) an estimate of the total quantity of energy (in MWh) by which Facilities reduced their consumption in accordance with the terms of a Supplementary Capacity Contract; and

(b) an estimate of the total quantity of energy (in MWh) by which Facilities reduced their consumption in accordance with the terms of an NCESS Contract.

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Explanatory Note

The following amendments are made to Appendix 9:

- correction of clause and step reference errors;
- A.2 is amended to restore definitions that were removed in the 1 October 2023 WEM Rules;
- Step 3 to Step 6A are amended to reflect arrangements of the WEM Rules introduced on 1 October 2023;
- Step 7 is amended to update the definitions of DSP_Reduction to reflect arrangements of the new WEM; and
- Step 7 is amended to include reductions in consumption through activation of Supplementary Capacity and Non-Co-optimised Essential System Services.

Appendix 9: Relevant Level Determination

Appendix 9 Overview

- Part A of this Appendix 9 sets out definitions and introductory material.
- Part B sets out the Relevant Level Method~~ology~~.

Part A: Introduction

Interpretations and Definitions

A.1. This Appendix 9 presents the method~~ology~~ for determining the Relevant Levels for Candidate Facilities for a given Reserve Capacity Cycle.

A.2. In this Appendix 9:

(a) a Candidate Facility is a Facility, or a component of a Facility, for which:

i. a Market Participant has applied for:

1. Peak Certified Reserve Capacity for the relevant Reserve Capacity Cycle under section 4.9;

2. Conditional Peak Certified Reserve Capacity for a future Reserve Capacity Cycle under section 4.9, where AEMO is required under clause 4.9.7A to process the application at the time it processes applications for Certified Reserve Capacity for the relevant Reserve Capacity Cycle; or

3. Peak Early Certified Reserve Capacity for a Reserve Capacity Cycle under clause 4.28C.2, where AEMO is required to process the application at the time it processes applications for Certified Reserve Capacity for the relevant Reserve Capacity Cycle;

ii. the Market Participant's application includes all supporting information required under section 4.10 or clause 4.28C.5 (as applicable); and

iii. the Peak Certified Reserve Capacity, Conditional Peak Certified Reserve Capacity or Peak Early Certified Reserve Capacity (as applicable) is required to be determined in accordance with clause 4.11.2(b);

(b) the full operation date of a Candidate Facility for the relevant Reserve Capacity Cycle ("Full Operation Date") is:

i. the date provided under clause 4.10.1(c)(iii)(7) or revised in accordance with clause 4.27.11A, where at the time the application for certification of Peak Reserve Capacity is made the Candidate Facility is yet to enter service; or

ii. the date most recently provided for a Reserve Capacity Cycle under clause 4.10.1(k) otherwise; ~~and~~

(c) a Candidate Facility will be considered to be:

i. a new Candidate Facility if the five-year period identified in Step 1(a) of this Appendix 9 commenced before 8:00 AM on the Full Operation Date for the Facility ("New Candidate Facility"); or

ii. an existing Candidate Facility ("Existing Candidate Facility") otherwise~~.~~;

(d) Existing Facility Load for Scheduled Generation means the MWh quantity determined for a Trading Interval under Step 7 of this Appendix 9; and

(e) New Facility Load for Scheduled Generation means the MWh quantity determined for a Trading Interval under Step 11 of this Appendix 9.

A.3. AEMO must determine the Relevant Levels for Candidate Facilities for a given Reserve Capacity Cycle by following each of the steps set out in Part B of this Appendix 9.

Part B: Process Steps

Determining Existing Facility Load for Scheduled Generation

Step 1: Identify:

(a) the five year period ending at 8:00 AM on 1 April of Capacity Year 1 of the relevant Reserve Capacity Cycle;

(b) any 12 month period, from 1 April to 31 March, occurring during the five year period identified in Step 1(a), where the 12 Trading Intervals with the highest Existing Facility Load for Scheduled Generation in that 12 month period have not previously been determined under this Appendix 9; and

(c) any 12 month period, from 1 April to 31 March, occurring during the five year period identified in Step 1(a), where the 12 Trading Intervals with the highest Existing Facility Load for Scheduled Generation in that 12 month period have previously been determined under this Appendix 9.

