

# Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025

## **Commencement**

1. The amending rules set out in Schedule 1 come into operation at 8:00 AM (WST) on 15 January 2025.
2. The amending rules set out in Schedule 2 come into operation at 8:00 AM (WST) on 1 January 2026.
3. The amending rules set out in Schedule 3 come into operation at 8:00 AM (WST) on 1 October 2026.
4. The amending rules set out in Schedule 4 come into operation at 8:00 AM (WST) on 1 October 2027.
5. The amending rules set out in Schedules 5, 6 and 7 come into operation at a time specified by the Minister in a notice published in the Gazette. Different days may be specified for different provisions.

Where there are market rules made by the Minister for Energy in accordance with regulation 7(5) of the Electricity Industry (Wholesale Electricity Market) Regulations 2004 prior to the date this Instrument is made which are specified to come into operation on the same day as the amending rules set out in this Instrument, the amending rules set out in this Instrument come into operation immediately after the commencement of those market rules.

## **Schedule 1**

1. **Section 1.63 amended**
  - 1.1 Insert the following new clause 1.63.5:
    - 1.63.5. For all prior Reserve Capacity Cycles up to and including the 2024 Reserve Capacity Cycle:
      - (a) Certified Reserve Capacity previously assigned in that Reserve Capacity Cycle is deemed to be Peak Certified Reserve Capacity; and
      - (b) Capacity Credits previously assigned in that Reserve Capacity Cycle are deemed to be Peak Capacity Credits.

- 1.2 Insert the following new clause 1.63.6:
- 1.63.6. In the first Reserve Capacity Cycle in which AEMO is required to calculate an expected Forced Outage rate pursuant to clause 4.5.9(c)(ii), AEMO must use an expected Forced Outage rate of 7.6%.
- 1.3 Insert the following new clause 1.63.7:
- 1.63.7. Notwithstanding clause 4.1.26, Reserve Capacity Obligations relating to Flexible Capacity do not apply prior to 1 October of Year 3 of the first Reserve Capacity Cycle in which AEMO assigns Flexible Capacity Credits to the Market Participant.
- 1.4 Insert the following new clause 1.63.8:
- 1.63.8. [Blank]
- 1.5 Insert the following new clause 1.63.9:
- 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:
 
$$\text{ActualCPI}_{\text{cy}-2} = 1.167 \times (1 + \text{ActualCPI}_{\text{year}}) - 1$$
 where  $\text{ActualCPI}_{\text{year}}$  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.
- 1.6 Insert the following new clause 1.63.10:
- 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:
- (a) Market Participants are not required to fulfil any further obligations relating to Flexible Capacity Credits;
  - (b) AEMO must not procure supplementary Flexible Capacity under section 4.24;
  - (c) AEMO must not procure Non-Co-optimised Essential System Services relating to Flexible Capacity for the 2027 Capacity Year;
  - (d) AEMO must not consider Flexible Capacity Outage Capabilities or the availability of Flexible Capacity when conducting Outage Evaluations under section 3.18E;
  - (e) subject to clause 1.63.10(f), AEMO is not required to determine or publish:

- i. [Blank]
  - ii. [Blank]
  - iii. [Blank]
  - iv. Entity Daily Flexible Reserve Capacity Prices under clause 4.29.1E and the Floating Daily Flexible Reserve Capacity Price under clause 4.29.1F;
  - v. [Blank]
  - vi. [Blank]
  - vii. [Blank]
  - viii. the Transitional Daily Flexible Reserve Capacity Price under clause 4.29.1G and Fixed Daily Flexible Reserve Capacity Prices under clause 4.29.1H;
- (f) AEMO must determine and publish:
- i. [Blank]
  - 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.

1.7 Insert the following new clause 1.63.11:

1.63.11. In the 2025 Reserve Capacity Cycle, AEMO must publish the minimum eligibility requirements for receiving Flexible Certified Reserve Capacity by 31 January 2025.

2. **Section 1.66 inserted**

2.1 Insert the following new section 1.66.

**1.66. Specific Transitional Provisions for the WEM Procedures affected by the RCM Reviews Sequencing Amending Rules**

1.66.1. In this section 1.66:

**RCM Reviews Sequencing Amending Rules (Schedule 1):** means the Amending Rules in Schedule 1 of the Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules.

1.66.2. Notwithstanding clauses 2.9.2A and 2.9.3, AEMO is not required to amend or develop any WEM Procedures to reflect the RCM Reviews Sequencing Amending Rules (Schedule 1) until 1 July 2025.

3. **Section 2.8 amended**

3.1 Insert the following new clause 2.8.15:

2.8.15. If Amending Rules have yet to commence, or the Coordinator has proposed Amending Rules which are yet to be made, and those Amending Rules or proposed Amending Rules require the Economic Regulation Authority, AEMO or the Network Operator to undertake consultation with a Market Participant, notwithstanding that the Amending Rules are not in force, the Economic Regulation Authority, AEMO or the Network Operator may initiate the consultation process prior to the commencement or making of those Amending Rules as if those Amending Rules were in force.

**4. Section 2.30 amended**

- 4.1 Insert the word ' Peak' after 'Facility Monthly ' in clause 2.30.5(f).
- 4.2 Insert the words ' and Separately Certified Components' after 'Facilities' in clause 2.30.5(f).

**5. Section 3.21 amended**

- 5.1 Insert the word 'Peak ' before 'Electric Storage Resource Obligation' in clause 3.21.6(c)(ii).
- 5.2 Insert the words ' for Separately Certified Component c in Dispatch Interval DI' after 'Electric Storage Resource Obligation Duration' in clause 3.21.6(c)(ii).
- 5.3 Insert the word 'Peak ' before 'Electric Storage Resource Obligation' in clause 3.21.6(d)(ii).
- 5.4 Insert the words ' for Separately Certified Component c in Dispatch Interval DI' after 'Electric Storage Resource Obligation Duration' in clause 3.21.6(d)(ii).
- 5.5 Insert the word 'Peak ' before 'Electric Storage Resource Obligation' in clause 3.21.7(b)(iii)(2).
- 5.6 Insert the words ' for Separately Certified Component c in Dispatch Interval DI' after 'Electric Storage Resource Obligation Duration' in clause 3.21.7(b)(iii)(2).
- 5.7 Insert the word 'Peak ' before 'Electric Storage Resource Obligation' in clause 3.21.8(b)(iv)(2).
- 5.8 Insert the words ' for Separately Certified Component c in Dispatch Interval DI' after 'Electric Storage Resource Obligation Duration' in clause 3.21.8(b)(iv)(2).

**6. Section 4.1 amended**

- 6.1 Delete the words 'clause 4.20.17' and replace them with 'clauses 4.20.17 and 4.20.17A' in clause 4.1.22(a).
- 6.2 Insert the word 'Peak ' before 'Reserve Capacity Requirement' in clause 4.1.26(e)(i).
- 6.3 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.1.26(e)(i).
- 6.4 Delete the word 'where' and replace it with 'if' in clause 4.1.26(e)(ii).
- 6.5 Insert the word 'Peak ' before 'Reserve Capacity Requirement' in clause 4.1.26(e)(ii).
- 6.6 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.1.26(e)(ii).

- 6.7 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.1.26(e)(ii)(3).
- 6.8 Insert the word 'Peak ' before both references to 'Reserve Capacity Price' in clause 4.1.29.
- 6.9 Insert the words ', the Flexible Reserve Capacity Price,' after 'Reserve Capacity Price' in the first line of clause 4.1.29.
7. **Section 4.2 amended**
- 7.1 Insert the words ' Peak Capacity and Flexible Capacity from' after 'categorised as' in clause 4.2.7(b).
- 7.2 Delete the word 'Reserve' and replace it with 'Peak Capacity and Flexible' in clause 4.2.7(c).
- 7.3 Delete the words 'if the Facility is' and replace it with 'for each Facility that contains' in clause 4.2.7(cA).
- 7.4 Delete the word 'Reserve' and replace it with 'Peak Capacity and Flexible' in clause 4.2.7(cA).
- 7.5 Delete the words 'Reserve Capacity' and replace it with 'Peak Capacity and Flexible Capacity' in clause 4.2.7(d).
8. **Section 4.3 amended**
- 8.1 Insert the word 'Peak ' before 'Reserve Capacity Requirement' in clause 4.3.1(b).
- 8.2 Delete the word 'Price' and replace it with 'Prices' in clause 4.3.1.(c)(v).
- 8.3 Delete the word 'Price' and replace it with 'Prices' in clause 4.3.1.(f).
9. **Section 4.4 amended**
- 9.1 Insert the words 'subject to clause 4.10.1B, 'at the beginning of clause 4.4.1(b).
- 9.2 Insert the words ' and is not a Demand Side Programme' after 'Energy Producing System' in clause 4.4.1(bA).
- 9.3 Delete the words 'Reserve' and replace with 'Peak Capacity and Flexible' in clause 4.4.1(bA)(ii).
- 9.4 Insert the following new clause 4.4.1(bAA):
- (bAA) if the Facility contains an Energy Producing System and is a Demand Side Programme, whether or not the relevant Market Participant intends to Inject and/or Withdraw when subject to a Dispatch Instruction under clause 7.6.5A;
- 9.5 Delete the word 'Reserve' and replace with 'Peak Capacity and Flexible' in clause 4.4.1(c).
10. **Section 4.4B amended**
- 10.1 Delete the word 'and' after the semi-colon in clause 4.4B.9(d).
- 10.2 Delete the full stop at the end of clause 4.4B.9(e) and replace it with '; and'.

- 10.3 Insert the following new clause 4.4B.9(f):
- (f) the list of substation names as used in RCM Limit Advice, and all associated Transmission Node Identifiers, that are expected to be in service on 1 October of Year 3 of the current Reserve Capacity Cycle.
11. **Section 4.5 amended**
- 11.1 Delete the word 'Reserve' and replace with 'Peak' in the first sentence of clause 4.5.2A.
- 11.2 Delete clause 4.5.2A(a) and replace it with the following new clause 4.5.2A(a):
- (a) this Peak Capacity estimate is in addition to the Peak Capacity required to satisfy the requirements specified in clauses 4.5.9(a) and 4.5.9(b) in the situation where there were no Intermittent Loads; and
- 11.3 Delete the word 'Reserve' and replace it with 'Peak' in the first sentence of clause 4.5.2A(b).
- 11.4 Insert the word 'Peak ' before 'Reserve Capacity' in clause 4.5.2A(b)(i)(1).
- 11.5 Delete the word ' and' after the last semi-colon in clause 4.5.9(a).
- 11.6 Delete the full stop and replace it with '; and' at the end of clause 4.5.9(b).
- 11.7 Insert the following new clause 4.5.9(c):
- (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.
- 11.8 Insert the words ' or Flexible Capacity' after 'Peak Capacity' in clause 4.5.10(aA).
- 11.9 Insert the following new clause 4.5.10(bA):
- (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);
- 11.10 Delete '[Blank]' and replace it with 'the forecast ESR Duration Requirement, which is the Availability Duration Gap for the relevant Capacity Year plus the ESR Duration Requirement for the previous Reserve Capacity Cycle;' in clause 4.5.12(d).
- 11.11 Delete clause 4.5.12(g) and replace it with the following new clause 4.5.12(g):
- (g) the Peak Demand Side Programme Dispatch Requirement, which is:
    - i. the number of Trading Intervals in the reference demand profile determined under step 5 of Appendix 7 in which the MW demand exceeds the Indicative Demand Side Programme Dispatch Threshold; divided by
    - ii. the number of Capacity Years in the reference demand profile;
- 11.12 Insert the word 'Duration ' before 'Gap Load Scenario' in clause 4.5.12(i).
- 11.13 Insert the words ' to provide Peak Capacity and Flexible Capacity' after 'Registered Facility' in clause 4.5.13(a)(ii).
- 11.14 Insert the words ' to provide Peak Capacity and Flexible Capacity' after 'energy producing project' in clause 4.5.13(a)(iii).
- 11.15 Insert the words ' to provide Peak Capacity and Flexible Capacity' after 'energy producing project' in clause 4.5.13(a)(iv).
- 11.16 Insert the words ' to provide Peak Capacity and Flexible Capacity' after 'availability' in clause 4.5.13(a)(v).
- 11.17 Delete clause 4.5.13(b) and replace it with the following new clause 4.5.13(b):
- (b) the Peak Reserve Capacity Target and the Flexible Reserve Capacity Target for each Capacity Year of the Long Term PASA Study Horizon;
- 11.18 Insert the word 'Peak ' before 'Reserve Capacity Target' in clause 4.5.13(c).
- 11.19 Insert the following new clause 4.5.13(cA):
- (cA) the amount by which the installed Energy Producing System Flexible Capacity plus the Demand Side Programme Flexible Capacity available exceeds or falls short of the Flexible Reserve Capacity Target for each Capacity Year and each demand growth scenario considered in the study;
- 11.20 Insert the word 'the ' before 'Availability Duration Gap' in clause 4.5.13(eC)(iii).

- 11.21 Delete the words ' in any Trading Day' in clause 4.5.13(eC)(iii)(1).
- 11.22 Delete the words 'Trading Days that have a daily peak demand that falls within the 90th percentile of the' and replace them with 'the Trading Day with the highest' in clause 4.5.13(eC)(iii)(2).
- 11.23 Insert the following new clause 4.5.13(eC)(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);
- 11.24 Delete clause 4.5.16 and replace it with the following new clause 4.5.16:
- 4.5.16. In conducting a review under clause 4.5.15, the Coordinator must invite submissions from Rule Participants on the performance of the Planning Criterion and the process by which AEMO forecasts SWIS peak demand and expected system-wide ramp rates, and must specify a reasonable time by which submissions must be lodged. The Coordinator must take into account in the review any submissions received within the time specified, and may take into account any late submission.
- 12. Section 4.6 amended**
- 12.1 Insert the word 'Peak ' before 'Reserve Capacity Requirement' in clause 4.6.1.
- 12.2 Insert the word 'Peak ' before 'Reserve Capacity Target' in clause 4.6.1.
- 12.3 Insert the following new clause 4.6.1A:
- 4.6.1A. The Flexible Reserve Capacity Requirement for a Reserve Capacity Cycle is the Flexible Reserve Capacity Target for the Capacity Year commencing on 1 October of Year 3 of a Reserve Capacity Cycle as reported in the Statement of Opportunities Report for that Reserve Capacity Cycle.
- 12.4 Insert the word 'Peak ' before 'Reserve Capacity Requirement' in clause 4.6.2.
- 12.5 Insert the following new clause 4.6.2A:
- 4.6.2A. The expected highest Four-Hour Demand Increase corresponding to the Flexible Reserve Capacity Requirement is the forecasted value determined in accordance with clause 4.5.10(bA)(ii) for the Capacity Year commencing on 1 October of Year 3 of a Reserve Capacity Cycle.
- 13. Section 4.7 amended**
- 13.1 Delete the word 'Requirement' and replace it with 'Requirements' in clause 4.7.3(a).
- 13.2 Insert the words ' or clause 4.6.1A' after the words 'clause 4.6.1' in clause 4.7.3(a).
- 14. Section 4.9 amended**
- 14.1 Delete the words ', provided the application only relates to Peak Capacity' from clause 4.9.1(b).



- 14.2 Insert the following new clause 4.9.2A:
- 4.9.2A. A Market Participant must not apply for the certification of Reserve Capacity in respect of multiple Facilities, or components of a Facility, that cannot exist at the same time.
- 14.3 Delete the words 'period identified in step 1(a) of the Relevant Level Methodology during which the Facility Sub-Metering was installed' and replace it with 'RLM Reference Period for the current Reserve Capacity Cycle' in clause 4.9.3(bA).
- 14.4 Insert the words ' and Flexible Certified Reserve Capacity' after 'Peak Certified Reserve Capacity' in clause 4.9.8(a).
- 14.5 Insert the words 'Peak Certified Reserve Capacity and Flexible ' before 'Certified Reserve Capacity' in clause 4.9.9(a).
- 14.6 Delete clause 4.9.9A and replace it with the following new clause 4.9.9A:
- 4.9.9A. AEMO must publish, by the date and time specified in clause 4.1.15A, the quantity of Peak Certified Reserve Capacity and Flexible Certified Reserve Capacity assigned to each Facility and each component of a Facility.
15. **Section 4.10 amended**
- 15.1 Delete the words 'defining the' and replace it with 'determining' in clause 4.10.1(e)(iv).
- 15.2 Delete the words 'Obligation Quantity' and replace them with 'Obligations' in clause 4.10.1(e)(iv).
- 15.3 Insert the following new clause 4.10.1(f)(iB):
- iB. if the Demand Side Programme has, or is expected to have, a single Associated Load, the quantity of Flexible Capacity the Market Participant expects to make available from the Facility;
- 15.4 Insert the following new clause 4.10.1(f)(iC):
- iC. if the Demand Side Programme has, or is expected to have more than one Associated Load, the quantity of Flexible Capacity that the Market Participant nominates to apply for the Demand Side Programme;
- 15.5 Delete clause 4.10.1(f)(ii) and replace it with the following new clause 4.10.1(f)(ii):
- ii. if the application relates to Peak Capacity, the maximum number of Trading Intervals that the Demand Side Programme will be available to provide Peak Capacity during a Capacity Year, which must be at least the Peak Demand Side Programme Dispatch Requirement for that Reserve Capacity Cycle;
- 15.6 Insert the following new clause 4.10.1(f)(iiA):
- iiA. if the application includes Flexible Capacity, the maximum number of Trading Intervals, in addition to the number of Trading Intervals specified under clause 4.10.1(f)(ii), that the Demand Side Programme will be available to provide Reserve Capacity during a Capacity Year if it provides both Peak Capacity and Flexible Capacity, which must be at least the Flexible Demand Side Programme Dispatch Requirement for that Reserve Capacity Cycle;

- 15.7 Delete '[Blank]' from clause 4.10.1(f)(iv) and replace it with the following 'if the application includes Flexible Capacity, the maximum number of Trading Intervals per Trading Day that the Facility will be available to provide Flexible Capacity if issued a Dispatch Instruction, where this must be at least eight Trading Intervals;'
- 15.8 Insert the following new clause 4.10.1(f)(ivA):
- ivA. if the application includes Flexible Capacity, how the Demand Side Programme plans to meet its Reserve Capacity Obligations for Flexible Capacity, including the technologies it plans to use;
- 15.9 Delete clause 4.10.1(f)(v) and replace it with the following new clause 4.10.1(f)(v):
- 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;
- 15.10 Insert the words ' and where available, operational performance data' after 'manufacturer data' in clause 4.10.1(fA)(iii).
- 15.11 Insert the words ', and where available, operational performance data' after 'manufacturer data' in clause 4.10.1(fA)(v).
- 15.12 Insert the following new clause 4.10.1(fE):
- (fE) if the application relates to Flexible Capacity then, as applicable:
- i. the amount of Flexible Capacity the Market Participant expects to make available from the Facility or each component of the Facility;
  - ii. the maximum ramp up rate of the Facility or each component of the Facility, expressed in MW per minute;
  - iii. the maximum ramp down rate of the Facility or each component of the Facility, expressed in MW per minute;
  - iv. the minimum ramp up rate of the Facility or each component of the Facility, expressed in MW per minute;
  - v. the minimum ramp down rate of the Facility or each component of the Facility, expressed in MW per minute;
  - vi. the minimum required running time of the Facility or each component of the Facility, expressed in minutes;
  - vii. the minimum stable loading level 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;

- ix. the minimum time (in minutes) required for the Facility or each component of the Facility, after receiving a Dispatch Instruction to ramp down from the minimum stable loading level to zero output;
- x. the minimum time (in minutes) before each component in the Facility, excluding Loads, can be restarted after it is shut down;
- xi. the minimum time (in seconds) required for each Electric Storage Resource in the Facility to switching from discharging to charging and from charging to discharging; and
- xii. which, if any, Frequency Co-optimised Essential System Services the Facility expects to be capable of providing in the relevant Capacity Year;

15.13 Insert the following new clause 4.10.1A:

4.10.1A. AEMO must:

