



Government of Western Australia  
Energy Policy WA

# Agenda Item 7: Market Development Forward Work Program RC\_2019\_03 and RCM Review

10 August 2021

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Working together for a  
**brighter** energy future.

# The RC\_2019\_03 Rule Change Proposal and draft decision

**The Rule Change Panel recognised that the results of the Draft RLM are likely to be volatile because:**

- the Certified Reserve Capacities under the Draft RLM are driven by the performance of the Intermittent Generators during only a small number of system stress events; and
- the performance of the Intermittent Generators is highly volatile, including during the system stress events

**It is clear that:**

- some mitigation of the volatility of the Draft RLM may be necessary; and
- significant further analysis is needed to make a final decision on RC\_2019\_03.

# Options for processing the Rule Change Proposal RC\_2019\_03

The Coordinator has two main options for processing RC\_2019\_03:

- **Option 1: Progress RC\_2019\_03 without deferral; or**
- **Option 2: Defer progressing RC\_2019\_03 to allow it to be incorporated in a broader RCM Review, which will assess:**
  - whether the mechanism is still fit for purpose, taking into account the rapid transformation of the energy sector;
  - the Planning Criterion (reliability criteria), including as part of the Taskforce's end-to end security and reliability standard/framework; and
  - the method(s) for assigning Certified Reserve Capacity to the different technology types in the WEM.

# Processing RC\_2019\_03 - key milestones

Task/milestone	By when
Assessment of the Draft Report and Rule Change Panel's further analysis	7 September (end of week 4)
Brief MAC on the approach and seek MAC's agreement to establishment of a MAC working group	21 September (end of week 6, MAC meeting)
Working group meets to discuss the work plan and scope of work, including further analysis needed	5 October (end of week 8)
Engage a consultant to undertake the further analysis	19 October (end of week 10)
Receive further analysis from consultant and provide update to MAC	2 November (end of week 12, MAC meeting)
Assess the outcome of the further analysis	16 November (end of week 14)
Working group meeting to discuss the results of the further analysis and a proposed approach	30 November (end of week 16)
MAC briefed on the working group outcome and proposed approach	14 December (end of week 18)
Publication of a revised Draft Rule Change Report	14 December (end of week 18)
Hold a stakeholder workshop in the further submission period	11 January (end of week 22)
Public submissions close	18 January (end of week 23)
Assessment of any issues raised in workshop and submissions	1 February (end of week 25)
Publication of a Final Rule Change Report.	1 March (end of week 29)

# High level pros/cons of the two options

	Option 1 – Progress RC_2019_03 without deferral	Option 2 – Defer consideration of RC_2019_03
Pros	<ul style="list-style-type: none"> <li>• May allow the replacement of the current (ineffective) RLM earlier than under Option 1.</li> <li>• May reduce the complexity of the RCM Review.</li> </ul>	<ul style="list-style-type: none"> <li>• The RCM Review could result in significantly different methods for certifying reserve capacity (i.e. a significantly different “RLM”).</li> <li>• May avoid reworks, and associated implementation costs.</li> <li>• Will not divert EPWA and industry resources from the RCM Review.</li> </ul>
Cons	<ul style="list-style-type: none"> <li>• Is likely to divert both EPWA and industry resources, and may delay the RCM Review.</li> <li>• The new RLM may be replaced again as a result of the RCM Review, increasing costs and uncertainty.</li> </ul>	<ul style="list-style-type: none"> <li>• May leave the current ineffective RLM in place for longer.</li> <li>• May delay benefits to some Rule Participants from a revised RLM.</li> </ul>

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Western Australia.*