Step 2: Determine the quantity of electricity (in MWh) sent out by each Candidate Facility:

(a) using Facility Sub-Metering, where the Candidate Facility is a component of a Facility for which Facility Sub-Metering is required to be installed; and

(b) using Sent Out Metered Schedules, where the Candidate Facility is not a component of a Facility for which Facility Sub-Metering is required to be installed,

for each of the Trading Intervals in the period identified in Step 1(b).

Step 3: For each Candidate Facility, identify any Trading Intervals in the period identified in Step 1(b) in which the output of the Candidate Facility was restricted by a

Dispatch Instruction or Network limitation, and estimate the output of that Candidate Facility had it not been restricted by a Dispatch Instruction or Network limitation.

Step 4: For each Candidate Facility and Trading Interval identified in Step 3 identify the higher of:

(a) the actual quantity determined in Step 2; and

(b) AEMO's estimate made under clause 7.13.6 or AEMO's revised estimate made under clause 7.13.7 as applicable.

~~Step 3: For each Candidate Facility, identify any Trading Intervals in the period identified in Step 1(b) where:~~

~~(a) the Candidate Facility, other than a Facility in the Balancing Portfolio, was directed to restrict its output under a Dispatch Instruction as provided in a schedule under clause 7.13.1(c); or~~

~~(b) the Candidate Facility, if in the Balancing Portfolio, was instructed by AEMO to deviate from its Dispatch Plan or change its commitment or output as provided in a schedule under clause 7.13.1C(d); or~~

~~(c) the Candidate Facility was affected by a Consequential Outage; or~~

~~(d) the Candidate Facility was directed to restrict its output under an Operating Instruction issued in accordance with a NCESS Contract, as provided in a schedule under clause 7.13.1(cC).~~

~~Step 4: For each Candidate Facility and Trading Interval identified in Step 3(a):~~

~~(a) identify the actual quantity as determined in Step 2 if:~~

~~i. AEMO has made a revised estimate of the maximum quantity in accordance with clause 7.7.5A(c) and the WEM Procedure specified in clause 7.7.5A; and~~

~~ii. the revised estimate of the maximum quantity is lower than the actual quantity as determined in Step 2;~~

~~(b) identify the actual quantity as determined in Step 2 if:~~

~~i. Step 4(a) does not apply; and~~

~~ii. the estimated maximum quantity determined by AEMO under clause 7.13.1(eF) is lower than the actual quantity as determined in Step 2; and~~

~~(c) if Steps 4(a) and 4(b) do not apply:~~

~~i. identify the revised estimate of the maximum quantity determined by AEMO in accordance with the WEM Procedure specified in clause 7.7.5A; or~~

~~ii. if there is no revised estimate, identify the estimate determined by AEMO under clause 7.13.1(eF).~~

Step 5: [Blank]~~For each Candidate Facility and Trading Interval identified in Step 3(b) use:~~

~~(a) the estimate recorded by AEMO under clause 7.13.1C(e); and~~

~~(b) the quantity determined for the Candidate Facility and Trading Interval in Step 2,~~

~~to estimate the quantity of energy (in MWh) that would have been sent out by the Candidate Facility had it not complied with AEMO's instruction to change its commitment or output during the Trading Interval.~~

Step 6: [Blank]~~For each Candidate Facility and Trading Interval identified in Step 3(c) use:~~

~~(a) the Unadjusted Consequential Outage Quantity for the Candidate Facility for the Trading Interval;~~

~~(b) the quantity determined for the Candidate Facility and Trading Interval in Step 2; and~~

~~(c) the information recorded by AEMO under clause 7.13.1C(a),~~

~~to estimate the quantity of energy (in MWh) that would have been sent out by the Candidate Facility had it not been affected by the Consequential Outage during the Trading Interval.~~

Step 6A: [Blank]~~For each Candidate Facility and Trading Interval identified in Step 3(d) use:~~

~~(a) the schedule of Operating Instructions determined by AEMO under clause 7.13.1(cC);~~