- (a) determine in Year 1 of a Reserve Capacity Cycle the minimum eligibility requirements for receiving Flexible Certified Reserve Capacity which are:
  - i. for a Non-Intermittent Generating System:
    - 1. the maximum allowed minimum stable loading level of the Non-Intermittent Generating System expressed as a percentage of nameplate capacity;
    - 2. the minimum allowed ramp up rate expressed as a percentage of nameplate capacity per minute;
    - 3. the minimum allowed ramp down rate expressed as a percentage of nameplate capacity per minute;
    - 4. the maximum time (in minutes) allowed between receiving a Dispatch Instruction when in a cold state and operating at the minimum stable loading level; and
    - 5. if the Non-Intermittent Generating System is part of a Scheduled Facility or Semi-Scheduled Facility, that Facility is a Fast Start Facility;
  - ii. for an Intermittent Generating System:
    - 1. the maximum allowed minimum stable loading level of the Intermittent Generating System expressed as a percentage of nameplate capacity;
    - 2. the minimum allowed ramp up rate expressed as a percentage of nameplate capacity per minute;

3. the minimum allowed ramp down rate expressed as a percentage of nameplate capacity per minute; and
  4. the maximum time (in minutes) allowed between receiving a Dispatch Instruction when fully curtailed and operating at the minimum stable loading level;
- iii. for an Electric Storage Resource:
1. that the Electric Storage Resource is capable of switching from charging to discharging within a single Dispatch Interval;
  2. that the Electric Storage Resource is capable of switching from discharging to charging within a single Dispatch Interval;
  3. the minimum allowed ramp up rate expressed as a percentage of nameplate capacity per minute; and
  4. the minimum allowed ramp down rate expressed as a percentage of nameplate capacity per minute; and
- iv. for a Demand Side Programme:
1. the minimum allowed ramp up rate expressed as a percentage of Certified Reserve Capacity per minute;
  2. the minimum allowed ramp down rate expressed as a percentage of Certified Reserve Capacity per minute; and
  3. the maximum time (in minutes) allowed between receiving a Dispatch Instruction and beginning to change output, which must be no more than five minutes;
- (b) determine the minimum eligibility requirements taking into account the technical parameters of the Benchmark Technology Provider determined under clause 4.16.12(b) for Flexible Capacity, such that each Facility holding Flexible Certified Reserve Capacity will be capable of providing all of its capacity promptly and flexibly in the four-hour period ending in the Trading Interval used to determine the expected highest forecast Four-Hour Demand Increase under clause 4.5.10(bA)(ii), and so as to minimise costs while maintaining Power System Security and Power System Reliability;
- (c) consult with Market Participants on the proposed minimum eligibility requirements for receiving Flexible Certified Reserve Capacity before publishing them, except if AEMO does not propose changes to the eligibility requirements last published under clause 4.10.1A(d). AEMO's consultation must include a statement of how the minimum eligibility requirements meet the Wholesale Market Objectives;

- (d) publish the minimum eligibility requirements for receiving Flexible Certified Reserve Capacity on the WEM Website by the date specified in clause 4.1.4;
- (e) document the following in a WEM Procedure:
  - i. the processes to be followed by AEMO for determining the minimum eligibility requirements for receiving Flexible Certified Reserve Capacity under clause 4.10.1A(a);
  - ii. the processes to be followed by AEMO to comply with its obligation to consult with Market Participants in accordance with this clause 4.10.1A; and
  - iii. the processes to be followed by AEMO for publishing the minimum eligibility requirements for receiving Flexible Certified Reserve Capacity.

15.14 Delete clause 4.10.2(b) and insert the following new clause 4.10.2(b):

- (b) Non-Scheduled Facilities, except Non-Scheduled Facilities comprising only Electric Storage Resources that have not been in operation for the full RLM Reference Period for the current Reserve Capacity Cycle; and

15.15 Delete clause 4.10.2(c) and insert the following new clause 4.10.2(c):

- (c) Non-Scheduled Facilities comprising only Electric Storage Resources that have been in operation for the full RLM Reference Period for the current Reserve Capacity Cycle.

15.16 Delete clause 4.10.3(d) and insert the following new clause 4.10.3(d):

- (d) has not operated with the configuration specified for the Facility or component (as applicable) under clause 4.10.1(dA) for the full RLM Reference Period for the current Reserve Capacity Cycle,

15.17 Delete clause 4.10.3A(a) and insert the following new clause 4.10.3A(a):

- (a) for each Trading Interval during the RLM Reference Period for the current Reserve Capacity Cycle, a reasonable estimate of the expected energy that would have been sent out by the Facility or the component of the Facility assessed using the Relevant Level Method had it been in operation;

16. **Section 4.11 amended**

16.1 Delete the words 'period of performance assessment identified in step 1(a) of the Relevant Level Methodology' and replace it with 'RLM Reference Period for the current Reserve Capacity Cycle' in clause 4.11.1(bD)(ii).

16.2 Insert the following new clause 4.11.1(bF):

- (bF) the Flexible Certified Reserve Capacity for a Facility or component for a Reserve Capacity Cycle must not exceed:
  - i. the Peak Certified Reserve Capacity for that Facility or component for that Reserve Capacity Cycle; or

- ii. for a Facility that is not a Demand Side Programme, the maximum output in MW that the Facility could reach four hours after receiving a Dispatch Instruction in a cold state;
- 16.3 Insert the following new clause 4.11.1(bG):
  - (bG) AEMO must not assign Flexible Certified Reserve Capacity to a Facility or component of a Facility if the parameters submitted under clause 4.10.1(fE) do not meet the minimum requirements determined in accordance with clause 4.10.1A;
- 16.4 Insert the following new clause 4.11.1(bH):
  - (bH) AEMO must not assign Flexible Certified Reserve Capacity to a Non-Scheduled Facility;
- 16.5 Insert the following new clause 4.11.1(bl):
  - (bl) AEMO must not assign Flexible Certified Reserve Capacity to a Facility that was assigned Flexible Certified Reserve Capacity in a previous Reserve Capacity Cycle and has entered Commercial Operation, but has not yet complied with clause 4.12.2;
- 16.6 Delete the word 'Peak ' before 'Individual Reserve Capacity' in clause 4.11.1(j)(i).
- 16.7 Delete the word 'and' after the semi-colon in clause 4.11.1(j)(ii).
- 16.8 Insert the following new clause 4.11.1(jA):
  - (jA) the Flexible Certified Reserve Capacity for a Demand Side Programme for a Reserve Capacity Cycle must equal:
    - i. if the Demand Side Programme has more than one Associated Load, or has a single Associated Load and no Individual Reserve Capacity Requirement Contribution has been calculated for the Associated Load, the quantity nominated for the Demand Side Programme under clause 4.10.1(f)(iC); and
    - ii. otherwise, the Individual Reserve Capacity Requirement Contribution of the Associated Load as determined for the first Trading Month of the current Capacity Year less the expected Minimum Consumption provided under clause 2.29.5B(c);
- 16.9 Delete the full stop and replace it with '; and' at the end of clause 4.11.1(k).
- 16.10 Insert the following new clause 4.11.1(l):
  - (l) the Flexible Certified Reserve Capacity assigned to a Facility is to be, if relevant, the sum of the Flexible Certified Reserve Capacity assigned to each relevant component of a Facility.
- 16.11 Insert the following new clause 4.11.3A(aA):
  - (aA) determine in Year 1 of a Reserve Capacity Cycle the Trading Intervals in each Trading Day that are classified as Flexible Electric Storage Resource Obligation

Intervals from 1 October of Year 3 of the Reserve Capacity Cycle, where the Flexible Electric Storage Resource Obligation Intervals are:

- i. the Trading Interval in each Trading Day outside the Hot Season in which the highest Four-Hour Demand Increase is expected to occur in the scenario used to forecast the Flexible Reserve Capacity Target under clause 4.5.10(bA);
- ii. the contiguous Trading Intervals immediately preceding the Trading Interval identified in clause 4.11.3A(aA)(i),

where the number of Trading Intervals identified is equal to the Flexible Capacity Obligation Duration;

16.12 Insert the following new clause 4.11.3A(aB):

- (aB) publish the Flexible Electric Storage Resource Obligation Intervals determined under clause 4.11.3A(aA) on the WEM Website (which may be published in the Statement of Opportunities Report) by the date specified in clause 4.1.8;

16.13 Delete clause 4.11.3A(b) and replace with the following new clause 4.11.3A(b):

- (b) in Years 2 and 3 of a Reserve Capacity Cycle, determine whether the Trading Interval classified as the Mid Peak Electric Storage Resource Obligation Interval and the Trading Intervals classified as Flexible Electric Storage Resource Obligation Intervals remain appropriate for the relevant Capacity Year, and if not, publish the revised Mid Peak Electric Storage Resource Obligation Interval and Flexible Electric Storage Resource Obligation Intervals on the WEM Website by the date specified in clause 4.1.8 for the relevant Reserve Capacity Cycle;

16.14 Delete clause 4.11.3A(c) and replace with the following new clause 4.11.3A(c):

- (c) document the following in a WEM Procedure:
  - i. the processes to be followed by AEMO for determining changes to the Trading Intervals that will be classified as Mid Peak Electric Storage Resource Obligation Intervals and Flexible Electric Storage Resource Obligation Intervals under clauses 4.11.3A(a), 4.11.3A(aA), 4.11.3A(aB), and 4.11.3A(b); and
  - ii. the processes to be followed by AEMO for publishing the Trading Intervals classified as Mid Peak Electric Storage Resource Obligation Intervals and Flexible Electric Storage Resource Obligation Intervals in accordance with clauses 4.11.3A(a), 4.11.3A(aB), and 4.11.3A(b) on the WEM Website.

16.15 Delete clause 4.11.3C and insert the following new clause 4.11.3C:

- 4.11.3C. For each five year period, beginning with the period commencing on 1 January 2031, the Economic Regulation Authority must, by 1 April of the first year of that period, conduct a review of the Relevant Level Method. In conducting the review, the Economic Regulation Authority must examine the effectiveness of

the Relevant Level Method in meeting the Wholesale Market Objectives, and may examine any other matters that the Economic Regulation Authority considers to be relevant.

- 16.16 Delete 'ology' from 'Methodology' so that it becomes 'Method' in clause 4.11.3E(a).
- 16.17 Insert the word ' and' after the semi-colon in clause 4.11.3E(c).
- 16.18 Delete the words 'the values of the parameters K and U determined under clause 4.11.3C; and' and replace them with 'any recommended amendments to the Relevant Level Method which the Economic Regulation Authority intends to progress as a Rule Change Proposal.' in clause 4.11.3E(d).
- 16.19 Delete clause 4.11.3E(e).
17. **Section 4.12 amended**
- 17.1 Delete ' and' after the semi-colon in clause 4.12.2(b).
- 17.2 Delete the full stop at the end of clause 4.12.2(c) and replace it with '; and'.
- 17.3 Insert the following new clause 4.12.2(d):
- (d) the Market Participant must, at least three months before the start of the first Capacity Year for which it holds Flexible Capacity Credits in relation to a Facility, apply for Frequency Co-optimised Essential System Services accreditation under clause 2.34A.2 for that Facility for any Frequency Co-optimised Essential System Services the Facility is capable of providing in a Capacity Year.
- 17.4 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.12.5.
- 17.5 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.12.5(b)(i).
- 17.6 Delete 'CC × MSOC45 / MSOC41' and replace it with 'PCC × MSOC45 / MSOC41' in clause 4.12.5(b)(ii).
- 17.7 Insert 'P' before 'CC' so that it becomes 'PCC' in clause 4.12.5(b)(ii)(1).
- 17.8 Insert 'Peak ' before 'Capacity Credits' in clause 4.12.5(b)(ii)(1).
- 17.9 Delete clause 4.12.5(c)(i) and replace it with the following new clause 4.12.5(c)(i):
- i. for a Dispatch Interval which does not fall within a Peak Electric Storage Resource Obligation Interval for that Electric Storage Resource, is equal to zero;
- 17.10 Delete clause 4.12.5(c)(ii) and replace it with the following new clause 4.12.5(c)(ii):
- ii. for a Dispatch Interval which falls within a Peak Electric Storage Resource Obligation Interval for that Electric Storage Resource, during a Trading Day where the maximum daily temperature at the site of the Electric Storage Resource does not exceed 41 degrees Celsius, is equal to the number of Peak Capacity Credits assigned to the Electric Storage Resource for the Dispatch Interval; and
- 17.11 Delete clause 4.12.5(c)(iii) and replace it with the following new clause 4.12.5(c)(iii):



- iii. for a Dispatch Interval which falls within a Peak Electric Storage Resource Obligation Interval for the Electric Storage Resource, during a Trading Day where the maximum daily temperature at the site of the Electric Storage Resource exceeds 41 degrees Celsius, is equal to:

$$\text{PCC} \times \text{MSOC45} / \text{MSOC41}$$

where:

1. PCC is the number of Peak Capacity Credits assigned to the Electric Storage Resource for the Dispatch Interval;
2. MSOC45 is 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 45 degrees Celsius, as specified in Standing Data; and
3. MSOC41 is 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 41 degrees Celsius, as specified in Standing Data;

18. **Section 4.13 amended**

- 18.1 Delete the footnote reference '1' at the end of the section 4.13 heading 'Reserve Capacity Security' and delete the accompanying footnote at the bottom of the page.

19. **Section 4.13B amended**

- 19.1 Delete the words 'Electric Storage Resources' and replace it with 'Energy and Availability Limited Technologies' in the heading to clause 4.13B.

- 19.2 Delete clause 4.13B.1 and replace it with the following new clause 4.13B.1:

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.

- 19.3 Delete clause 4.13B.3 and replace it with the following new clause 4.13B.3:

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 Wholesale Market Objectives;

- (b) whether the use of different Peak Electric Storage Resource Obligation Durations for Electric Storage Resources commissioned in different years remains consistent with the Wholesale Market Objectives;
- (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 Wholesale Market Objectives;
- (d) whether the method and processes used by AEMO to determine the Mid Peak Electric Storage Resource Obligation Intervals remain consistent with the Wholesale Market Objectives;
- (e) [Blank]
- (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.

20. **Section 4.14 amended**

20.1 Delete clause 4.14.1 and replace it with the following new clause 4.14.1:

4.14.1. Subject to clause 4.14.1A and clause 4.14.3, each Market Participant holding Certified Reserve Capacity for the current Reserve Capacity Cycle must, by the date and time specified in clause 4.1.14 provide the following information to AEMO for each Facility and component of a Facility (expressed in MW to a precision of 0.001 MW):

- (a) the total quantity of Flexible Certified Reserve Capacity the Market Participant intends to trade bilaterally;
- (b) the total quantity of Flexible Certified Reserve Capacity that the Market Participant has decided will not be made available to the market;
- (c) the total quantity of Peak Certified Reserve Capacity the Market Participant intends to trade bilaterally; and
- (d) the total quantity of Peak Certified Reserve Capacity that the Market Participant has decided will not be made available to the market.

20.2 Insert the following new clause 4.14.1A:

4.14.1A. The quantities provided under clause 4.14.1 must meet the following criteria:

- (a) the sum of the quantities provided under clauses 4.14.1(a) and 4.14.1(b) must equal the Flexible Certified Reserve Capacity of the Facility for the Reserve Capacity Cycle;

- (b) the sum of the quantities provided under clauses 4.14.1(c) and 4.14.1(d) must equal the Peak Certified Reserve Capacity of the Facility for the Reserve Capacity Cycle; and
  - (c) the quantity provided under clause 4.14.1(a) must be less than or equal to the quantity provided under clause 4.14.1(c).
- 20.3 Delete clause 4.14.1B and replace it with the following new clause 4.14.1B:
- 4.14.1B. Subject to clauses 4.14.1C, 4.14.1CA and 4.14.1CB, a Market Participant holding Peak Certified Reserve Capacity for the current Reserve Capacity Cycle may, by the date and time specified in clause 4.1.14, nominate to AEMO by notice in writing that a Non-Scheduled Facility be classified as a Fixed Price Facility, or a Facility Technology Type within a Scheduled Facility or a Semi-Scheduled Facility be classified as a Fixed Price Component for the Reserve Capacity Cycle, for either:
- (a) five years; or
  - (b) ten years.
- 20.4 Insert the word 'Non-Scheduled ' before 'Facility' in the first line of clause 4.14.1C.
- 20.5 Delete the word ' and' after the semi-colon in clause 4.14.1C(e).
- 20.6 Delete the full stop at the end of clause 4.14.1C(f) and replace it with '; and'.
- 20.7 Insert the following new clause 4.14.1C(g):
- (g) it is nominated under clause 4.14.1B(a).
- 20.8 Delete the words 'For the purposes of clause 4.14.1B, a' and replace it with 'A' in clause 4.14.1CA.
- 20.9 Insert the words ' under clause 4.14.1B(a)' after 'Fixed Price Component' in clause 4.14.1CA.
- 20.10 Insert the words ' or a Demand Side Programme' after the words 'Non-Scheduled Facility' in clause 4.14.1CA(b).
- 20.11 Delete clause 4.14.1CA(e) and replace it with the following new clause 4.14.1CA(e):
- (e) one of the following applies:
    - i. Facility Technology Type will be treated as a Facility upgrade under Appendix 3; or
    - ii. all Fixed Price Components of the Facility would collectively be treated as a Facility upgrade under Appendix 3; or
    - iii. the Facility has not been assigned Capacity Credits in a previous Reserve Capacity Cycle and all Facility Technology Types within the Facility are nominated to be classified as Fixed Price Components for the same duration under clause 4.14.1B;
- 20.12 Insert the following new 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) [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).

20.13 Insert the following new clause 4.14.1CC:

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) does not hold Flexible Capacity Credits in the current Reserve Capacity Cycle;
- (b) [Blank]
- (c) [Blank]
- (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).

20.14 Delete the words 'clause 4.14.1(c)' and replace them with 'clauses 4.14.1(a) and 4.14.1(c) as applicable' in clause 4.14.3.

20.15 Insert the words ' either or both of' after 'in accordance with' in clause 4.14.6.

20.16 Delete the words 'clause 4.14.1(c)' and replace them with 'clauses 4.14.1(a) and 4.14.1(c)' in clause 4.14.6.

20.17 Insert the following new clause 4.14.6(cA):

- (cA) if more than one Facility remains, then Facilities with the greatest quantity of Flexible Certified Reserve Capacity will be accepted ahead of Facilities with lower Flexible Certified Reserve Capacity; then

20.18 Delete the words 'clause 4.14.1(d)' and replace them with 'clauses 4.14.1(b) and 4.14.1(d)' in clause 4.14.8.

20.19 Delete clause 4.14.9 and replace it with the following new clause 4.14.9:

4.14.9. AEMO must notify each Market Participant that specified a non-zero amount under clause 4.14.1(a) or clause 4.14.1(c) by the date and time specified in clause 4.1.15 of the quantities of Peak Certified Reserve Capacity and Flexible Certified Reserve Capacity held by the Market Participant in respect of each Facility and component of a Facility that it can trade bilaterally, where these quantities must exclude Certified Reserve Capacity to which clause 4.14.8 relates.

21. **Section 4.15 amended**

21.1 Insert the word 'Peak ' before 'Reserve Capacity' in clause 4.15.3(c).

22. **Section 4.16 amended**

22.1 Insert the following new clause 4.16.12A:

4.16.12A. At least once every six years, in conjunction with a determination of the Benchmark Capacity Providers under clause 4.16.11, the Coordinator must consider the shape of the price curves for the Peak Reserve Capacity Price and the Flexible Reserve Capacity Price under clause 4.29.1, to assess whether the Peak Reserve Capacity Price and the Flexible Reserve Capacity Price remain consistent with the Wholesale Market Objectives.

22.2 Delete clause 4.16.13 and replace it with the following new clause 4.16.13:

4.16.13. The Coordinator must consult with Market Participants when making the determination of the parameters under clause 4.16.12 and the assessment of Peak Reserve Capacity Price and the Flexible Reserve Capacity Price under clause 4.16.12A.

22.3 Delete clause 4.16.14 and replace it with the following new clause 4.16.14:

4.16.14. The Coordinator must publish the results of the:

- (a) determination under clause 4.16.11;
- (b) determination of each of the parameters under clause 4.16.12; and
- (c) the assessment in clause 4.16.12A.

23. **Section 4.20 amended**

23.1 Delete clause 4.20.5A and replace it with the following new clause 4.20.5A:

4.20.5A. AEMO must:

- (a) subject to clause 4.20.5C, assign a quantity of Peak Capacity Credits and a quantity of Flexible Capacity Credits to each Facility where the quantities are determined in accordance with clauses 4.20.5B and 4.20.5BA for the relevant Facility;
- (b) publish, by the date and time specified in clause 4.1.16A:
  - i. for each Facility assigned Capacity Credits under clause 4.20.5A(a):

1. the quantity of Peak Capacity Credits assigned; and
  2. the quantity of Flexible Capacity Credits assigned; and;
  3. the Facility Class;
- ii. the Peak Reserve Capacity Price for the Reserve Capacity Cycle;
  - iiA. the Flexible Reserve Capacity Price for the Reserve Capacity Cycle;
  - iii. if the Reserve Capacity Cycle is a Transitional Reserve Capacity Cycle, the Transitional Daily Peak Reserve Capacity Price for the Reserve Capacity Cycle multiplied by the number of Trading Days in the relevant Capacity Year for the Reserve Capacity Cycle;
  - iiiA. if the Reserve Capacity Cycle is a Transitional Reserve Capacity Cycle, the Transitional Daily Flexible Reserve Capacity Price for the Reserve Capacity Cycle multiplied by the number of Trading Days in the relevant Capacity Year for the Reserve Capacity Cycle;
  - iv. each Fixed Daily Peak Reserve Capacity Price for each Facility and Separately Certified Component that is a Fixed Price Facility or Fixed Price Component for that Reserve Capacity Cycle multiplied by the number of Trading Days in the relevant Capacity Year for the Reserve Capacity Cycle; and
  - v. each Fixed Daily Flexible Reserve Capacity Price for each Facility and Separately Certified Component that is a Fixed Price Facility or Fixed Price Component for that Reserve Capacity Cycle multiplied by the number of Trading Days in the relevant Capacity Year for the Reserve Capacity Cycle.

23.2 Delete clause 4.20.5AA and replace it with the following new clause 4.20.5AA:

4.20.5AA. For each Reserve Capacity Cycle, if AEMO has assigned Capacity Credits to Facilities or Separately Certified Components at any of the prices required to be published under clause 4.20.5A(b), AEMO must, by the date and time specified in clause 4.1.22, publish a summary of the aggregate quantity of MW of Capacity Credits assigned to Facilities or Separately Certified Components at each price for the Reserve Capacity Cycle.

23.3 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.20.5B.

23.4 Insert the following new clause 4.20.5BA:

4.20.5BA. The quantity of Flexible Capacity Credits assigned to a Facility f is equal to the lesser of:

- (a) the Network Access Quantity determined by AEMO in accordance with section 4.15 for Facility f; and

- (b) the quantity of Flexible Certified Reserve Capacity notified by AEMO under clause 4.14.9.
- 23.5 Delete the word 'Where' and replace with 'If' at the beginning of clause 4.20.5C.
- 23.6 Insert the words 'Peak Capacity Credits or Flexible ' before 'Capacity Credits' in clause 4.20.5C.
- 23.7 Insert the following new clause 4.20.9(aA):
- (aA) whether the Notice of Intention to Cancel Capacity Credits applies to Peak Capacity Credits, Flexible Capacity Credits, or both Peak Capacity Credits and Flexible Capacity Credits;
- 23.8 Delete the word 'Where' and replace with 'If' at the beginning of clause 4.20.11.
- 23.9 Delete the word 'Where' and replace with 'If' at the beginning of clause 4.20.12.
- 23.10 Delete the word 'Where' and replace with 'If' at the beginning of clause 4.20.14.
- 23.11 Delete the word 'Where' and replace with 'If' at the beginning of clause 4.20.15.
- 23.12 Delete clause 4.20.16 and replace it with the following new clause 4.20.16:
- 4.20.16.If AEMO has assigned fewer Peak Capacity Credits to a Facility for a Capacity Year than the total Peak Certified Reserve Capacity for each component of the Facility for that Capacity Year, the Market Participant must, by the date and time specified in clause 4.1.21A, notify AEMO of:
- (a) the number of Peak Capacity Credits that are to be associated with each component of the Facility for the Capacity Year, where the number must not exceed the Peak Certified Reserve Capacity assigned to each component of the Facility for that Capacity Year; and
  - (b) the number of Flexible Capacity Credits that are to be associated with each component of the Facility for the Capacity Year, where the number must not exceed:
    - i. the Flexible Certified Reserve Capacity assigned to that component for that Capacity Year; and
    - ii. the number of Peak Capacity Credits to be associated with that component for the Capacity Year.
- 23.13 Insert the following new clause 4.20.16A:
- 4.20.16A.If AEMO has assigned fewer Flexible Capacity Credits to a Facility for a Capacity Year than the total Flexible Certified Reserve Capacity for each component of the Facility for that Capacity Year, the Market Participant must, by the date and time specified in clause 4.1.21A, notify AEMO of the number of Flexible Capacity Credits that are to be associated with each component of the Facility for the Capacity Year, where the number of Flexible Capacity Credits to be associated with a component must not exceed:
- (a) the Flexible Certified Reserve Capacity assigned to that component for that Capacity Year; and

- (b) the number of Peak Capacity Credits to be associated with that component for the Capacity Year.

23.14 Delete the word 'Where' and replace with 'If' at the beginning of clause 4.20.17.

23.15 Insert the following new clause 4.20.17A:

4.20.17A.If AEMO has assigned Flexible Capacity Credits to a Facility for a Capacity Year, AEMO must set the number of Flexible Capacity Credits to be associated with each component of the Facility for the Capacity Year as:

- (a) the number of Flexible Capacity Credits the Market Participant nominated to trade bilaterally under clause 4.14.1(a); or
- (b) if clause 4.20.16 or clause 4.20.16A applies, the number of Flexible Capacity Credits notified to AEMO under that clause to be associated with each component of the Facility.

23.16 Delete clause 4.20.17B and replace it with the following new clause 4.20.17B:

4.20.17B.AEMO must, by the date and time specified in clause 4.1.22:

- (a) determine whether the Peak Reserve Capacity Requirement has been met or exceeded with the Peak Capacity Credits assigned for the third Capacity Year of the Long Term PASA Study Horizon for a Reserve Capacity Cycle:
  - i. to Facilities or parts of Facilities to which section 4.13 applies, for which no Reserve Capacity Security was required to be provided under section 4.13; or
  - ii. to Demand Side Programmes determined by AEMO to be in Commercial Operation;
- (aA) determine whether the Flexible Reserve Capacity Requirement has been met or exceeded with the Flexible Capacity Credits assigned for the third Capacity Year of the Long Term PASA Study Horizon for a Reserve Capacity Cycle:
  - i. to Facilities or parts of Facilities to which section 4.13 applies, for which no Reserve Capacity Security was required to be provided under section 4.13; or
  - ii. to Demand Side Programmes determined by AEMO to be in Commercial Operation; and
- (b) publish AEMO's determination under clauses 4.20.17B(a) and 4.20.17B(aA).

24. **Section 4.23A amended**

24.1 Delete clause 4.23A.4(b) and replace it with the following new clause 4.23A.4(b):

- (b) AEMO must allocate to the Aggregated Facility the Peak Certified Reserve Capacity, Flexible Certified Reserve Capacity, Network Access Quantity, Peak Capacity Credits, Flexible Capacity Credits, and Reserve Capacity Obligation



Quantity it can provide based on information provided in the original application for Certified Reserve Capacity for the Registered Facilities;

25. **Section 4.24 amended**

25.1 Delete clause 4.24.1 and replace it with the following new clause 4.24.1:

4.24.1. If, at any time after the day which is six months before the start of a Capacity Year, AEMO considers that inadequate Peak Capacity will be available in the SWIS to maintain Power System Security and Power System Reliability, using the most recent published forecasts and the method outlined in clauses 4.5.9(a) and 4.5.9(b) and any other information AEMO considers relevant, then it must:

- (a) determine the expected start and end dates for the period of the shortfall;
- (b) determine the expected quantity of the shortfall; and
- (c) seek to acquire supplementary Peak Capacity in accordance with clause 4.24.2.

25.2 Delete the words 'Reserve Capacity' and replace it with 'Peak Capacity' in clause 4.24.1A.

25.3 Delete the words 'supplementary capacity' and replace it with 'supplementary Peak Capacity' in clause 4.24.1A.

25.4 Insert the word 'Peak ' before each reference to 'Capacity Credits' in clause 4.24.3(c)(i).

26. **Section 4.25 amended**

26.1 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.25.1.

26.2 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.25.1(a).

26.3 Insert the words ' in that Trading Interval' after 'Required Level' in clause 4.25.1(c).

26.4 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.25.1(c).

26.5 Delete the words 'the Electric Storage Resource Obligation Duration' and replace it with 'its Peak Electric Storage Resource Obligation Duration' in clause 4.25.2(a)(i)(2).

26.6 Delete the words 'the Electric Storage Resource Obligation Duration' and replace it with 'its Peak Electric Storage Resource Obligation Duration' in clause 4.25.2(a)(ii)(2).

26.7 Delete the words 'the Electric Storage Resource Obligation Duration' and replace it with 'its Peak Electric Storage Resource Obligation Duration' in clause 4.25.2(e)(i)(2).

26.8 Delete the words 'the Electric Storage Resource Obligation Duration' and replace it with 'its Peak Electric Storage Resource Obligation Duration' in clause 4.25.2(e)(ii)(2).

26.9 Delete the word 'Where' and replace it with 'If' in clause 4.25.2D.

26.10 Insert the words ' for Peak Capacity' after 'Component tested' in clause 4.25.2E.

26.11 Delete the words 'the Electric Storage Resource Obligation Duration' and replace it with 'its Peak Electric Storage Resource Obligation Duration' in clause 4.25.2E(a).

- 26.12 Delete the word ' eight' in clause 4.25.2E(a).
- 26.13 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.25.4(a).
- 26.14 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.25.4(b).
- 26.15 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.25.4(c).
- 26.16 Insert the word 'Peak ' before 'Electric Storage Resource Obligation' in clause 4.25.4(c).
- 26.17 Insert the words ' for the Electric Storage Resource' after 'Electric Storage Resource Obligation Duration' in clause 4.25.4(c).
- 26.18 Delete the word 'amount' and replace it with 'quantity' in clause 4.25.4C(c).
- 26.19 Insert the word 'Peak ' before each of the three references to 'Capacity Credits' in clause 4.25.4CA.
- 26.20 Insert the word 'Peak ' before each of the two references to 'Capacity Credits' in clause 4.25.4D.
- 26.21 Insert the word 'Peak ' before each of the two references to 'Capacity Credits' in clause 4.25.6(a).
- 26.22 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.25.6(b).
- 26.23 Insert the word 'Peak ' before the first reference to 'Capacity Credits' in clause 4.25.6(c).
- 26.24 Delete the word 'higher' and replace it with 'reflect the' in clause 4.25.6(c).
- 26.25 Insert the words 'Electric Storage Resource's Peak ' before 'Electric Storage Resource Obligation Duration' in clause 4.25.6(c).
27. **Section 4.26 amended**
- 27.1 Delete the word 'where' and replace it with 'if' in clause 4.26.1(b)(iii).
- 27.2 Delete the words ' defined as' in clause 4.26.1(b)(iii).
- 27.3 Insert the word ' Peak' after 'Facility Monthly' in clause 4.26.1(b)(iii)(3).
- 27.4 Insert the word ' Peak' after 'Facility Monthly' in clause 4.26.1(b)(iv).
28. **Section 4.28 amended**
- 28.1 Insert the word ' Peak' after 'Facility Daily' in clause 4.28.2(d).
29. **Section 4.28A amended**
- 29.1 Delete the word 'clause' and replace it with 'section' in clause 4.28A.2(a).
30. **Section 4.28C amended**
- 30.1 Insert the words ', including whether the application relates to Peak Early Certified Reserve Capacity or both Peak Early Certified Reserve Capacity and Flexible Early Certified Reserve Capacity' after the words 'relates to' in clause 4.28C.5(b).
- 30.2 Insert the word 'Peak ' before 'Early Certified Reserve Capacity' in clause 4.28C.7.

- 30.3 Insert the words ' and Flexible Early Certified Reserve Capacity' after 'Early Certified Reserve Capacity' in clause 4.28C.7.
- 30.4 Delete the word 'quantity' and replace it with 'quantities' in clause 4.28C.7(a).
- 30.5 Insert the word 'Peak ' before 'Early Certified Reserve Capacity' in clause 4.28C.7B.
- 30.6 Insert the words ' and Flexible Early Certified Reserve Capacity' after 'Early Certified Reserve Capacity' in clause 4.28C.7B.
- 30.7 Delete clause 4.28C.8 and replace it with the following new clause 4.28C.8:  
 4.28C.8. Within 30 Business Days of the applicant receiving notification by AEMO under clause 4.1.12 of the quantity of Peak Early Certified Reserve Capacity and Flexible Early Certified Reserve Capacity assigned to the Facility under clause 4.28C.7 the applicant must ensure that AEMO holds the benefit of a Reserve Capacity Security equal to the amount specified in clause 4.28C.9.
- 30.8 Delete clause 4.28C.8A and replace it with the following new clause 4.28C.8A:  
 4.28C.8A.If a Market Participant does not comply with clause 4.28C.8 in full by the time specified in clause 4.28C.8, the Peak Early Certified Reserve Capacity and Flexible Early Certified Reserve Capacity assigned to that Facility under clause 4.28C.7 and the Indicative Network Access Quantity determined for that Facility will lapse.
- 30.9 Insert the word 'Peak ' before 'Benchmark Reserve' in clause 4.28C.9.
- 30.10 Insert the word 'Peak ' before 'Early Certified Reserve' in clause 4.28C.9.
- 30.11 Insert the words ' under clause 4.28C.7' after 'the Facility' in clause 4.28C.9.

31. **Section 4.29 amended**

- 31.1 Delete clause 4.29.1 and replace it with the following new clause 4.29.1:  
 4.29.1. The Reserve Capacity Prices for a Reserve Capacity Cycle to apply during the period specified in clause 4.1.29 are to be calculated as follows:  
 (a) for a Reserve Capacity Cycle from the 2019 Reserve Capacity Cycle to the 2024 Reserve Capacity Cycle, the value calculated using the following formula:

$$\max(\text{Segment 1, Segment 2, 0}) * \text{BRCP}$$

where:

$$\text{Segment 1} = \frac{\text{EZ BRCP Factor} - \text{BRCP Cap Factor}}{\text{EZ}} \times \text{surplus} + \text{BRCP Cap Factor}$$

$$\text{Segment 2} = \frac{\text{EZ BRCP Factor}}{\text{EZ} - \text{AZ}} \times (\text{surplus} - \text{AZ})$$

BRCP is the Peak Benchmark Reserve Capacity Price determined in accordance with section 4.16;

BRCP Cap Factor is 1.3;

EZ BRCP Factor is 0.5;

EZ is 0.1;

AZ is 0.3; and

surplus is the pro rata excess capacity calculated as follows:

$$\text{surplus} = [\max(0, (\frac{CC-RCR}{RCR})]$$

where:

CC is the total number of Peak Capacity Credits assigned by AEMO in accordance with clause 4.20.5A for the Reserve Capacity Cycle; and

RCR is the Peak Reserve Capacity Requirement for the Reserve Capacity Cycle.

(b) for a Reserve Capacity Cycle from the 2025 Reserve Capacity Cycle onwards, the values calculated using the following formulas:

i. The Peak Reserve Capacity Price is:

$$\text{PRCP} = \begin{cases} \text{if PRatio} \leq 0.85, & \text{PBRCP} \times 1.5 \\ \text{if } 0.85 < \text{PRatio} \leq 0.95, & \text{PBRCP} \times (1 + (0.95 - \text{PRatio}) \times \text{PRCPSlope}) \\ \text{if } 0.95 < \text{PRatio} \leq 1.05, & \text{PBRCP} \\ \text{if } 1.05 < \text{PRatio} \leq 1.15, & \text{PBRCP} \times (1 + (1.05 - \text{PRatio}) \times \text{PRCPSlope}) \\ \text{if PRatio} > 1.15, & \text{PBRCP} \times 0.5 \end{cases}$$

where:

1. PRatio is  $\frac{PCC}{PRCR}$
2. PCC is the total number of Peak Capacity Credits assigned by AEMO in accordance with clause 4.20.5A for the Reserve Capacity Cycle;
3. PRCR is the Peak Reserve Capacity Requirement for the Reserve Capacity Cycle;
4. PBRCP is the Peak Benchmark Reserve Capacity Price determined in accordance with section 4.16; and
5. PRCPSlope is  $\frac{1.5-1}{0.95-0.85}$

ii. The Flexible Reserve Capacity Price is:

$$\text{FRCP} = \begin{cases} \text{if FRatio} \leq 0.85, & (\text{FBRCP} \times 1.6) \\ \text{if } 0.85 < \text{FRatio} \leq 1.15, & (\text{FBRCP} \times (1 + (1 - \text{FRatio}) \times \text{FRCPSlope})) \\ \text{if FRatio} > 1.15, & \text{FBRCP} \times 0.5 \end{cases}$$

where:

1. FRatio is  $\frac{FCC}{FRCR}$
2. FCC is the total number of Flexible Capacity Credits assigned by AEMO in accordance with clause 4.20.5A for the Reserve Capacity Cycle;

3. FRCR is the Flexible Reserve Capacity Requirement for the Reserve Capacity Cycle;
4. FBRCP is the Flexible Benchmark Reserve Capacity Price determined in accordance with section 4.16; and
5. FRCPSlope is  $\frac{1.6-0.5}{1.15-0.85}$

31.2 Delete clause 4.29.1A and replace it with the following new clause 4.29.1A:

4.29.1A. 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 Reserve Capacity Cycle to apply during the period specified in clause 4.1.29 for a Facility, which is equal to:
  - i. [Blank]
  - ii. for a Transitional Facility during a Transitional Reserve Capacity Cycle, the value determined in accordance with clause 4.29.1B;
  - iii. for a Fixed Price Facility during a Fixed Price Reserve Capacity Cycle for that Fixed Price Facility, the value determined in accordance with clause 4.29.1D for that Fixed Price Facility; or
  - iv. for all other Facilities, the Reserve Capacity Price for the Reserve Capacity Cycle divided by 12;
- (b) for the 2024 Reserve Capacity Cycle, the Facility Monthly Peak Reserve Capacity Price to apply during the period specified in clause 4.1.29 for a Facility or a Separately Certified Component, which is equal to:
  - i. for a Non-Scheduled Facility that is a Transitional Facility during a Transitional Reserve Capacity Cycle, the value determined in accordance with clause 4.29.1B;
  - ii. for a Non-Scheduled Facility that is a Fixed Price Facility during a Peak Fixed Price Reserve Capacity Cycle for that Fixed Price Facility, the value determined in accordance with clause 4.29.1D for that Fixed Price Facility; or
  - iii. for a Non-Scheduled Facility not covered by clause 4.29.1A(b)(i) or clause 4.29.1A(b)(ii), the Peak Reserve Capacity Price for the Reserve Capacity Cycle divided by 12;
  - iv. for a Transitional Component during a Transitional Reserve Capacity Cycle, the value determined in accordance with clause 4.29.1B;
  - v. for a Fixed Price Component during a Peak Fixed Price Reserve Capacity Cycle for that Fixed Price Component, the

- value determined in accordance with clause 4.29.1D for that Fixed Price Component;
- vi. for a Separately Certified Component not covered by clause 4.29.1A(b)(iv) or clause 4.29.1A(b)(v), the Peak Reserve Capacity Price for the Reserve Capacity Cycle divided by 12;
  - vii. for all Demand Side Programmes, the Peak Reserve Capacity Price for the Reserve Capacity Cycle divided by 12;
- (c) for a Reserve Capacity Cycle from the 2025 Reserve Capacity Cycle onwards, the Entity Daily Peak Reserve Capacity Price to apply during the period specified in clause 4.1.29 for a Facility or a Separately Certified Component, which is equal to:
- i. for a Non-Scheduled Facility that is a Transitional Facility during a Transitional Reserve Capacity Cycle, the Transitional Daily Peak Reserve Capacity Price;
  - ii. for a Non-Scheduled Facility that is a Fixed Price Facility during a Peak Fixed Price Reserve Capacity Cycle for that Non-Scheduled Facility, the Fixed Daily Peak Reserve Capacity Price for that Facility;
  - iii. for a Non-Scheduled Facility not covered by clause 4.29.1A(c)(i) or clause 4.29.1A(c)(ii), the Floating Daily Peak Reserve Capacity Price;
  - iv. for a Transitional Component during a Transitional Reserve Capacity Cycle, the Transitional Daily Peak Reserve Capacity Price;
  - v. for a Fixed Price Component during a Peak Fixed Price Reserve Capacity Cycle for that Fixed Price Component, the Fixed Daily Peak Reserve Capacity Price for that Fixed Price Component;
  - vi. for a Separately Certified Component not covered by clause 4.29.1A(c)(iv) or clause 4.29.1A(c)(v), the Floating Daily Peak Reserve Capacity Price; and
  - vii. for all Demand Side Programmes, the Floating Daily Peak Reserve Capacity Price.