~~(b) the quantity determined for the Candidate Facility and Trading Interval in Step 2; and~~

~~(c) the information recorded by AEMO under clause 7.13.1C(a),~~

~~to estimate the quantity of energy (in MWh) that would have been sent out by the Candidate Facility had it not been subject to an Operating Instruction during the Trading Interval.~~

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 the total ~~quantity of Deemed DSM Dispatch for all~~ change in Withdrawal (in MWh) requested from Demand Side Programmes in any Dispatch Instructions for the Trading Interval, as recorded by AEMO under clause 7.13.1F(c);

Interruptible_Reduction is the total quantity by which all Interruptible Loads reduced their consumption in accordance with ~~the terms of an Ancillary Service Contract~~ Essential System Service provision, as recorded by AEMO under ~~clause 7.13.1C(c)~~ 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 7.13.1C(b)~~ clause 7.13.1F(a); ~~and~~

SC_Reduction is the total quantity of energy by which Facilities reduced their consumption in accordance with the terms of a Supplementary Capacity Contract;

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

CF_Generation is the total sent out generation of all Candidate Facilities, as determined in Step 2 or estimated in ~~Steps 4, 5, 6 or 6A~~ Step 4 as applicable.

Step 8: Determine for each 12 month period identified in Step 1(b) the 12 Trading Intervals, occurring on separate Trading Days, with the highest Existing Facility Load for Scheduled Generation.

Step 9: Identify, for each 12 month period identified in Step 1(c), the following:

(a) the Existing Facility Load for Scheduled Generation previously determined under this Appendix 9 for each Trading Interval in the 12 month period;

(b) subject to Step 9A, the sent out generation (in MWh) for each Candidate Facility and for each Trading Interval in that 12 month period, where that sent out generation was used to determine the CF_Generation (which is one of the variables used to determine the Existing Facility Load for Scheduled Generation in Step 7) for that Trading Interval; and

(c) the 12 Trading Intervals occurring on separate Trading Days that were previously determined to have the highest Existing Facility Load for Scheduled Generation in the 12 month period.

Step 9A: For the purposes of Step 9(b), if:

(a) AEMO has determined a revised estimate of the maximum quantity in accordance with the WEM Procedure specified in ~~clause 7.7.5A~~ clause 7.13.7;

(b) the revised estimate relates to a Candidate Facility and a Trading Interval in a 12 month period identified in Step 1(c); and

(c) AEMO determined the sent out generation for that Candidate Facility and for that Trading Interval in accordance with Step 4 before it revised the estimate,

then AEMO must redetermine the sent out generation for that Candidate Facility and that Trading Interval in accordance with Step 4.

Determining New Facility Load for Scheduled Generation

Step 10: For each New Candidate Facility determine, for each Trading Interval in the period identified in Step 1(a) that falls before 8:00 AM on the Full Operation Date for the Candidate Facility, an estimate of the quantity of energy (in MWh) that would have been sent out by the Candidate Facility in the Trading Interval, if it had been in operation with the configuration proposed under clause 4.10.1(dA) in the relevant application for certification of Reserve Capacity. The estimates must reflect the estimates in the expert report provided for the Candidate Facility under clause 4.10.3, unless AEMO reasonably considers the estimates in the expert report to be inaccurate.

Step11: For each New Candidate Facility determine, for each Trading Interval in the period identified in Step 1(a), the New Facility Load for Scheduled Generation (in MWh) as:

(a) if the Trading Interval falls before 8:00 AM on the Full Operation Date for the Facility:

EFLSG + Actual_CF_Generation – Estimated_CF_Generation

where

EFLSG is the Existing Facility Load for Scheduled Generation for the Trading Interval, determined in Step 7 or identified in Step 9(a) as applicable;

Actual_CF_Generation is the sent out generation of the New Candidate Facility for the Trading Interval, as identified in Step 9(b), determined in Step 2 or estimated in ~~Steps 4, 5, 6 or 6A~~ Step 4 as applicable; and

Estimated_CF_Generation is the quantity determined for the New Candidate Facility and the Trading Interval in Step 10;

or

(b) the Existing Facility Load for Scheduled Generation for the Trading Interval, otherwise.