31.3 Insert the following new clause 4.29.1AA:

4.29.1AA. The Floating Daily Peak Reserve Capacity Price for a Reserve Capacity Cycle is the Peak Reserve Capacity Price divided by the number of Trading Days in the relevant Capacity Year for the Reserve Capacity Cycle.

31.4 Delete clause 4.29.1B and replace it with the following new clause 4.29.1B:

4.29.1B. 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 Transitional Facility, which is the value calculated using the formula below:

$$\text{TFMRCP}_{cy} = \frac{\min(\max(\text{PRCP}_{cy}, \text{Trans\_Floor}_{cy}), \text{Trans\_Ceiling}_{cy})}{12}$$

where:

- i.  $\text{PRCP}_{cy}$  is the Peak Reserve Capacity Price as determined in accordance with clause 4.29.1(a);
  - ii.  $\text{Trans\_Ceiling}_{cy}$  equals \$140,000 for the 2019 Reserve Capacity Cycle and for each subsequent Transitional Reserve Capacity Cycle, the value as escalated in accordance with clause 4.29.1C(a); and
  - iii.  $\text{Trans\_Floor}_{cy}$  equals \$114,000 for the 2019 Reserve Capacity Cycle and for each subsequent Transitional Reserve Capacity Cycle, the value as escalated in accordance with clause 4.29.1C(b).
- (b) for the 2024 Reserve Capacity Cycle, the Facility Monthly Peak Reserve Capacity Price for a Transitional Facility or Transitional Component, which is the value calculated using the formula below:

$$\text{TFMRCP}_{cy} = \frac{\min(\max(\text{PRCP}_{cy}, \text{Trans\_Floor}_{cy}), \text{Trans\_Ceiling}_{cy})}{12}$$

where:

- i.  $\text{PRCP}_{cy}$  is the Peak Reserve Capacity Price as determined in accordance with clause 4.29.1(a) for the Reserve Capacity Cycle;
  - ii.  $\text{Trans\_Ceiling}_{cy}$  equals \$140,000 for the 2019 Reserve Capacity Cycle and for each subsequent Transitional Reserve Capacity Cycle, the value as escalated in accordance with clause 4.29.1C(a); and
  - iii.  $\text{Trans\_Floor}_{cy}$  equals \$114,000 for the 2019 Reserve Capacity Cycle and for each subsequent Transitional Reserve Capacity Cycle, the value as escalated in accordance with clause 4.29.1C(b);
- (c) for a Reserve Capacity Cycle from the 2025 Reserve Capacity Cycle onwards, the Transitional Daily Peak Reserve Capacity Price for a Transitional Facility or Transitional Component during a Transitional Reserve Capacity Cycle, which is the value calculated using the formula below:

$$\text{TDPRCP}_{cy} = \frac{\min(\max(\text{PRCP}_{cy}, \text{Trans\_Floor}_{cy}), \text{Trans\_Ceiling}_{cy})}{\text{TDCY}_{cy}}$$

where:

- i.  $PRCP_{cy}$  is the Peak Reserve Capacity Price as determined in accordance with clause 4.29.1(b)(i) for the Reserve Capacity Cycle;
- ii.  $Trans\_Ceiling_{cy}$  equals \$140,000 for the 2019 Reserve Capacity Cycle and for each subsequent Transitional Reserve Capacity Cycle, the value as escalated in accordance with clause 4.29.1C(a);
- iii.  $Trans\_Floor_{cy}$  equals \$114,000 for the 2019 Reserve Capacity Cycle and for each subsequent Transitional Reserve Capacity Cycle, the value as escalated in accordance with clause 4.29.1C(b); and
- iv.  $TDCY_{cy}$  is the number of Trading Days in the relevant Capacity Year.

31.5 Delete clause 4.29.1C and replace it with the following new clause 4.29.1C:

4.29.1C. The escalation factors used in clause 4.29.1B are calculated as follows:

(a)  $Trans\_Ceiling$  in Capacity Year  $cy$  is:

$$Trans\_Ceiling_{cy} = Trans\_Ceiling_{cy-1} \times (1 + \max(0, ForecastCPI_{cy}) + \max(0, ActualCPI_{cy-2}) - \max(0, ForecastCPI_{cy-2}))$$

(b)  $Trans\_Floor$  in Capacity Year  $cy$  is:

$$Trans\_Floor_{cy} = Trans\_Floor_{cy-1} \times (1 + \max(0, ForecastCPI_{cy}) + \max(0, ActualCPI_{cy-2}) - \max(0, ForecastCPI_{cy-2}))$$

(c)  $Trans\_Ceiling_{cy-1}$  is the value of  $Trans\_Ceiling$  published for the previous Reserve Capacity Cycle;

(d)  $Trans\_Floor_{cy-1}$  is the value of  $Trans\_Floor$  published for the previous Transitional Reserve Capacity Cycle;

(e)  $ForecastCPI_{cy}$  is the value determined under clause 4.29.2(a);

(f)  $ForecastCPI_{cy-2}$  is the value determined under clause 4.29.2(b); and

(g)  $ActualCPI_{cy-2}$  is the value determined under clause 4.29.2(c).

31.6 Delete clause 4.29.1CA and replace it with the following new clause 4.29.1CA:

4.29.1CA. AEMO must publish on the WEM Website:

(a) the values determined for  $Trans\_Ceiling$  and  $Trans\_Floor$  in accordance with clause 4.29.1C;

(b) the Peak Capacity values for Transitional Facilities or Transitional Components determined in clause 4.29.1B; and



- (c) the Flexible Capacity values for Transitional Facilities or Transitional Components determined in clause 4.29.1G.

31.7 Delete clause 4.29.1D and replace it with the following new clause 4.29.1D:

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:

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

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.  $\text{FRCP}_{[\text{previous}]}$  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.
- (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
  - (c) for a Reserve Capacity Cycle from the 2025 Reserve Capacity Cycle onwards the Fixed Daily Peak Reserve Capacity Price for a Fixed Price Facility or a Fixed Price Component during a Peak Fixed Price Reserve Capacity Cycle for the Fixed Price Facility or Fixed Price Component, which is:

- i. for the first Reserve Capacity Cycle for which a Facility is classified as a Fixed Price Facility or a Separately Certified Component is classified as a Fixed Price Component, the Floating Daily Peak Reserve Capacity Price; and
- ii. for the second and third Peak Fixed Price Reserve Capacity Cycles for the Fixed Price Facility or Fixed Price Component:

$$FDPRCP_{cy} = \frac{FDPRCP_{cy-1} \times TDCM_{cy-1}}{TDCM_{cy}} \times (1 + \max(0, \text{ForecastCPI}_{cy}))$$

where:

- 1.  $FDPRCP_{cy-1}$  is Fixed Daily Peak Reserve Capacity Price for the Fixed Price Facility or Fixed Price Component in the previous Reserve Capacity Cycle;
  - 2.  $TDCM_{cy-1}$  is the number of Trading Days in the relevant Capacity Year for the previous Reserve Capacity Cycle;
  - 3.  $\text{ForecastCPI}_{cy}$  is the value determined in accordance with clause 4.29.2(a); and
  - 4.  $TDCM_{cy}$  is the number of Trading Days in the relevant Capacity Year for the current Reserve Capacity Cycle.
- iii. for each subsequent Peak Fixed Price Reserve Capacity Cycle for the Fixed Price Component:

$$FDPRCP_{cy} = \frac{FDPRCP_{cy-1} \times TDCM_{cy-1}}{TDCM_{cy}} \times (1 + \max(0, \text{ForecastCPI}_{cy}) + \max(0, \text{ActualCPI}_{cy-2}) - \max(0, \text{ForecastCPI}_{cy-2}))$$

where:

- 1.  $FDPRCP_{cy-1}$  is the Fixed Daily Peak Reserve Capacity Price for the Fixed Price Facility or Fixed Price Component in the previous Reserve Capacity Cycle;
- 2.  $TDCM_{cy-1}$  is the number of Trading Days in the relevant Capacity Year for the previous Reserve Capacity Cycle;
- 3.  $\text{ForecastCPI}_{cy}$  is the value determined in accordance with clause 4.29.2(a);
- 4.  $\text{ActualCPI}_{cy-2}$  is the value determined in accordance with clause 4.29.2(c);
- 5.  $\text{ForecastCPI}_{cy-2}$  is the value determined in accordance with clause 4.29.2(b); and

6. TDCM<sub>cy</sub> is the number of Trading Days in the relevant Capacity Year for the current Reserve Capacity Cycle.

31.8 Insert the following new clause 4.29.1E:

4.29.1E. The Entity Daily Flexible Reserve Capacity Price for a Reserve Capacity Cycle to apply during the period specified in clause 4.1.29 for a Facility or a Separately Certified Component is:

- (a) for a Transitional Component during a Transitional Reserve Capacity Cycle, the Transitional Daily Flexible Reserve Capacity Price;
- (b) for a Fixed Price Component during a Flexible Fixed Price Reserve Capacity Cycle for that Fixed Price Component, the Fixed Daily Flexible Reserve Capacity Price for that Fixed Price Component;
- (c) for a Fixed Price Component during a Peak Fixed Price Reserve Capacity Cycle, that is not assigned Flexible Capacity Credits in the same Reserve Capacity Cycle, the greater of:
  - i. zero, and
  - ii. the Floating Daily Flexible Reserve Capacity Price plus the Floating Daily Peak Reserve Capacity Price, less the Fixed Daily Peak Reserve Capacity Price for that Fixed Price Component;
- (d) for all other Separately Certified Components, the Floating Daily Flexible Reserve Capacity Price; or
- (e) for a Demand Side Programme the Floating Daily Flexible Reserve Capacity Price.

31.9 Insert the following new clause 4.29.1F:

4.29.1F. The Floating Daily Flexible Reserve Capacity Price for a Reserve Capacity Cycle is the greater of:

- (a) zero; and
- (b) the Flexible Reserve Capacity Price divided by the number of Trading Days in the relevant Capacity Year for the Reserve Capacity Cycle less the Floating Daily Peak Reserve Capacity Price.

31.10 Insert the following new clause 4.29.1G:

4.29.1G. The Transitional Daily Flexible Reserve Capacity Price for Capacity Year cy is:

$$\text{TDFRCP}_{cy} = \max \left( 0, \frac{\text{FRCP}_{cy}}{\text{TDCY}_{cy}} - \text{TDPRCP}_{cy} \right)$$

where:

- (a) FRCP<sub>cy</sub> is the Flexible Reserve Capacity Price as determined in accordance with clause 4.29.1(b)(ii) for the Reserve Capacity Cycle;

- (b)  $TDCY_{cy}$  is the number of Trading Days in the relevant Capacity Year; and
- (c)  $TDPRCP_{cy}$  is the Transitional Daily Peak Reserve Capacity Price for the current Transitional Reserve Capacity Cycle, as determined under clause 4.29.1B.

31.11 Insert the following new clause 4.29.1H:

4.29.1H. The Fixed Daily Flexible Reserve Capacity Price for a Fixed Price Component during a Flexible Fixed Price Reserve Capacity Cycle for the Fixed Price Component is:

- (a) for the first Reserve Capacity Cycle for which a Separately Certified Component is classified as a Fixed Price Component, the Floating Daily Flexible Reserve Capacity Price; and
- (b) for the second and third Flexible Fixed Price Reserve Capacity Cycles for the Fixed Price Component:

$$FDFRCP_{cy} = \frac{FDFRCP_{cy-1} \times TDCM_{cy-1}}{TDCM_{cy}} \times (1 + \max(0, \text{ForecastCPI}_{cy}))$$

where:

- i.  $FDFRCP_{cy-1}$  is the Fixed Daily Flexible Reserve Capacity Price for the Fixed Price Component in the previous Reserve Capacity Cycle;
  - ii.  $TDCM_{cy-1}$  is the number of Trading Days in the relevant Capacity Year for the previous Reserve Capacity Cycle;
  - iii.  $\text{ForecastCPI}_{cy}$  is the consumer price index value determined in accordance with clause 4.29.2(a); and
  - iv.  $TDCM_{cy}$  is the number of Trading Days in the relevant Capacity Year for the current Reserve Capacity Cycle; and
- (c) for each subsequent Flexible Fixed Price Reserve Capacity Cycle for the Fixed Price Component:

$$FDFRCP_{cy} = \frac{FDFRCP_{cy-1} \times TDCM_{cy-1}}{TDCM_{cy}} \times (1 + \max(0, \text{ForecastCPI}_{cy}) + \max(0, \text{ActualCPI}_{cy-2}) - \max(0, \text{ForecastCPI}_{cy-2}))$$

where:

- i.  $FDFRCP_{cy-1}$  is the Fixed Daily Flexible Reserve Capacity Price for the Fixed Price Component in the previous Reserve Capacity Cycle;
- ii.  $TDCM_{cy-1}$  is the number of Trading Days in the relevant Capacity Year for the previous Reserve Capacity Cycle;
- iii.  $\text{ForecastCPI}_{cy}$  is the value determined in accordance with clause 4.29.2(a);

- iv. ActualCPI<sub>cy-2</sub> is the value determined in accordance with clause 4.29.2(c);
- v. ForecastCPI<sub>cy-2</sub> is the value determined in accordance with clause 4.29.2(b); and
- vi. TDCM<sub>cy</sub> is the number of Trading Days in the relevant Capacity Year for the current Reserve Capacity Cycle.

31.12 Delete clause 4.29.2 and replace it with the following new clause 4.29.2:

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<sub>cy</sub> 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;
- (b) ForecastCPI<sub>cy-2</sub> is the value of ForecastCPI used for the Capacity Year two years before Capacity Year cy; and
- (c) ActualCPI<sub>cy-2</sub> 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.

31.13 Delete clause 4.29.2B and replace it with the following new clause 4.29.2B:

4.29.2B. For each Reserve Capacity Cycle AEMO must determine the following information in accordance with this section 4.29:

- (a) for a Reserve Capacity Cycle from the 2019 Reserve Capacity Cycle to the 2023 Reserve Capacity Cycle:
  - i. the Facility Monthly Peak Reserve Capacity Price for a Transitional Facility if the Reserve Capacity Cycle is a Transitional Reserve Capacity Cycle;
  - ii. the Facility Monthly Peak Reserve Capacity Price for each Fixed Price Facility for which the Reserve Capacity Cycle is a Peak Fixed Price Reserve Capacity Cycle;
  - iii. the Facility Monthly Peak Reserve Capacity Price for all other Facilities;
- (b) for the 2024 Reserve Capacity Cycle:
  - i. if the Reserve Capacity Cycle is a Transitional Reserve Capacity Cycle, the Facility Monthly Peak Reserve Capacity Price for each Transitional Facility or Transitional Component;

- ii. the Facility Monthly Peak Reserve Capacity Price for each Fixed Price Facility and each Fixed Price Component for which the Reserve Capacity Cycle is a Peak Fixed Price Reserve Capacity Cycle;
  - iii. the Facility Monthly Peak Reserve Capacity Price for all other Facilities and Separately Certified Components;
- (c) for a Reserve Capacity Cycle from the 2025 Reserve Capacity Cycle onwards:
- i. if the Reserve Capacity Cycle is a Transitional Reserve Capacity Cycle, the Entity Daily Peak Reserve Capacity Price for each Transitional Facility or Transitional Component;
  - ii. the Fixed Daily Peak Reserve Capacity Price for each Fixed Price Facility and each Fixed Price Component for which the Reserve Capacity Cycle is a Peak Fixed Price Reserve Capacity Cycle;
  - iii. the Entity Daily Peak Reserve Capacity Price for all other Facilities and Separately Certified Components;
  - iv. if the Reserve Capacity Cycle is a Transitional Reserve Capacity Cycle, the Entity Daily Flexible Reserve Capacity Price for each Transitional Component;
  - v. the Fixed Daily Flexible Reserve Capacity Price for each Fixed Price Component for which the Reserve Capacity Cycle is a Flexible Fixed Price Reserve Capacity Cycle;
  - vi. the Entity Daily Flexible Reserve Capacity Price for all other Separately Certified Components; and
  - vii. the Entity Daily Flexible Reserve Capacity Price for all Demand Side Programmes.

31.14 Insert the word ' Peak' after 'Facility Monthly' in clause 4.29.3(a).

31.15 Insert the word ' Peak' after 'Facility Daily' in clause 4.29.3(aA).

31.16 Insert the word ' Peak' after 'Facility Monthly' in clause 4.29.5.

31.17 Insert the word ' or Separately Certified Component' after 'Reserve Capacity Price for the Facility' in clause 4.29.5.

32. **Section 7.8 amended**

32.1 Delete the words 'clause 7.5.9' and replace it with 'clause 7.5.10' in clause 7.8.9(c).

33. **Section 9.8 amended**

33.1 Insert the word ' Peak' after 'Facility Daily' in clause 9.8.3(b)(iv).

34. **Chapter 11 (Glossary) amended**

- 34.1 Delete the words 'clause 4.5.12(c)' and replace with 'clause 4.5.13(eC)(iii)' in the definition of Availability Duration Gap.
- 34.2 Delete the words 'clause 4.5.12(a)' and replace with 'clause 4.5.13(eC)(i)' in the definition of Availability Duration Gap Load Scenario.
- 34.3 Delete the definition of Capacity Credit and replace it with the following new definition of Capacity Credit:
- Capacity Credit:** A Peak Capacity Credit or a Flexible Capacity Credit or both (as the context requires).
- 34.4 Delete 'clauses 4.30.1 and 4.30.3' and replace with 'clauses 4.30.1 and 4.30.2' in the definition of Capacity Credit Allocation Submission.
- 34.5 Delete the definition of Certified Reserve Capacity and replace it with the following new definition of Certified Reserve Capacity:
- Certified Reserve Capacity:** Peak Certified Reserve Capacity or Flexible Certified Reserve Capacity or both (as the context requires).
- 34.6 Delete the definition of Early Certified Reserve Capacity and replace it with the following new definition of Early Certified Reserve Capacity:
- Early Certified Reserve Capacity:** Peak Early Certified Reserve Capacity or both Peak Early Certified Reserve Capacity and Flexible Early Certified Reserve Capacity (as the context requires).
- 34.7 Insert the following new definition of Entity Daily Flexible Reserve Capacity Price:
- Entity Daily Flexible Reserve Capacity Price:** In respect of a Reserve Capacity Cycle, the price per Flexible Capacity Credit for a Trading Day calculated in accordance with clause 4.29.1E in respect of:
- (a) a Demand Side Programme;
  - (b) a Separately Certified Component of a Scheduled Facility; or
  - (c) a Separately Certified Component of a Semi-Scheduled Facility.
- 34.8 Insert the following new definition of Entity Daily Peak Reserve Capacity Price:
- Entity Daily Peak Reserve Capacity Price:** In respect of a Reserve Capacity Cycle, the price per Peak Capacity Credit for a Trading Day calculated in accordance with clause 4.29.1A(c) in respect of:
- (a) a Non-Scheduled Facility;
  - (b) a Demand Side Programme;
  - (c) a Separately Certified Component of a Scheduled Facility; or
  - (d) a Separately Certified Component of a Semi-Scheduled Facility.
- 34.9 Delete the word 'published' and replace with 'determined' in subsection (b) of the definition of ESR Duration Requirement.

- 34.10 Insert the word ' Peak' after 'Facility Daily' in the title of the definition of Facility Daily Reserve Capacity Price so it reads Facility Daily Peak Reserve Capacity Price.
- 34.11 Insert the word ' Peak' after 'The Facility Monthly' in the definition of Facility Daily Peak Reserve Capacity Price.
- 34.12 Insert the word 'Peak' after 'Facility Monthly' in the title of the definition of Facility Monthly Reserve Capacity Price so it reads Facility Monthly Peak Reserve Capacity Price.
- 34.13 Insert the following new definition of Fixed Daily Flexible Reserve Capacity Price:
- Fixed Daily Flexible Reserve Capacity Price:** For a Fixed Price Facility or Fixed Price Component in a Flexible Fixed Price Reserve Capacity Cycle, the price per Flexible Capacity Credit per Trading Day calculated in accordance with clause 4.29.1H.
- 34.14 Insert the following new definition of Fixed Daily Peak Reserve Capacity Price:
- Fixed Daily Peak Reserve Capacity Price:** For a Fixed Price Facility or Fixed Price Component in a Peak Fixed Price Reserve Capacity Cycle, the price per Peak Capacity Credit per Trading Day calculated in accordance with clause 4.29.1D.
- 34.15 Insert the following new definition of Fixed Price Component:
- 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.
- 34.16 Delete the definition of Fixed Price Facility and replace it with the following new definition of Fixed Price Facility:
- Fixed Price Facility:** Means a Non-Scheduled Facility 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 Fixed Price Facility.
- 34.17 Insert the words ' meets the requirements determined under clause 4.10.1A for the relevant Reserve Capacity Cycle, such that it' after 'Reserve Capacity that' in the definition of Flexible Capacity.
- 34.18 Insert the following new definition of Flexible Certified Reserve Capacity:
- Flexible Certified Reserve Capacity:** In respect of a Reserve Capacity Cycle, for a Facility or component of a Facility, the quantity of Flexible Capacity that AEMO has assigned to the Facility for the Reserve Capacity Cycle in accordance with section 4.11, as adjusted under these WEM Rules including clause 4.14.8.
- 34.19 Insert the following new definition of Flexible Capacity Obligation Duration:
- Flexible Capacity Obligation Duration:** 8 Trading Intervals.
- 34.20 Insert the following new definition of Flexible Demand Side Programme Dispatch Requirement:



**Flexible Demand Side Programme Dispatch Requirement:** For a Reserve Capacity Cycle, the value determined by AEMO under clause 4.5.12(h).

34.21 Insert the following new definition of Flexible Early Certified Reserve Capacity:

**Flexible Early Certified Reserve Capacity:** Flexible Capacity assigned to a new Facility by AEMO for a future Reserve Capacity Cycle under clause 4.28C.

34.22 Insert the following new definition of Flexible Electric Storage Resource Obligation Interval:

**Flexible Electric Storage Resource Obligation Interval:** A Trading Interval determined in accordance with clause 4.11.3A(aA), in which a non-zero Flexible Reserve Capacity Obligation Quantity is applied to an Electric Storage Resource which holds Flexible Capacity Credits.

34.23 Insert the following new definition of Flexible Fixed Price Reserve Capacity Cycle:

**Flexible Fixed Price Reserve Capacity Cycle:** Means, 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) the Reserve Capacity Cycle in which the Fixed Price Component was first assigned Flexible Capacity Credits; or
  - (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) the Reserve Capacity Cycle in which the Fixed Price Component was first assigned Flexible Capacity Credits; or
  - (ii) any of the subsequent nine Reserve Capacity Cycles.

34.24 Insert the following new definition of Flexible IRCR Intervals:

**Flexible IRCR Intervals:** For a Capacity Year, the Trading Intervals determined by AEMO under clause 4.28.5C.

34.25 Insert the following new definition of Flexible Reserve Capacity Obligation Quantity:

**Flexible Reserve Capacity Obligation Quantity:** The specific amount of capacity required to be provided in a Dispatch Interval or Trading Interval as part of a Reserve Capacity Obligation set by AEMO.

34.26 Insert the following new definition of Flexible Reserve Capacity Price:

**Flexible Reserve Capacity Price:** In respect of a Reserve Capacity Cycle, the price for Flexible Capacity determined in accordance with clause 4.29.1(b), where this price is expressed in units of dollars per Flexible Capacity Credit per year.

34.27 Insert the following new definition of Flexible Reserve Capacity Requirement:

**Flexible Reserve Capacity Requirement:** Has the meaning given in clause 4.6.1A.

34.28 Insert the following new definition of Flexible Reserve Capacity Target:

**Flexible Reserve Capacity Target:** In respect of a Capacity Year, AEMO's estimate of the total amount of Flexible Capacity required in the SWIS to satisfy clause 4.5.9(c) for that Capacity Year determined in accordance with clause 4.5.10(bA).

34.29 Insert the following new definition of Floating Daily Flexible Reserve Capacity Price:

**Floating Daily Flexible Reserve Capacity Price:** In respect of a Reserve Capacity Cycle, the price per Flexible Capacity Credit for a Trading Day calculated in accordance with clause 4.29.1F.

34.30 Insert the following new definition of Floating Daily Peak Reserve Capacity Price:

**Floating Daily Peak Reserve Capacity Price:** In respect of a Reserve Capacity Cycle, the price per Peak Capacity Credit for a Trading Day calculated in accordance with clause 4.29.1AA.

34.31 Insert the following new definition of Four-Hour Demand Increase:

**Four-Hour Demand Increase:** For a Trading Interval, the quantity in MW calculated as follows:

$$FHDI(t) = (OPDEM(t) - |OPWITH(t)|) - (OPDEM(t - 8) - |OPWITH(t - 8)|)$$

where:

- (a) FHDI(t) is the Four-Hour Demand Increase for Trading Interval t;
- (b) OPDEM(t) is the Operational Demand for the last Dispatch Interval in Trading Interval t;
- (c) OPWITH(t) is the Operational Withdrawal for the last Dispatch Interval in Trading Interval t.

34.32 Insert the words 'accounting for any charging limitations' after the words 'which could be delivered continuously across the Peak Electric Storage Resource Obligation Duration' in subsection (b) of the definition of 'Linearly Derating Capacity'.

34.33 Delete the word 'without' and replace it with 'that are deemed as non-' so that 'interval' becomes 'non-interval' in the definition of Notional Wholesale Meter.

34.34 Delete the definition of Fixed Price Reserve Capacity Cycle: and replace it with the following new definition of Peak Fixed Price Reserve Capacity Cycle:

**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) the Reserve Capacity Cycle in which the Fixed Price Component was first assigned Peak Capacity Credits; or
- (ii) any of the subsequent nine Reserve Capacity Cycles; and
- (b) for all other Fixed Price Facilities and Fixed Price Components:
  - (i) the Reserve Capacity Cycle in which the Fixed Price Facility or Fixed Price Component was first assigned Peak Capacity Credits; or
  - (ii) any of the subsequent four Reserve Capacity Cycles.

34.35 Insert the following new definition of Peak Reserve Capacity Price:

**Peak Reserve Capacity Price:** In respect of a Reserve Capacity Cycle, the price for Peak Capacity determined in accordance with clause 4.29.1, where this price is expressed in units of dollars per Peak Capacity Credit per year.

34.36 Insert the following new definition of RLM Reference Period:

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

34.37 Delete the definition of Reserve Capacity Price and replace it with the following new definition of Reserve Capacity Price:

**Reserve Capacity Price:** The Peak Reserve Capacity Price or the Flexible Reserve Capacity Price or both (as the context requires).

34.38 Delete the definition of Reserve Capacity Requirement and replace it with the following new definition of Reserve Capacity Requirement:

**Reserve Capacity Requirement:** For a Reserve Capacity Cycle, the Peak Reserve Capacity Requirement or the Flexible Reserve Capacity Requirement or both (as the context requires).

34.39 Delete the definition of Reserve Capacity Target and replace it with the following new definition of Reserve Capacity Target:

**Reserve Capacity Target:** For a Capacity Year, the Peak Reserve Capacity Target or the Flexible Reserve Capacity Target or both (as the context requires).

34.40 Insert the following new definition of Transitional Daily Flexible Reserve Capacity Price:

**Transitional Daily Flexible Reserve Capacity Price:** In respect of a Reserve Capacity Cycle, the price per Flexible Capacity Credit for a Trading Day calculated in accordance with clause 4.29.1G for a Transitional Facility or Transitional Component.

34.41 Insert the following new definition of Transitional Daily Peak Reserve Capacity Price:

**Transitional Daily Peak Reserve Capacity Price:** In respect of a Reserve Capacity Cycle, the price per Peak Capacity Credit for a Trading Day calculated in accordance with clause 4.29.1B for a Transitional Facility or Transitional Component.

35. **Appendix 7 amended**

35.1 Delete Appendix 7 and replace it with the following new Appendix 7:

**Appendix 7: Reference Demand Profile**

Step 1. Determine the “**Observed Demand**” (in MW) for each Trading Interval in the RLM 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.

Step 2. Determine the “**DER Adjusted Demand Profile**” for the RLM 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 Reserve Capacity Cycle.

Step 3. Identify the Capacity Year in the RLM 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 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 Reserve Capacity Cycle in the scenario described in clause 4.5.10(a)(iv).



## Schedule 2

### 1. Section 1.63 amended

1.1 Delete clause 1.63.8 and replace it with the following new clause 1.63.8:

1.63.8. AEMO is not required to carry out reviews under:

- (a) clause 4.11.8(a) for Facilities that commenced operations before 1 October 2024; or
- (b) clause 4.11.8(b) for a Facility that entered Commercial Operation before 1 October 2020.

### 2. Section 1.67 amended

2.1 Insert the following new section 1.67:

#### **1.67. Transitional Provision - Nomination for determination of Relevant Demand**

1.67.1. In this section 1.67:

**Post-Amended Rules:** Means the WEM Rules in force on 1 October 2026.

**Unadjusted Baseline Method:** Has the meaning in the Post-Amended Rules.

1.67.2. Market Participants with Capacity Credits for Demand Side Programmes for the 2026 Capacity Year must comply with clause 2.29.5AG of the Post-Amended Rules no later than 23 September 2026.

1.67.3. Where a Market Participant nominates a method for the determination of the Relevant Demand of the Demand Side Programme in accordance with clause 1.67.2, AEMO must:

- (a) acknowledge the receipt of the nomination within two Business Days; and
- (b) effect the nomination within five Business Days of receipt and notify the Market Participant when the nomination is effective.

1.67.4. If a Market Participant has not nominated a method for the determination of the Relevant Demand of the Demand Side Programme in accordance with clause 1.67.2, then AEMO must use the Unadjusted Baseline Method.

### 3. Section 2.13 amended

3.1 Delete clause 2.13.7 and replace it with the following new clause 2.13.7:

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 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;

- (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) and in accordance with the list of WEM Rules that AEMO must monitor for compliance provided under clause 2.16.2A(aA) including developing systems for monitoring;

4. **Section 2.29 amended**

4.1 Insert the following new clause 2.29.5AB:

2.29.5AB. A Market Participant who was assigned Peak Capacity Credits or Flexible Capacity Credits for a certified Demand Side Programme that was subject to clause 4.10.1B in Year 1 of a Reserve Capacity Cycle, must, in accordance with clause 4.20.16A and no later than three months before the start of the Capacity Year, notify AEMO of the number of Capacity Credits that are to be associated with one or more Demand Side Programmes that are registered, and associate Non-Dispatchable Loads with the registered Demand Side Programmes such that the date of association for the Associated Loads of each individual registered Demand Side Programme is no later than 1 October of the relevant Capacity Year.

For avoidance of doubt, the requirement to associate Non-Dispatchable Loads to Demand Side Programmes under this clause does not preclude a Market Participant from associating additional Non-Dispatchable Loads to their Demand Side Programmes during the Capacity Year.

4.2 Insert the following new clause 2.29.5AC:

2.29.5AC. A Market Participant associating Non-Dispatchable Loads to its Demand Side Programmes under clause 2.29.5AB for a Capacity Year, may not associate a Non-Dispatchable Load to a Demand Side Programme at a Transmission Node that is included in the list of Transmission Nodes published by AEMO under clause 4.3.1(n) in Year 1 of the Reserve Capacity Cycle.

4.3 Insert the following new clause 2.29.5AD:

2.29.5AD. If during a Capacity Year, the Network Operator changes the Transmission Node for a Non-Dispatchable Load associated to a Demand Side Programme in accordance with clause 2.29.5AB, then, unless the Market Participant was already exempt under clause 4.10.1B, the relevant Market Participant may continue to associate that Non-Dispatchable Load with the relevant Demand Side Programme for the remainder of that Capacity Year.

4.4 Insert the following new clause 2.29.5AE:

2.29.5AE. If a Market Participant fails to allocate all Peak Capacity Credits assigned to a single certified Demand Side Programme, which was subject to clause 4.10.1B in Year 1 of a Reserve Capacity Cycle, in accordance with clause 2.29.5AB, AEMO must reduce the level of Peak Capacity Credits assigned to the single certified Demand Side Programme by the difference between the

number of Peak Capacity Credits assigned and the number of Peak Capacity Credits allocated under clause 2.29.5AB.

- 4.5 Insert the following new clause 2.29.5AF:
- 2.29.5AF. If a Market Participant fails to allocate all Flexible Capacity Credits assigned to a single certified Demand Side Programme, which was subject to clause 4.10.1B in Year 1 of a Reserve Capacity Cycle, in accordance with clause 2.29.5AB, AEMO must reduce the level of Flexible Capacity Credits assigned to the single certified Demand Side Programme by the difference between the number of Flexible Capacity Credits assigned and the number of Flexible Capacity Credits allocated under clause 2.29.5AB.
- 4.6 Insert the words ', and that the Non-Dispatchable Load will not be subject to a contract or arrangement to reduce consumption during one or more Trading Intervals in Year 3 of the relevant Reserve Capacity Cycle for the purpose of reducing Peak Capacity Purchaser Payments and Flexible Capacity Purchaser Payments determined under clause 9.8.2' after 'curtailment on request by the Market Participant' in clause 2.29.5B(a).
- 4.7 Delete the words 'connection point' and replace it with 'Measurement Point' in clause 2.29.5B(b).
- 4.8 Insert the words 'if the Demand Side Programme contains a Single Associated Load, ' before 'the expected' at the beginning of clause 2.29.5B(c).
- 4.9 Insert the following new clause 2.29.5BA:
- 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.
- 4.10 Delete the word 'If' at the start of clause 2.29.5LA and replace it with 'Subject to clause 2.29.5AD, if'.
- 4.11 Delete clause 2.29.13 and replace it with the following new clause 2.29.13:
- 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;
  - (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.

5. **Section 2.33 amended**

5.1 Delete clause 2.33.3(a) and replace it with the following new clause 2.33.3(a):

- (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);

6. **Section 4.3 amended**

6.1 Delete the words 'Peak Reserve Capacity Requirement' and replace them with 'Reserve Capacity Requirements' in clause 4.3.1(b).

6.2 Delete clause 4.3.1(c) and replace it with the following new clause 4.3.1(c):

- (c) for each of the three previous Reserve Capacity Cycles (if applicable):
  - i. the Reserve Capacity Requirements determined in accordance with clauses 4.6.1 and clause 4.6.1A;
  - ii. the Availability Curve referred to in clause 4.5.10(e) applicable to that Reserve Capacity Cycle;
  - iii. each Entity Daily Flexible Reserve Capacity Price that applied to a Facility or Separately Certified Component;
  - iv. the number of Peak Capacity Credits and Flexible Capacity Credits acquired by AEMO;
  - v. the Benchmark Reserve Capacity Prices;
  - vi. the Reserve Capacity Prices;
  - vii. each Entity Daily Peak Reserve Capacity Price that applied to a Facility; and
  - viii. the aggregate quantity of MW of Peak Capacity Credits and Flexible Capacity Credits assigned to Facilities or Separately Certified Components at each of the prices referred to in clauses 4.3.1(c)(iii), 4.3.1(c)(vi) and 4.3.1(c)(vii);

6.3 Delete clause 4.3.1(d) and replace it with the following new clause 4.3.1(d):

- (d) the number of Peak Capacity Credits and Flexible Capacity Credits which AEMO expects to be traded bilaterally in accordance with clause 4.14.1(a) and clause 4.14.1(c);

6.4 Delete clause 4.3.1(e) and replace it with the following new clause 4.3.1(e):

- (e) the amount of Peak Capacity and Flexible Capacity expected to be required from new Facilities, where these figures are based on the difference between the values as determined in accordance with clause 4.6.3 and the latest information available to AEMO as to the aggregate available Peak Capacity and Flexible Capacity for the SWIS during the period to which the Reserve Capacity Requirements relate;
- 6.5 Delete the word ' and' after the semi-colon at the end of clause 4.3.1(l).
- 6.6 Delete the full stop at the end of clause 4.3.1(m) and replace it with '; and'.
- 6.7 Insert the following new clause 4.3.1(n):
- (n) the list of Transmission Nodes determined in accordance with clause 4.15.16A at which Market Participants seeking certification of Demand Side Programmes subject to clause 4.10.1B in Year 1 of the Reserve Capacity Cycle will not be allowed to locate Associated Loads during the relevant Capacity Year.
7. **Section 4.5 amended**
- 7.1 Insert the following new clause 4.5.10(bC):
- (bC) forecast the expected ESR Duration Requirement for each Capacity Year during the Long Term PASA Study Horizon;
8. **Section 4.6 amended**
- 8.1 Delete the words 'Reserve Capacity Requirement' and replace them with 'Reserve Capacity Requirements' in clause 4.6.3.
- 8.2 Delete the words 'Expression of Interest is the' and replace them with 'Expression of Interest are the' in clause 4.6.3.
- 8.3 Delete the words 'Reserve Capacity Target' and replace them with 'Reserve Capacity Targets' in clause 4.6.3.
9. **Section 4.9 amended**
- 9.1 Delete clause 4.9.9(b) and replace it with the following:
- (b) for each Energy Producing System for which evidence has been provided in accordance with clause 4.10.1(e)(v)(3)(i), clause 4.10.1(e)(v)(3)(ii), clause 4.10.1(fA)(vi)(1) or clause 4.10.1(fA)(vi)(2), whether AEMO considers that:
    - i. the Energy Producing System will only be fuelled by Eligible Renewable Energy Sources in the relevant Capacity Year; and
    - ii. that all fuels used in the previous Capacity Year by the Energy Producing System were from Eligible Renewable Energy Sources;
- 9.2 Delete the word 'methodology' and replace it with 'method that' in clause 4.9.10(b).
- 9.3 Delete the words 'where available.' and replace them with 'if available; and' in clause 4.9.10(c)(ii)(2).
- 9.4 Insert the following new clause 4.9.10(c)(iii):

- iii. how AEMO will assess whether a Facility Technology Type within a Facility is fuelled by Eligible Renewable Energy Sources based on:
  - 1. fuel supply contracts, if the Market Participant proposes to purchase renewable fuel for use in a Non-Intermittent Generator it owns, controls or operates;
  - 2. historical Intermittent Generator Output, if the Market Participant proposes to store renewable electricity generated by a Facility it owns, controls or operates in an Electric Storage Resource that it also owns, controls or operates;
  - 3. energy supply contracts, if the Market Participant proposes to purchase renewable electricity from another Market Participant for use in an Electric Storage Resource it owns, controls or operates;
  - 4. energy supply contracts, if the Market Participant is selling renewable energy to another Market Participant, so that it is not available for storage in an Electric Storage Resource that it owns, controls or operates; and
  - 5. historical dispatch levels for an Energy Producing System.

10. **Section 4.10 amended**

10.1 Insert the following new clause 4.10.1(e)(v)(3):

- 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

10.2 Delete clause 4.10.1(e)(vi) and replace it with the following:

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

10.3 Delete all words in clause 4.10.1(e)(vii) and replace with '[Blank]'.

10.4 Delete the word ' and' after the last semi-colon in clause 4.10.1(fA)(iv).

10.5 Delete the words 'forced and unforced outage' and replace them with 'Forced Outage' in clause 4.10.1(fA)(v).

10.6 Insert the following new clause 4.10.1(fA)(vi):

- 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;
- 10.7 Insert the following new clause 4.10.5:
- 4.10.5. AEMO may seek independent review of the estimates in a report provided under clause 4.10.3 if AEMO has reason to believe that the report may overstate the expected output of the relevant Facility or component of the Facility.
- 10.8 Insert the following new clause 4.10.6:
- 4.10.6. A review conducted under clause 4.10.5 must consider the expected output of the Facility or component under the operating conditions that prevailed during the RLM Reference Period for the relevant Reserve Capacity Cycle.
- 10.9 Insert the following new clause 4.10.7:
- 4.10.7. AEMO may reject a report provided under clause 4.10.3 if the independent review conducted under clause 4.10.5 concludes that the report overstates the expected output of the relevant Facility or component of the Facility.
- 10.10 Insert the following new clause 4.10.8:
- 4.10.8. If AEMO rejects a report under clause 4.10.7, the Market Participant must reimburse AEMO for the cost of the independent review, otherwise AEMO must recover the cost of the independent review as part of its Allowable Revenue.
- 10.11 Insert the following new clause 4.10.9:
- 4.10.9. If AEMO rejects a report under clause 4.10.7, the relevant Market Participant must provide a revised report to AEMO within ten Business Days of receiving notice of the rejection.
11. **Section 4.11 amended**
- 11.1 Delete clause 4.11.7 and replace it with the following new clause 4.11.7:
- 4.11.7. If a report provided by a Market Participant under clause 4.10.3 is used to determine the Certified Reserve Capacity of a Facility or a component of a Facility, then once the Facility is fully operational, AEMO must conduct a review to compare:
- (a) the estimates in the report of expected sent out energy in historical Trading Intervals; and

- (b) the actual energy sent out by the Facility or the component of the Facility,

under similar operating conditions, including temperature, insolation, and wind speed.