Step 12: For each New Candidate Facility determine, for each 12 month period identified in Step 1(a), the 12 Trading Intervals, occurring on separate Trading Days, with the highest New Facility Load for Scheduled Generation.

Determining the Facility Average Performance Level

Step 13: For each Existing Candidate Facility, determine the 60 quantities comprising:

(a) the MWh quantities determined in Step 2 or estimated in ~~Steps 4, 5, 6 or 6A~~ Step 4 as applicable for each of the Trading Intervals determined in Step 8, multiplied by 2 to convert to units of MW; and

(b) the MWh quantities determined in Step 9(b) for each of the Trading Intervals identified in Step 9(c), multiplied by 2 to convert to units of MW.

Step 14: For each New Candidate Facility, determine the 60 quantities comprising:

(a) the MWh quantities identified in Step 9(b), determined in Step 2 or estimated in ~~Steps 4, 5, 6 or 6A~~ Step 4 as applicable for each of the Trading Intervals identified in Step 12 that fall after 8:00 AM on the Full Operation Date for the Candidate Facility, multiplied by 2 to convert to units of MW; and

(b) the MWh quantities determined in Step 10 for each of the Trading Intervals identified in Step 12 that fall before 8:00 AM on the Full Operation Date of the Candidate Facility, multiplied by 2 to convert to units of MW.

Step 15: Determine the average performance level (in MW) for each Candidate Facility f ("Facility Average Performance Level") as the mean of the 60 quantities determined for Candidate Facility f in Step 13 or Step 14 as applicable.

Determine the Facility Adjustment Factor

Step 16: Determine the variance (in MW) for each Candidate Facility f ("Facility Variance") as the variance of the MW quantities determined for Candidate Facility f in Step 13 or Step 14 as applicable.

Step 17: Determine the facility adjustment factor (in MW) for each Candidate Facility f ("Facility Adjustment Factor") in accordance with the following formula:

Facility Adjustment Factor = min(G x Facility Variance (f), Facility Average Performance Level (f) / 3 + K x Facility Variance (f))

Where

G = K + U / Facility Average Performance Level (f)

K is determined in accordance with the following table:

Reserve Capacity Cycle	**Capacity Year**	**K value**
2012	2014/15	0.001
2013	2015/16	0.002
2014	2016/17	0.003
2015 onwards	From 2017/18 onwards	To be determined by the Economic Regulation Authority in accordance with clause 4.11.3C.

U is determined in accordance with the following table:

Reserve Capacity Cycle	Capacity Year	U
2012	2014/15	0.211
2013	2015/16	0.422
2014	2016/17	0.635
2015 onwards	From 2017/18 onwards	To be determined by the Economic Regulation Authority in accordance with clause 4.11.3C.

Determining the Relevant Level for a Candidate Facility

Step 18: Determine the Relevant Level for each Candidate Facility f (in MW) in accordance with the following formula:

Relevant Level (f) = max(0, Facility Average Performance Level (f) - Facility Adjustment Factor (f))

Publication of information

Step 19: Publish on the WEM Website by 1 June of Year 1 of the relevant Reserve Capacity Cycle on a provisional basis:

(a) a forecast of the Trading Intervals that may be identified in Step 8; and

(b) a forecast of the Existing Facility Load for Scheduled Generation quantities that may be determined in Step 7.

Step 20: Publish on the WEM Website within three Business Days after the date specified in clause 4.1.11 (as modified or extended) for the relevant Reserve Capacity Cycle:

(a) the Trading Intervals identified in Step 8; and

(b) the Existing Facility Load for Scheduled Generation quantities determined in Step 7.

Step 21: Publish on the WEM Website the following information identified for a Reserve Capacity Cycle under the Relevant Level Method~~ology~~:

(a) the Existing Facility Load for Scheduled Generation for each Trading Interval in the five year period determined under Step 1(a) of Appendix 9; and

(b) the 12 Trading Intervals occurring on separate Trading Days with the highest Existing Facility Load for Scheduled Generation for each 12 month period in the five year period.