11.2 Delete clause 4.11.8 and replace it with the following new clause 4.11.8:

4.11.8. AEMO must conduct at least two reviews under clause 4.11.7 for each Facility for which a report is provided under clause 4.10.3:

- (a) one review, one year after AEMO determines that the Facility is fully operational;
- (b) one review, between four and five years after AEMO determines that the Facility is in Commercial Operation; and
- (c) up to two additional reviews between one and four years after AEMO determines that the Facility is fully operational.

11.3 Delete clause 4.11.9 and replace it with the following new clause 4.11.9:

4.11.9. If a review under clause 4.11.7 concludes that, based on the performance of the relevant Facility since it has been in Commercial Operation, the estimates in the report provided under clause 4.10.3 were unreasonably high, AEMO may remove accreditation of the relevant expert under clause 4.11.6(c).

## 12. **Section 4.14 amended**

12.1 Delete clause 4.14.1CB(a) and replace it with the following new clause 4.14.1CB(a):

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

12.2 Delete clause 4.14.1CB(b) and replace it with the following new clause 4.14.1CB(b):

- (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

12.3 Delete clause 4.14.1CC and replace it with the following new clause 4.14.1CC:

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), 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), 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), 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).

**13. Section 4.15 amended**

13.1 Insert the following new clause new clause 4.15.6A:

4.15.16A. AEMO must, no later than the date specified in clause 4.1.4, determine the set of Transmission Nodes at which Market Participants seeking certification of Demand Side Programmes subject to clause 4.10.1B will not be allowed to locate Associated Loads for those Demand Side Programmes in respect of Year 3 of the relevant Reserve Capacity Cycle. In doing so, AEMO must utilise the Network Access Quantity Model from the immediately preceding Reserve Capacity Cycle to identify Transmission Nodes at which the dispatch of Demand Side Programmes subject to clause 4.10.1B may result in:

- (a) the reduction to the Withdrawal of those Demand Side Programmes below the level of Peak Capacity Credits held by the Market Participant in respect of those Demand Side Programmes; or
- (b) the Injection of Facilities that were assigned Peak Capacity Credits in the immediately preceding Reserve Capacity Cycle being curtailed below the level of Peak Capacity Credits held by those Facilities.

- 13.2 Delete the word ' and' after the last semi-colon in clause 4.15.17(e).
- 13.3 Insert the following new clause 4.15.17(eA):
- (eA) the processes, methodologies, inputs, parameters and assumptions to be applied to the Network Access Quantity Model from the immediately preceding Reserve Capacity Cycle for making the determination under clause 4.15.16A; and
14. **Section 4.20 amended**
- 14.1 Insert the following new clause 4.20.16B:
- 4.20.16B. If:
- (a) AEMO has assigned Capacity Credits to a certified Demand Side Programme that was subject to clause 4.10.1B in Year 1 of a Reserve Capacity Cycle; and
- (b) the Market Participant has, subsequently, apportioned those Capacity Credits across multiple Demand Side Programmes in accordance with clause 2.29.5AB,
- the Market Participant must, no later than three months prior to the start of the Capacity Year, notify AEMO of the number of Capacity Credits that are to be apportioned to each individually registered Demand Side Programme for the Capacity Year such that:
- (c) the sum of the Peak Capacity Credits apportioned to the registered Demand Side Programmes equals the total Peak Capacity Credits assigned to the certified Demand Side Programme; and
- (d) the sum of the Flexible Capacity Credits apportioned to the registered Demand Side Programmes equals the total Flexible Capacity Credits assigned to the certified Demand Side Programme.
15. **Section 4.24 amended**
- 15.1 Insert the following new clause 4.24.1AA:
- 4.24.1AA. If, at any time after the day which is nine months before the start of a Capacity Year AEMO considers that inadequate Flexible Capacity will be available to maintain Power System Security and Power System Reliability between 1 October and 30 November of that Capacity Year, using the most recent published forecasts and the method outlined in clauses 4.5.9(c) and any other information AEMO considers relevant, then it must:
- (a) determine whether a shortfall in Flexible Capacity will also occur between 1 April and 30 September of the relevant Capacity Year;
- (b) determine the expected start and end dates for the period of the shortfall or shortfalls;
- (c) determine the expected amount of the shortfall or shortfalls; and

- (d) seek to acquire supplementary Flexible Capacity in accordance with clause 4.24.2.
- 15.2 Insert the following new clause 4.24.1AB:
  - 4.24.1AB. Without limiting clause 4.24.1AA, if, at any time after the day which is nine months before the start of a Capacity Year, AEMO considers that there is a risk that adequate Flexible Capacity may not be available to maintain Power System Security and Power System Reliability between 1 October and 30 November of that Capacity Year, then it may advertise a call for expressions of interest for supplementary Flexible Capacity by publishing a notice on the WEM Website and issuing a Market Advisory.
- 15.3 Insert the following new clause 4.24.1AC:
  - 4.24.1AC. If, at any time after the day which is three months before the start of a Capacity Year AEMO considers that inadequate Flexible Capacity will be available to maintain Power System Security and Power System Reliability between 1 April and 30 September of that Capacity Year, using the most recent published forecasts and the method outlined in clauses 4.5.9(c) and any other information AEMO considers relevant, then it must:
    - (a) determine the expected start and end dates for the period of the shortfall;
    - (b) determine the expected amount of the shortfall; and
    - (c) seek to acquire supplementary Flexible Capacity in accordance with clause 4.24.2.
- 15.4 Insert the following new clause 4.24.1AD:
  - 4.24.1AD. Without limiting clause 4.24.1AC, if, at any time after the day which is three months before the start of a Capacity Year, AEMO considers that there is a risk that adequate Flexible Capacity may not be available to maintain Power System Security and Power System Reliability between 1 April and 30 September of that Capacity Year, then it may advertise a call for expressions of interest for supplementary Flexible Capacity by publishing a notice on the WEM Website and issuing a Market Advisory.
- 15.5 Delete the words 'clause 4.24.1A' and replace them with clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD' in clause 4.24.1B.
- 15.6 Insert the following new clause 4.24.1B(bA):
  - (bA) whether the supplementary capacity will be Peak Capacity or Flexible Capacity;
- 15.7 Delete the words 'clause 4.24.1A' and replace them with clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD' in clause 4.24.1C.
- 15.8 Delete the words 'supplementary capacity' and replace them with 'supplementary Peak Capacity' in clause 4.24.3.



15.9 Delete the words '("**Eligible Services**")' and replace them with '("**Peak Eligible Services**")' in clause 4.24.3.

15.10 Insert the following new clause 4.24.3A:

4.24.3A. The only eligible sources of supplementary Flexible Capacity are the following services ("**Flexible Eligible Services**"):

- (a) load reduction, that is measures to reduce a consumer's consumption of electricity supplied through the SWIS from that which the consumer would have otherwise consumed and which meets the minimum requirements published under clause 4.10.1A(d) for the relevant Reserve Capacity Cycle, but excluding reductions provided by a Market Participant with a Demand Side Programme that does not satisfy its Reserve Capacity Obligations during the current Capacity Year or did not satisfy its Reserve Capacity Obligations during the immediately preceding Capacity Year;
- (b) load increase, that is measures to increase a consumer's consumption of electricity supplied through the SWIS from that which the consumer would have otherwise consumed and which meets the minimum requirements published under clause 4.10.1A(d) for the relevant Reserve Capacity Cycle, but excluding increases provided by a Market Participant with a Demand Side Programme that does not satisfy its Reserve Capacity Obligations during the current Capacity Year or did not satisfy its Reserve Capacity Obligations during the immediately preceding Capacity Year;
- (c) the production of electricity by Energy Producing Systems that meet the minimum requirements published under clause 4.10.1A(d) for the relevant Reserve Capacity Cycle and are not Registered Facilities; and
- (d) the production of electricity by Energy Producing Systems that are Registered Facilities, or load reductions provided by loads, but only to the extent that the electricity is generated, or the load reduction is provided, by capacity that meets the minimum requirements published under clause 4.10.1A(d) for the relevant Reserve Capacity Cycle, and for which the relevant Market Participant:
  - i. does not hold Flexible Capacity Credits in the current Capacity Year, and has not held Flexible Capacity Credits in the current Capacity Year or the immediately preceding Capacity Year; or
  - ii. provides evidence satisfactory to AEMO, prior to a Supplementary Capacity Contract taking effect, that:
    - 1. costs have been incurred to increase the flexibility of the capacity so that it meets the minimum requirements published under clause 4.10.1A(d) for the relevant Reserve Capacity Cycle through the installation of physical equipment; and

2. the capacity is in addition to the Flexible Capacity of the Facility that existed prior to the installation of the physical equipment.
- 15.11 Insert the following new clause 4.24.6(bA):
- (bA) whether the capacity will be supplementary Peak Capacity or supplementary Flexible Capacity;
- 15.12 Delete the words 'an Eligible Service' and replace them with 'a Peak Eligible Service' in clause 4.24.8(b).
- 15.13 Delete the words 'satisfied that the Eligible Service' and replace them with 'satisfied that the Peak Eligible Service' in clause 4.24.8(b).
- 15.14 Insert the following new clause 4.24.8(bA):
- (bA) AEMO must only accept an offer for the provision of a Flexible Eligible Service if AEMO is satisfied that the Flexible Eligible Service will be available during times of high ramp coinciding with the shortfall period;
- 15.15 Delete the words 'supplementary capacity' and replace them with 'supplementary Peak Capacity or supplementary Flexible Capacity' in clause 4.24.8(c)(i).
- 15.16 Delete the words 'supplementary capacity' and replace them with 'supplementary Peak Capacity or supplementary Flexible Capacity' in clause 4.24.8(c)(ii).
- 15.17 Delete the words 'Reserve Capacity shortfall' and replace them with 'Peak Capacity shortfall or Flexible Capacity shortfall' in clause 4.24.8(c)(ii).
- 15.18 Insert the following new clause 4.24.10(aA):
- (aA) whether the capacity will be supplementary Peak Capacity or supplementary Flexible Capacity;
- 15.19 Insert the following new clause 4.24.11B(aA):
- (aA) whether the Supplementary Capacity Contract is for Peak Capacity or Flexible Capacity;
- 15.20 Delete the word 'where' and replace it with 'if' in clause 4.24.13(e).
- 15.21 Insert the words ', including for Flexible Eligible Services the minimum requirements published under clause 4.10.1A(d) for the relevant Reserve Capacity Cycle' after 'Eligible Services must comply with' in clause 4.24.13(g).
- 15.22 Delete clause 4.24.13(h)(i) and replace it with the following new clause 4.24.13(h)(i):
- 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;
    2. for supplementary Flexible Capacity, this term is not to apply during the Hot Season;
- 15.23 Delete the word 'where' and replace it with 'if' in clause 4.24.14.

- 15.24 Delete the words 'clause 4.24.1A' and replace them with 'clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD' in clause 4.24.18(c).
- 15.25 Delete the word 'where' and replace it with 'if' in clause 4.24.18(d).
- 15.26 Delete the words 'clause 4.24.1A' and replace them with 'clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD' in clause 4.24.18B.
16. **Chapter 11 (Glossary) amended**
- 16.1 Insert the following new definition of Eligible Renewable Energy Source:
- Eligible Renewable Energy Source:** Means an eligible renewable energy source as defined in the Renewable Energy (Electricity) Act 2000 (Cwth).
- 16.2 Delete the definition of Eligible Services and replace it with the following new definition of Eligible Services:
- Eligible Services:** Peak Eligible Services or Flexible Eligible Services or both (as the context requires).
- 16.3 Insert the following new definition of Flexible Eligible Services:
- Flexible Eligible Services:** Has the meaning given in clause 4.24.3A.
- 16.4 Insert the following new definition of Peak Eligible Services:
- Peak Eligible Services:** Has the meaning given in clause 4.24.3.

### **Schedule 3**

**1. Section 2.16A amended**

1.1 Insert following new clause 2.16A.3A:

2.16A.3A. A Market Participant must not vary its Demand Side Programme's consumption or withdrawal on the day of a DSP Dispatch Event for the sole purpose of increasing its Relevant Demand as defined in Appendix 10.

**2. Section 2.29 amended**

2.1 Insert the following new clause 2.29.5AG:

2.29.5AG. A Market Participant responsible for a Demand Side Programme must, no later than five Business Days prior to the start of each Capacity Year, nominate either the Adjusted Baseline Method or Unadjusted Baseline Method for the determination of the Relevant Demand of the Demand Side Programme for the relevant Capacity Year.

2.2 Insert the following new clause 2.29.5AH:

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:
  - 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.

2.3 Insert the following new clause 2.29.5AI:

2.29.5AI. A Market Participant responsible for a Demand Side Programme may apply to AEMO once during a Capacity Year to change the method for the determination of the Relevant Demand of the Demand Side Programme for that Capacity Year.

2.4 Insert the following new clause 2.29.5AJ:

2.29.5AJ. If a Market Participant applies to AEMO to change the method for the determination of the Relevant Demand of a Demand Side Programme under clause 2.29.5AI, AEMO must apply the new method from the start of the first Trading Day commencing 5 Business Days after AEMO receives the application.

2.5 Delete the words ' or a Verification Test' in clause 2.29.5E(f)(i).

3. **Section 4.13A amended**

3.1 Insert the following new clause 4.13A.5A:

4.13A.5A. If a Market Participant has a single certified Demand Side Programme that is subject to clause 4.10.1B:

- (a) that comprises multiple registered Demand Side Programmes in Year 1 of the relevant Reserve Capacity Cycle; and
- (b) has previously provided a single DSP Reserve Capacity Security with respect to the certified Demand Side Programme in accordance with clause 4.13A.1,

then the single DSP Reserve Capacity Security is deemed to satisfy the requirement in clause 4.13A.1 with respect to all of the registered Demand Side Programmes the single certified Demand Side Programme comprises.

3.2 Insert the following new clause 4.13A.5B:

4.13A.5B. If AEMO:

- (a) holds a single DSP Reserve Capacity Security for multiple registered Demand Side Programmes under clause 4.13.5A; and
- (b) intends to draw down on DSP Reserve Capacity Security in respect of one of the registered Demand Side Programmes,

then AEMO must apportion the single DSP Reserve Capacity Security across the multiple registered Demand Side Programmes it relates to as follows:

$$DSPRCS(f) = DSPRCS(CF) \times \frac{CC(f)}{\sum_{i \in CF} CC(i)}$$

where:

- (a) DSPRCS(f) denotes the DSP Reserve Capacity Security AEMO apportions to registered Demand Side Programme f under this clause;
- (b) DSPRCS(CF) denotes the single DSP Reserve Capacity Security AEMO holds in respect of certified Demand Side Programme CF under clause 4.13A.5A;
- (c) CC(f) denotes the number of Capacity Credits held by registered Demand Side Programme f;
- (d) CC(i) denotes the number of Capacity Credits held by registered Demand Side Programme i; and
- (e)  $i \in CF$  denotes the set of registered Demand Side Programmes (i) comprising the certified Demand Side Programme (CF).

3.3 Insert the following new clause 4.13A.15A:

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 AEMO has reduced the level of Peak Capacity Credits under clause 2.29.5AE, an amount equal to 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 AEMO has reduced the level of Flexible Capacity Credits under clause 2.29.5AF, an amount equal to 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.

3.4 Delete clause 4.13A.16 and replace it with the following new clause 4.13A.16:

4.13A.16. The payment obligation under clause 4.13A.15 or clause 4.13A.15A may be satisfied by AEMO drawing upon:

- (a) if the payment obligation is under clause 4.13A.15, the DSP Reserve Capacity Security for the relevant registered Demand Side Programme; or
- (b) if the payment obligation is under clause 4.13A.15A, the single DSP Reserve Capacity Security that AEMO holds under clause 4.13A.5A in accordance with clause 4.13A.5B,

and AEMO must apply the amounts claimed under sub-clauses (a) and (b) (after meeting AEMO's costs associated with doing so) so as to:

- (c) firstly, offset the cost of funding Supplementary Capacity Contracts for any capacity shortage stemming entirely or in part from the Demand Side Programme not being available; and
- (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 Individual Reserve Capacity Requirements during the relevant Trading Day in accordance with Chapter 9.

3.5 Delete the words ' or Verification Tests' in clause 4.13A.20(b).

#### 4. **Section 4.25 amended**

4.1 Delete clause 4.25.1(c) and replace it with the following new clause 4.25.1(c):

- (c) 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 Required Level in that Trading Interval, adjusted to the level of Peak Capacity Credits currently held, at least once during each of the following periods:
  - i. 1 October to 31 March; and
  - ii. 1 April to 30 September.
- 4.2 Delete the word 'where' and replace it with 'if' in clause 4.25.2B.
- 4.3 Delete the word 'where' and replace it with 'if' in clause 4.25.2B(a).
- 4.4 Delete the word ' or' in clause 4.25.2B(b)(ii).
- 4.5 Delete the full stop at the end of clause 4.25.2B(c) and replace it with '; or'.
- 4.6 Insert the following new clause 4.25.2B(d):
  - (d) a Demand Side Programme has failed to deliver the quantity determined by AEMO under clause 7.13.5.
- 4.7 Insert the following new clause 4.25.3D:
 

4.25.3D. If a Demand Side Programme fails a Reserve Capacity Test requested by AEMO under clause 4.25.2, AEMO must determine the Peak DSP Test Shortfall (to apply from the following Trading Day until the end of the Trading Day on which the Demand Side Programme passes a Reserve Capacity Test for Peak Capacity) as the greater of zero and:

  - (a) the Peak Capacity Credits held by the relevant Market Participant for the Demand Side Programme; less
  - (b) the greatest difference between the Relevant Demand of the Demand Side Programme in a Trading Interval of a Reserve Capacity Test and the Demand Side Programme Load associated with that Demand Side Programme in that Trading Interval.
- 4.8 Delete clause 4.25.4(b) and insert the following new clause 4.25.4(b):
  - (b) if the Reserve Capacity Test related to a Demand Side Programme, calculate the Peak DSP Test Shortfall (to apply from the following Trading Day until the end of the Trading Day on which the Demand Side Programme passes a Reserve Capacity Test for Peak Capacity) as the number of Peak Capacity Credits held by the relevant Market Participant for that Facility less the maximum level of reduction achieved in either of the two Reserve Capacity Tests; or
- 4.9 Insert the following new clause 4.25.4B(bA):
  - (bA) indicate whether the application relates to Peak Capacity Credits, or both Peak Capacity Credits and Flexible Capacity Credits;

4.10 Delete clause 4.25.4B(cA) and insert the following new clause 4.25.4B(cA):

- (cA) if the Facility contains multiple Separately Certified Components:
- i. specify how the reduction in the number of Capacity Credits relates to each Separately Certified Component;
  - ii. ensure that the number of Flexible Capacity Credits associated with the Separately Certified Component is less than or equal to the number of Peak Capacity Credits associated with the Separately Certified Component;

4.11 Insert the following new clause 4.25.4B(cB):

- (cB) ensure that the number of Flexible Capacity Credits associated with the Facility is less than or equal to the number of Peak Capacity Credits associated with the Facility; and

4.12 Insert the following new clause 4.25.4CC:

4.25.4CC. If AEMO reduces Peak Capacity Credits for Demand Side Programme f with effect from Trading Day d under clause 4.25.4C(c), AEMO must:

- (a) calculate a Peak Capacity Payment Reduction Ratio as:

$$\text{PeakCapacityPaymentReductionRatio}(f, d) = \left( 1 - \frac{\text{DaysComplete}(d)}{\text{TDTY}(d)} \right) \times \frac{\text{ReductionQuantity}(f, d)}{\text{InitialQuantity}(f, d)}$$

where:

- i. DaysComplete(d) is the number of Trading Days up to, but excluding, Trading Day d since 1 October of the Capacity Year in which Trading Day d falls;
  - ii. TDTY(d) is the number of Trading Days in the Capacity Year in which Trading Day d falls;
  - iii. ReductionQuantity(f,d) is the quantity of Peak Capacity Credits that AEMO reduced Demand Side Programme f by under clause 4.25.4(b) in Trading Day d which, for the avoidance of doubt, excludes any previous reductions in relation to the same Capacity Year under clause 4.25.4(b); and
  - iv. InitialQuantity(f,d) is the quantity of Peak Capacity Credits assigned by AEMO to Demand Side Programme f in accordance with clause 4.20.5A in relation to the Capacity Year in which Trading Day d falls;
- (b) recalculate the Peak DSP Test Shortfall (to apply from the Trading Day on which the reduction takes effect) as the greater of zero and:
- i. the number of Peak Capacity Credits held by the Market Participant for the Demand Side Programme; less



- ii. the greatest difference between the Relevant Demand for the Demand Side Programme in any Trading Interval of a Reserve Capacity Test and its Demand Side Programme Load associated with that Demand Side Programme in that Trading Interval.

4.13 Insert the following new clause 4.25.4CD:

4.25.4CD. If AEMO reduces Peak Capacity Credits for Demand Side Programme f with effect from Trading Day d under clause 4.25.4C(c), the relevant Market Participant must, within 10 Business Days of being informed of the reduction by AEMO in accordance with clause 4.25.4C(b), pay to AEMO an amount equal to:

$$\text{PeakCapacityPaymentReductionRatio}(f, d) \times \text{DSPSecurity}(f)$$

where:

- (a) PeakCapacityPaymentReductionRatio(f,d) is the Peak Capacity Payment Reduction Ratio calculated in accordance with clause 4.25.4CC; and
- (b) DSPSecurity(f) is the amount of DSP Reserve Capacity Security originally required by AEMO in relation to Demand Side Programme f in accordance with clause 4.13A.2(b) which, for the avoidance of doubt, excludes any previous reductions in relation to the same Capacity Year resulting from previous payments made under clause 4.25.4CD.

4.14 Insert the following new clause 4.25.4CE:

4.25.4CE. The payment obligation under clause 4.25.4CD may be satisfied by AEMO drawing upon the DSP Reserve Capacity Security for the Demand Side Programme, 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 Demand Side Programme not being available; and
- (b) secondly, once all costs to which clause 4.25.4CE(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.

4.15 Delete clause 4.25.4I and replace it with the following new clause 4.25.4I:

4.25.4I. In the event that a Demand Side Programme has failed up to three Reserve Capacity Tests, a Market Participant may request, prior to the end of the Capacity Year, that AEMO performs a re-test of the Facility during the seven days following that request.

4.16 Delete clause 4.25.6(b) and replace it with the following new clause 4.25.6(b):

- (b) if the re-test relates to a Demand Side Programme, AEMO must conduct such a re-test in accordance with clause 4.25.2(b)(ii) and, following the re-test, recalculate the Peak DSP Test Shortfall as the number of Peak Capacity Credits held by the relevant Market Participant for the Facility less the maximum reduction in its consumption achieved in the re-test; and

5. **Section 4.25A deleted**

- 5.1 Delete section 4.25A in its entirety.

6. **Section 4.26 amended**

- 6.1 Delete the word ' a' in clause 4.26.1(e).

- 6.2 Delete clause 4.26.1(e)(iii) and replace it with the following new clause 4.26.1(e)(iii):

- 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:

$$\max\{0, \text{RCOQ}(f, t) - (\text{RD}(f, t) - 2 \times \text{DSP Load}(f, t))\}$$

- 2. Otherwise, RCOQ(f, t),

where:

- 3. RCOQ(f,t) is the 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.

- 6.3 Delete clause 4.26.1A(a)(ii)(5) and replace it with the following new clause 4.26.1A(a)(ii)(5):

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

$$\max(\text{PDSPTS}(f,t), \text{PDSPDS}(f,t))$$

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.

- 6.4 Insert the following new clause 4.26.1AA:
- 4.26.1AA. AEMO must determine the Peak DSP Delivery Shortfall as the average of the 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.
- 6.5 Delete clause 4.26.2CA and replace it with the following new clause 4.26.2CA:
- 4.26.2CA. The Relevant Demand of a Demand Side Programme for a Trading Interval in a Capacity Year in which the Demand Side Programme:
- (a) has been issued a Dispatch Instruction under clause 7.6.5A with a quantity determined under clause 7.13.5; or
  - (b) is undergoing a Reserve Capacity Test,
- is the value determined for the Demand Side Programme using the method under clause 2.29.5AG, clause 2.29.5AH, clause 2.29.5AI or clause 2.29.5AJ as applicable.
- 6.6 Delete clause 4.26.2CB.
- 6.7 Delete clause 4.26.2CC.
- 6.8 Delete clause 4.26.2CD.
- 6.9 Delete clause 4.26.2CE.
- 6.10 Delete clause 4.26.2CF.
- 6.11 Delete clause 4.26.2CG.
- 6.12 Delete clause 4.26.2CH.
- 6.13 Delete the words 'the capacity shortfall in Reserve Capacity' and replace them with 'the shortfall in Peak Capacity' in clause 4.26.2D.
- 6.14 Delete the words 'holding Capacity Credits' and replace them with 'holding Peak Capacity Credits' in clause 4.26.2D.
- 6.15 Delete clause 4.26.2D(a) and replace it with the following new clause 4.26.2D(a):

- (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:

$$\max(0, \min(\text{RCOQ}(f,t), \text{DIMW}(f,t)) - \max(0, \text{RD}(f,t) - \text{DSPLMW}(f,t)))$$

where:

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

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;

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

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

- 6.16 Delete the word 'where' and replace it with 'if' in clause 4.26.2D(b).

#### 7. **Section 4.29 amended**

- 7.1 Delete clause 4.29.3(a) and replace it with the following new clause 4.29.3(a):

- (a) the Facility Monthly Peak Reserve Capacity Price for each for each Demand Side Programme, Non-Scheduled Facility, and Separately Certified Component applying during that Trading Month;

- 7.2 Delete clause 4.29.3(aA) and replace it with the following new clause 4.29.3(aA):

- (aA) the Facility Daily Peak Reserve Capacity Price for each Demand Side Programme, Non-Scheduled Facility, and Separately Certified Component applying during that Trading Day;

- 7.3 Insert the word 'Peak ' before each of the four references to 'Capacity Credits' in clause 4.29.3(d).

#### 8. **Section 4.30 amended**

- 8.1 Delete clause 4.30.1 and replace it with the following new clause 4.30.1:

4.30.1. A Market Participant may submit one or more Capacity Credit Allocation Submissions in respect of a Facility or a Separately Certified Component that is registered to them on a Trading Day by 5:00PM on the Scheduling Day for that Trading Day.

- 8.2 Delete clause 4.30.4 and replace it with the following new clause 4.30.4:

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 for the Trading Day.

8.3 Delete clause 4.30.6 and replace it with the following new clause 4.30.6:

4.30.6. A Market Participant may withdraw a Capacity Credit Allocation Submission in respect of a Facility or Separately Certified Component that is registered to them on a Trading Day at any time before 5:00 PM on the Scheduling Day for that Trading Day.

8.4 Insert the word ' or Separately Certified Component' after each of the two references to 'Facility' in clause 4.30.8.

8.5 Insert the word ' or Separately Certified Component' after each of the three references to 'Facility' in clause 4.30.9.

8.6 Insert the word ' or Separately Certified Component' after 'Facility' in clause 4.30.10.

8.7 Delete clause 4.30.11 and replace it with the following new clause 4.30.11:

4.30.11. If, at 5:00 PM on the Scheduling Day, the number of Peak Capacity Credits allocated in Capacity Credit Allocations for a Market Participant with respect to a Facility or Separately Certified Component that is registered to them exceeds the number of Peak Capacity Credits held for the Facility or Separately Certified Component, AEMO must, by 5:00 PM on the Trading Day for which the Capacity Credit Allocation relates:

- (a) amend all of the relevant Capacity Credit Allocations proportionally, to ensure that the sum of the Peak Capacity Credit Allocations in respect of the relevant Facility or Separately Certified Component for the Market Participant for the Trading Day equal the number of Peak Capacity Credits held for that Facility or Separately Certified Component; and
- (b) for each amended Capacity Credit Allocation, notify each affected Market Participant of the details of the amendment.

9. **Section 4.31 amended**

9.1 Insert the word 'the ' before 'Capacity Credits' in clause 4.31.1(a).

9.2 Insert the following new clause 4.31.1(bA):

- (bA) where applicable, the identity of the Separately Certified Component from which the Capacity Credits are to be allocated for settlement purposes;
- 9.3 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.31.1(d).
- 9.4 Insert the word 'the ' before 'Capacity Credits to the Market Participant' in clause 4.31.1(d).
- 10. **Section 7.1 amended**
- 10.1 Delete the word 'Withdrawal ' in clause 7.1.3(a)(i).
- 11. **Section 7.4A amended**
- 11.1 Delete the word 'Withdrawal ' in the heading of section 7.4A.
- 11.2 Delete the word 'Withdrawal ' in each of the two places it appears in clause 7.4A.1.
- 11.3 Delete the word 'Withdrawal ' in each of the four places it appears in clause 7.4A.2.
- 11.4 Delete the word 'Withdrawal ' in each of the two places it appears in clause 7.4A.3.
- 11.5 Delete the word 'Withdrawal ' in each of the five places it appears in clause 7.4A.4.
- 11.6 Delete the word 'Withdrawal ' in clause 7.4A.5(a).
- 11.7 Delete clause 7.4A.5(b) and replace it with the following new clause 7.4A.5(b):
  - (b) for the purposes of determining DSP Constrained Quantities, assume the Demand Side Programme will be subject to Dispatch Instructions that restricts its DSP Energy Level by the maximum quantity consistent with its Reserve Capacity Obligation Quantity for the period specified under clause 7.11.6(cA)(ii).
- 11.8 Delete clause 7.4A.6(a) and replace it with the following new clause 7.4A.6(a):
  - (a) as soon as practicable, review, and if necessary update, the DSP Profile Submissions for the Demand Side Programme for, subject to clause 7.4A.9A, each future Dispatch Interval before the end of the Trading Day in which the Dispatch Interval specified under clause 7.6.11A(c) falls; and
- 11.9 Delete the word 'Withdrawal ' in clause 7.4A.6(b).
- 11.10 Delete clause 7.4A.7(a) and replace it with the following new clause 7.4A.7(a):
  - (a) as soon as practicable, review, and if necessary 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 Dispatch Interval specified under clause 7.6.11A(c) falls; and
- 11.11 Delete the word 'Withdrawal ' in clause 7.4A.7(b).

- 11.12 Delete the word 'Withdrawal ' in clause 7.4A.8(a).
- 11.13 Insert the word 'the ' before 'Reserve Capacity Test will' in clause 7A.8(a).
- 11.14 Delete the word 'Withdrawal ' in clause 7.4A.8(b).
- 11.15 Delete clause 7.4A.9 and replace it with the following new clause 7.4A.9:  
7.4A.9. A Market Participant must make reasonable endeavours to ensure that when any of the conditions specified in clauses 7.4A.5, 7.4A.6, 7.4A.7 or 7.4A.8 apply the DSP Unconstrained Quantities and DSP Constrained Quantities in its DSP Profile Submissions for the Demand Side Programme accurately reflect the Market Participant's reasonable expectation of the DSP Energy Level of the Demand Side Programme during the applicable Dispatch Intervals under the required assumptions.
- 11.16 Delete the word 'Withdrawal ' in each of the three places it appears in clause 7.4A.9A.
- 11.17 Delete the word 'Withdrawal ' in the subheading above clause 7.4A.10.
- 11.18 Delete the word 'Withdrawal ' in clause 7.4A.10.
- 11.19 Delete the word 'Withdrawal ' in clause 7.4A.11.
- 11.20 Delete the word 'Withdrawal ' in the subheading above clause 7.4A.12.
- 11.21 Delete the word 'Withdrawal ' in each of the two places it appears in clause 7.4A.12.
- 11.22 Delete the word 'Withdrawal ' in each of the three places it appears in clause 7.4A.13.
- 11.23 Delete the word 'Withdrawal ' in the subheading above clause 7.4A.14.
- 11.24 Delete the word 'Withdrawal ' in each of the two places it appears in clause 7.4A.14.
- 11.25 Delete the word 'Withdrawal ' in each of the two places it appears in clause 7.4A.15(a).
- 11.26 Delete the word 'Withdrawal ' in the subheading above clause 7.4A.16.
- 11.27 Delete the word 'Withdrawal ' in clause 7.4A.16.
- 11.28 Delete the word 'Withdrawal ' in each of the two places it appears in clause 7.4A.17.
- 11.29 Delete the word 'Withdrawal ' in clause 7.4A.18.
- 11.30 Delete the word 'Withdrawal ' in clause 7.4A.19.
- 11.31 Delete the word 'Withdrawal ' in each of the two places it appears in clause 7.4A.20.
- 11.32 Delete the word 'Withdrawal ' in each of the three places it appears in clause 7.4A.21.

- 11.33 Delete the word 'Withdrawal ' in each of the two places it appears in clause 7.4A.22(a).
- 11.34 Delete the word 'Withdrawal ' in each of the two places it appears in clause 7.4A.23.
- 11.35 Delete the word 'Withdrawal ' in each of the two places it appears in the subheading above clause 7.4A.24.
- 11.36 Delete the word 'Withdrawal ' in each of the six places it appears in clause 7.4A.24.

**12. Section 7.6 amended**

- 12.1 Delete the words 'the absolute value of Withdrawal below the Facility's Relevant Demand' and replace them with 'its DSP Energy Level' in clause 7.6.5B.
- 12.2 Delete clause 7.6.11A(d) and replace it with the following new clause 7.6.11A(d):
- (d) the MW quantity representing the required restriction to the Demand Side Programme's DSP Energy Level, where:
- i. a non-zero MW quantity represents a required reduction in the DSP Energy Level for the Demand Side Programme; and
  - ii. a zero MW quantity indicates that the Demand Side Programme is no longer required to restrict its DSP Energy Level; and
- 12.3 Delete the words 'an absolute MW level of Withdrawal from' and replace them with 'the DSP Energy Level of' in clause 7.6.13.
- 12.4 Insert the word 'to ' before 'less than or equal to' in clause 7.6.13.
- 12.5 Delete the words 'the absolute MW level of Withdrawal' and replace them with 'the DSP Energy Level of' in clause 7.6.13A.
- 12.6 Delete clause 7.6.15 and replace with the following new clause 7.6.15:
- 7.6.15. AEMO must issue a Dispatch Instruction to a Demand Side Programme not more than four hours before the Dispatch Interval from which the Dispatch Instruction applies, and in accordance with the minimum response time specified for the Facility under Appendix 1(f)(iv).

**13. Section 7.8A amended**

- 13.1 Delete the word 'Withdrawal ' in each of the three places it appears in clause 7.8A.1(a).
- 13.2 Delete clause 7.8A.1(b) and replace it with the following new clause 7.8A.1(b):
- (b) AEMO's reasonable estimate based on the information available to AEMO of:
- i. the Reserve Capacity Obligation Quantity of the Demand Side Programme in the Dispatch Interval;
- 13.3 Delete clause 7.8A.3 and replace it with the following new clause 7.8A.3:



7.8A.3. The DSP Forecast Capacity for a Demand Side Programme in a Dispatch Interval is given by its Reserve Capacity Obligation Quantity in that Dispatch Interval.

13.4 Delete clause 7.8A.4 and replace it with the following new clause 7.8A.4:

7.8A.4. The DSP Forecast Reduction for a Demand Side Programme in a Dispatch Interval is:

$$\text{DSPForecastReduction} = \text{DSPUQ} - \text{DSPCQ}$$

where:

- (a) DSPUQ is the Unconstrained Quantity provided by the Market Participant in its DSP Profile Submission for the Demand Side Programme and Dispatch Interval; and
- (b) DSPCQ is the Constrained Quantity provided by the Market Participant in its DSP Profile Submission for the Demand Side Programme and Dispatch Interval.

14. **Section 7.10 amended**

14.1 Insert the following new clause 7.10.6B:

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.

14.2 Insert the following new clause 7.10.6C:

7.10.6C. AEMO must document in a WEM Procedure its method for assessing compliance with clause 7.10.6B.

15. **Section 7.11 amended**

15.1 Delete the word 'Withdrawal' and replace it with 'DSP Energy Level' in clause 7.11.6(cA)(ii).

15.2 Delete the word 'curtailed' and replace it with 'restricted' in clause 7.11.6(cA)(ii).

16. **Section 7.13 amended**

16.1 Delete the word 'and' after the semi-colon in clause 7.13.1F(a).

16.2 Delete the full stop at the end of clause 7.13.1F(b) and replace it with '; and'.

16.3 Insert the following new clause 7.13.1F(c):

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

- 16.4 Delete the word 'Withdrawal ' in clause 7.13.1G(a)(ii).
- 16.5 Delete the words 'estimated sum of the Minimum Consumption of each Associated Load of the Demand Side Programme;' and replace them with '[Blank]' in clause 7.13.1G(a)(iv).
- 16.6 Delete clause 7.13.5 and replace it with the following new clause 7.13.5:

7.13.5. AEMO must, for the purposes of clauses 4.25.2B(d), 4.25.2BA(d), 4.26.1AA(b), 4.26.2CA(a), 4.26.2D, 4.26.14 and 7.13.1E(d), calculate, for each Demand Side Programme for each Trading Interval, the quantity, in MW, by which the Facility was instructed by the applicable Dispatch Instruction to amend its DSP Energy Level during that Trading Interval, where the quantity:

- (a) must not exceed the Peak Reserve Obligation Quantity or Flexible Reserve Obligation Quantity for the Demand Side Programme (as relevant); and
- (b) must not take account of the Facility's actual performance in response to the Dispatch Instruction.

17. **Section 9.5 amended**

- 17.1 Delete the words 'without interval meters or ' in clause 9.5.3.
- 17.2 Delete clause 9.5.4 and replace it with the following new clause 9.5.4:

9.5.4. AEMO must determine the Demand Side Programme Load for a Demand Side Programme for a Trading Interval as the total net MWh quantity of energy Injected or Withdrawn by the Associated Loads of that Demand Side Programme during the Trading Interval, determined from Meter Data Submissions as:

$$DSPLMW(f, t) = -1 \times \sum_{\substack{i \in \text{All Associated} \\ \text{Loads of } f}} MQ(i, t)$$

where:

- (a)  $DSPLMW(f, t)$  is the Demand Side Programme Load for Demand Side Programme f in Trading Interval t;
- (b)  $MQ(i, t)$  denotes the non-loss adjusted metered Withdrawal or Injection (as relevant) of Associated Load i in Trading Interval t as determined from Meter Data Submissions; and
- (c)  $i \in \text{All Associated Loads of } f$  denotes the set of Non-Dispatchable Loads that are Associated Loads of Demand Side Programme f in Trading Interval t.

18. **Chapter 11 (Glossary) amended**

- 18.1 Insert the following new definition of Adjusted Baseline Method:

**Adjusted Baseline Method:** A variant of the Relevant Demand methodology in Appendix 10 where the Relevant Demand of a Demand Side Programme is calculated under step 4.1(a) of Appendix 10.

18.2 Insert the words ' or a Separately Certified Component' after 'Facility' in the definition of Capacity Credit Allocation.

18.3 Delete the words ' clause 4.26.2CB(a) or' in the definition of Consumption Deviation Application.

18.4 Delete the definition of DSP Constrained Withdrawal Quantity and replace it with the following new definition of DSP Constrained Quantity:

**DSP Constrained Quantity:** A Market Participant's estimate of the average DSP Energy Level of its Demand Side Programme in a Dispatch Interval, taking into account any information about the potential or actual dispatch of the Demand Side Programme that is provided by AEMO in Market Advisories under clause 7.11.6(cA), Dispatch Instructions under clause 7.6.15 or notifications under clause 4.25.9(h).

18.5 Insert the following new definition of DSP Energy Level:

**DSP Energy Level:** The Withdrawal or Injection in MW of a Demand Side Programme in a Dispatch Interval or a Trading Interval, and where the Demand Side Programme is expected in a future Dispatch Interval or Trading Interval to:

- (a) Inject during the Dispatch Interval or Trading Interval, it is denoted as the estimated level of Injection of the Demand Side Programme, multiplied by negative one; and
- (b) Withdraw during the Dispatch Interval or Trading Interval, it is denoted as an estimate of the absolute value of the level of Withdrawal of the Demand Side Programme.

18.6 Delete the words 'absolute value of Withdrawal' and replace them with 'DSP Energy Level' in the definition of DSP Forecast Capacity.

18.7 Delete the words 'absolute value of Withdrawal' and replace them with 'DSP Energy Level' in the definition of DSP Forecast Reduction.

18.8 Delete the words 'DSP Withdrawal Profile Submissions' and replace them with 'DSP Profile Submissions' in the definition of DSP Forecast Reduction.

18.9 Delete the definition of DSP Unconstrained Withdrawal Quantity and replace it with the following new definition of DSP Unconstrained Quantity:

**DSP Unconstrained Quantity:** A Market Participant's estimate of the average DSP Energy Level of its Demand Side Programme in a Dispatch Interval, assuming that the Demand Side Programme does not receive a notification under clause 4.25.9(h) or Dispatch Instruction under clause 7.6.15 that affects its DSP Energy Level in the Dispatch Interval.

- 18.10 Delete the definition of DSP Withdrawal Profile Submission and replace it with the following new definition of DSP Profile Submission:
- DSP Profile Submission:** A submission made by a Market Participant to AEMO which provides a DSP Unconstrained Quantity and DSP Constrained Quantity for a Demand Side Programme for a Dispatch Interval.
- 18.11 Insert the following new definition of Facility Maximum Peak Refund Factor:
- Facility Maximum Peak Refund Factor:** For a Facility:
- (a) if the Facility is a Demand Side Programme, 1.25;
  - (b) otherwise, 1.
- 18.12 Insert the words 'Facility Maximum Peak Refund Factor multiplied by the ' before 'total amount of the Capacity Credit' in the definition of Maximum Facility Refund.
- 18.13 Insert the words ' (associated with a Demand Side Programme with a single Associated Load)' after 'For an Associated Load' in the definition of Minimum Consumption.
- 18.14 Insert the following new definition of Peak Capacity Payment Reduction Ratio:
- Peak Capacity Payment Reduction Ratio:** For a Demand Side Programme on a Trading Day, the value calculated by AEMO in accordance with clause 4.25.4CC.
- 18.15 Insert the following new definition of Peak DSP Delivery Shortfall:
- Peak DSP Delivery Shortfall:** For a Demand Side Programme with Peak Capacity Credits and for a Trading Day, denotes the quantity calculated in accordance with clause 4.26.1AA.
- 18.16 Insert the following new definition of Peak DSP Test Shortfall:
- Peak DSP Test Shortfall:** For a Demand Side Programme in a Trading Interval, the quantity in MW by which it failed a Reserve Capacity Test for Peak Capacity, calculated under clause 4.25.3D, clause 4.25.4(b) or clause 4.25.6(b)(i).
- 18.17 Delete the definition of Relevant Demand and replace it with the following new definition of Relevant Demand:
- Relevant Demand:** The DSP Energy Level, expressed in MW, of a Demand Side Programme in a Trading Interval as determined in clause 4.26.2CA.
- 18.18 Delete the definition of Standing DSP Withdrawal Profile Submission and replace it with the following new definition of Standing DSP Profile Submission:
- Standing DSP Profile Submission:** A default DSP Profile Submission for a Demand Side Programme for Dispatch Intervals starting at specified times on Trading Days of a specified type.
- 18.19 Insert the following new definition of Unadjusted Baseline Method:

**Unadjusted Baseline Method:** A variant of the Relevant Demand methodology in Appendix 10 where the Relevant Demand of a Demand Side Programme is calculated under step 4.1(b) of Appendix 10.

18.20 Delete the definition of Verification Test.

19. **Appendix 10 amended**

19.1 Delete Appendix 10 and replace it with the following new Appendix 10:

**Appendix 10: Relevant Demand Determination**

This Appendix sets out the method for determining the Relevant Demand for a Demand Side Programme in a Trading Interval  $t$  where one of the following applies:

- The Demand Side Programme is subject to a Dispatch Instruction issued under clause 7.6.5A with a non-zero dispatch quantity determined under clause 7.13.5; or
- The Demand Side Programme is undergoing a Reserve Capacity Test under section 4.25.

A “**DSP Dispatch Event**” for a Demand Side Programme is a set of contiguous Trading Intervals in which either:

- The Demand Side Programme is subject to a Dispatch Instruction under clause 7.6.5A with a non-zero dispatch quantity determined under clause 7.13.5; or
- AEMO has subjected the Demand Side Programme to a Reserve Capacity Test in accordance with clause 4.25.2B and/or clause 4.25.2BA.

An “**Event Day**” for a Demand Side Programme is a Trading Day in which one or more DSP Dispatch Events occur for that Demand Side Programme.

The “**Baseline Window**” for a Demand Side Programme on an Event Day  $d$  is the 50 Trading Days from Trading Day  $d-50$  to Trading Day  $d-1$ .

**1. Determine Selected Days for a Demand Side Programme**

Determine the “**Selected Days**” for a Demand Side Programme  $f$  for Event Day  $d$  using the following steps:

**If Event Day  $d$  is a Business Day:**

- 1.1 Select the ten most recent Trading Days in Demand Side Programme  $f$ 's Baseline Window for Event Day  $d$ , that are a Business Day and not a previous Event Day. If fewer than ten Trading Days are identified, then select as many Trading Days that are Business Days and not previous Event Days as possible.
- 1.2 If between five and ten Trading Days (inclusive) have been selected, go to step 1.4.

- 1.3 If fewer than five Trading Days have been selected in step 1.1, then keep adding the next most recent Trading Day(s) in the Baseline Window that is (or are) a Business Day and a previous Event Day until five days have been selected.
- 1.4 Trading Days selected under steps 1.2 or 1.3, as applicable, are the Selected Days for Demand Side Programme f on Event Day d.

**If Event Day d is a Non-Business Day:**

- 1.5 Select the four most recent Trading Days in Demand Side Programme f's Baseline Window for Event Day d that are Non-Business Days and not previous Event Days. If fewer than four Trading Days are identified, then select as many Trading Days that are Non-Business Days and not previous Event Days as possible.
- 1.6 If four Trading Days have been selected, go to step 1.8.
- 1.7 If fewer than four Trading Days have been selected in step 1.5, then keep adding the next most recent Trading Day(s) in the Baseline Window that is (or are) a Non-Business Day and an Event Day until a total of four days has been selected.
- 1.8 Trading Days selected under steps 1.6 or 1.7, as applicable, are the Selected Days for Demand Side Programme f on Event Day d.

**2. Determine Unadjusted Baseline Energy**

- 2.1 Calculate the **Unadjusted Baseline Energy(f, t(d))** of Demand Side Programme f for Trading Interval t on Event Day d as:

$$\begin{aligned} & \text{Unadjusted Baseline Energy}(f, t(d)) \\ &= \frac{1}{N(f, d)} \times \sum_{i \in \text{Selected Days}(f, d)} \text{DSPLoad}(f, t(i)) \end{aligned}$$

where:

- (a) N(f, d) is the number of Selected Days for Demand Side Programme f on Event Day d that contains Trading Interval t as determined in step 1.4 or 1.8 as relevant;
- (b) DSPLoad(f,t(i)) is the Demand Side Programme Load for Demand Side Programme f in Trading Interval t of Trading Day i, as determined under clause 9.5.4; and
- (c)  $i \in \text{Selected Days}(f, d)$  denotes the Selected Days for Demand Side Programme f on Event Day d that contains Trading Interval t as determined in steps 1.4 or 1.8 as relevant.
- 2.2 Calculate the **Unadjusted Baseline Energy(l(f), t(d))** of Associated Load l of Demand Side Programme f for Trading Interval t on Event Day d as:

$$\begin{aligned} & \text{Unadjusted Baseline Energy}(l(f), t(d)) \\ &= \frac{1}{N(f, d)} \times \sum_{i \in \text{Selected Days}(f, d)} \text{MQ}(l(f), t(i)) \end{aligned}$$

where:

- (a)  $N(f, d)$  is the number of Selected Days for Demand Side Programme  $f$  on Event Day  $d$  that contains Trading Interval  $t$  as determined in step 1.4 or 1.8 as relevant;
- (b)  $\text{MQ}(l(f), t(i))$  denotes the non-loss adjusted metered Withdrawal or Injection (as relevant) of Associated Load  $l(f)$  in Trading Interval  $t$  as determined from Meter Data Submissions; and
- (c)  $i \in \text{Selected Days}(f, d)$  denotes the Selected Days for Demand Side Programme  $f$  on Event Day  $d$  that contains Trading Interval  $t$  as determined in steps 1.4 or 1.8 as relevant.

### 3. Determine Adjustment

3.1 Determine the **Adjustment Window(f,d)** for Demand Side Programme  $f$  for Event Day  $d$  as the set of two Trading Intervals (on Event Day  $d$ ) immediately preceding the Trading Interval in which AEMO either:

- (a) issues the first Dispatch Instruction under clause 7.6.5A with a non-zero quantity to Demand Side Programme  $f$ ; or
- (b) notifies a Market Participant that Demand Side Programme  $f$  will be subject to a Reserve Capacity Test in accordance with clause 4.25.9(dA).

For avoidance of doubt, AEMO must determine a single Adjustment Window for a given Event Day for a given Demand Side Programme.

3.2 Calculate the **Adjustment Window Energy(f,d)** for Demand Side Programme  $f$  on Event Day  $d$  as the average energy consumption or production of the Demand Side Programme, during the Adjustment Window, determined as:

$$\text{Adjustment Window Energy}(f, d) = \frac{1}{2} \sum_{t \in \text{Adjustment Window}(f, d)} \text{DSPLoad}(f, t(d))$$

where:

- (a)  $\text{DSPLoad}(f, t(d))$  is the Demand Side Programme Load of Demand Side Programme  $f$  on Trading Interval  $t$  on Trading Day  $d$  as determined under clause 9.5.4; and
- (b)  $t \in \text{Adjustment Window}(f, d)$  denotes the set of two Trading Intervals in the Adjustment Window for Demand Side Programme  $f$  on Event Day  $d$  as determined in step 3.1.

- 3.3 Calculate the **Average Unadjusted Baseline Energy(f,d)** for Demand Side Programme f on Event Day d as the average Unadjusted Baseline Energy of Demand Side Programme f, during the Adjustment Window, determined as:

$$\begin{aligned} & \text{Average Unadjusted Baseline Energy}(f,d) \\ &= \frac{1}{2} \sum_{t \in \text{Adjustment Window}(f,d)} \text{Unadjusted Baseline Energy}(f, t(d)) \end{aligned}$$

where:

- (a) Unadjusted Baseline Energy(f, t(d)) is the Unadjusted Baseline Energy of the Demand Side Programme f in Trading Interval t on Event Day d as determined step 2.1; and
- (b)  $t \in \text{Adjustment Window}(f, d)$  denotes the set of two Trading Intervals in the Adjustment Window for Demand Side Programme f on Event Day d determined in step 3.1.
- 3.4 Calculate the **Baseline Adjustment(f,t(d))** for Demand Side Programme f in Trading Interval t on Event Day d as follows:

$$\begin{aligned} & \underline{\text{Baseline Adjustment}(f, t(d))} = \\ & \text{Min} \left( \text{Max} \left( \begin{aligned} & 0.2 \times |\text{Average Unadjusted Baseline Energy}(f, d)|, \\ & -2 \times |\text{Average Unadjusted Baseline Energy}(f, d)|, \\ & \text{Adjustment Window Energy}(f, d) - \text{Average Unadjusted Baseline Energy}(f, d) \end{aligned} \right) \right) \end{aligned}$$

- 3.5 Calculate the **Baseline Energy(f,t(d))** for the Demand Side Programme f in Trading Interval t (on Event Day d) as:

$$\begin{aligned} & \text{Baseline Energy}(f, t(d)) \\ &= \text{Unadjusted Baseline Energy}(f, t(d)) \\ &+ \text{Baseline Adjustment}(f, t(d)) \end{aligned}$$

where:

- (a) Unadjusted Baseline Energy(f, t(d)) is the Unadjusted Baseline Energy of the Demand Side Programme f in Trading Interval t on Event Day d as determined in step 2.1; and
- (b) Baseline Adjustment(f, t(d)) is the adjustment applied to Demand Side Programme f in Trading Interval t on Event Day d as determined in step 3.4.
- 4. Calculate Relevant Demand**

- 4.1 Calculate the **Relevant Demand(f,t(d))** for the Demand Side Programme f in Trading Interval t on Event Day d as follows:



- (a) the Baseline Energy( $f, t(d)$ ) calculated in step 3.5 multiplied by 2 to convert it to a MW quantity, if the relevant Market Participant nominated the Adjusted Baseline Method under clause 2.29.5AG(a); or
- (b) the Unadjusted Baseline Energy( $f, t(d)$ ) calculated in step 2.1 multiplied by 2 to convert it to a MW quantity, if the relevant Market Participant nominated the Unadjusted Baseline Method under clause 2.29.5AG(b).

## Schedule 4

### 1. Section 1.63 amended

1.1 Delete clause 1.63.10(e) and replace it with the following new clause 1.63.10(e):

- (e) subject to clause 1.64.10(f), AEMO is not required to determine or publish, for the 2027 Capacity Year:
  - i. Flexible Capacity Outage Quantities, Flexible Capacity Adjusted Forced Outage Quantities, and Flexible Capacity Adjusted Planned Outage Quantities under section 3.21;
  - ii. Flexible IRCR Intervals under clause 4.1.23AA;
  - iii. the 3 High-Ramp Trading Days under clause 4.1.23BA;
  - iv. Entity Daily Flexible Reserve Capacity Prices under clause 4.29.1A and the Floating Daily Flexible Reserve Capacity Price under clause 4.29.1F;
  - v. Indicative Flexible Individual Reserve Capacity Requirements under clause 4.1.23C(b);
  - vi. Flexible Individual Reserve Capacity Requirements under clause 4.1.24(b) or clause 4.28.11B;
  - vii. Flexible Reserve Capacity Obligation Quantities under clauses 4.12.7, 4.12.8 and 4.12.9 and Flexible Reserve Capacity Obligation Quantity estimates under clause 6.3A.3(h);
  - viii. the Transitional Daily Flexible Reserve Capacity Price under clause 4.29.1G and Fixed Daily Flexible Reserve Capacity Prices under clause 4.29.1H;
  - ix. the Flexible Reserve Capacity Deficit Refund under clause 4.26.4;
  - x. the Flexible Targeted Reserve Capacity Cost or Flexible Shared Reserve Capacity Cost under clause 4.28.1A; and
  - xi. the Flexible Capacity Provider Payment or Flexible Capacity Purchaser Payment under clause 9.8.2;

1.2 Delete clause 1.63.10(f) and replace it with the following new clause 1.63.10(f):

- (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);

1.3 Insert the following new clause 1.63.10(h):

- (h) AEMO must not conduct Reserve Capacity Tests under clause 4.25.1B or clause 4.25.2BA;

1.4 Insert the following new clause 1.63.10(i):

- (i) Market Participants must not apply to AEMO for a reduction in Flexible Capacity Credits under clause 4.25.4A;

- 1.5 Insert the following new clause 1.63.10(j):
- (j) Market Participants must not submit Capacity Credit Allocation Submissions in respect of Flexible Capacity Credits; and

- 1.6 Insert the following new clause 1.63.10(k):
- (k) AEMO must not issue Dispatch Instructions under 7.6.11(b)(ii).

**2. Section 2.30 amended**

- 2.1 Delete the words 'Facility Monthly' and replace it with 'Entity Daily' in clause 2.30.5(f).

**3. Section 3.16 amended**

- 3.1 Delete clause 3.16.7 and replace it with the following new clause 3.16.7:

3.16.7. As soon as practicable following the publication of the Medium Term PASA, AEMO must publish on the WEM Website for each Trading Day in the 36 month period included in the most recently published Medium Term PASA:

- (a) AEMO's determination of the most probable daily peak demand;
- (b) any alternative demand forecasts as specified in the WEM Procedure referred to in clause 3.16.10; and
- (c) AEMO's determination of the most probable daily highest Four-Hour Demand Increase.

- 3.2 Insert the following new clause 3.16.7A:

3.16.7A The Four-Hour Demand Increase for a Trading Interval is to be calculated as follows:

$$FHDI(t) = (OPDEM(t) - |OPWITH(t)|) - (OPDEM(t - 8) - |OPWITH(t - 8)|)$$

where:

- (a) FHDI(t) is the Four-Hour Demand Increase for Trading Interval t;
- (b) OPDEM(t) is the Operational Demand for the last Dispatch Interval in Trading Interval t;
- (c) OPWITH(t) is the Operational Withdrawal for the last Dispatch Interval in Trading Interval t.

**4. Section 3.18 amended**

- 4.1 Insert the following new clause 3.18.4(gA):

- (gA) the method for assessing whether there would be a shortfall of Flexible Capacity if an Outage Plan is approved;

**5. Section 3.21 amended**

- 5.1 Delete all words before clause 3.21.6(a) in clause 3.21.6 and replace it with:

The Peak Capacity Outage Quantity for a Planned Outage or Forced Outage *o* of a Separately Certified Component *c* of a Registered Facility that is a Non-Intermittent Generating System or Electric Storage Resource for a Dispatch Interval *DI* that is included in Planned Outage or Forced Outage *o* is:

$$PCQ(c,DI,o) = PrevRAC(c,DI,o) - RAC(c,DI,o)$$

where:

5.2 Delete clause 3.21.7(a) and replace it with the following new clause:

(a) if Separately Certified Component *c* is an Intermittent Generating System:

$$PCAFO(c,DI) = 0$$

5.3 Insert the word 'Peak ' before 'Capacity Adjusted Forced Outage Quantity' in clause 3.21.7.

5.4 Delete all words before clause 3.21.7(b)(iii) in clause 3.21.7(b) and replace them with the following:

(b) otherwise:

$$PCAFO(c,DI) = \max\left(0, \sum_{o \in FO} PCQ(c,DI,o) - (MaxCap(c,DI) - DefPRCOQ(c,DI))\right)$$

where:

- i. *o* ∈ FO denotes all Forced Outages *o* for Separately Certified Component *c* that include Dispatch Interval *DI*;
- ii. PCQ(*c*,*DI*,*o*) is the Peak Capacity Outage Quantity for Outage *o* of Separately Certified Component *c* in Dispatch Interval *DI* as calculated in clause 3.21.6;

5.5 Delete clause 3.21.7(b)(iv) and replace it with the following new clause:

- iv. DefPRCOQ(*c*,*DI*) is the Peak Reserve Capacity Obligation Quantity that would apply to Separately Certified Component *c* in Dispatch Interval *DI* if the Separately Certified Component was not subject to an Outage or an approved Commissioning Test Plan.

5.6 Delete clause 3.21.7A and replace it with the following new clause 3.21.7A:

3.21.7A. The Peak Capacity Adjusted Forced Outage Quantity for Trading Interval *t* for Separately Certified Component *c* of a Registered Facility is:

$$PCAFO(c,t) = \frac{\sum_{DI \in t} PCAFO(c,DI)}{6}$$

where:

- (a) *DI* ∈ *t* denotes all Dispatch Intervals *DI* in Trading Interval *t*; and

- (b) PCAFO(c,DI) is the Peak Capacity Adjusted Forced Outage Quantity for Separately Certified Component c in Dispatch Interval DI as calculated in clause 3.21.7.

5.7 Delete clause 3.21.7B and replace it with the following new clause 3.21.7B:

3.21.7B. The Peak Capacity Adjusted Forced Outage Quantity for Trading Interval t for Registered Facility f is:

- (a) where no Peak Capacity Credits are assigned to Registered Facility f in Trading Interval t or Registered Facility f is a Non-Scheduled Facility:

$$\text{PCAFO}(f, t) = 0$$

- (b) otherwise:

$$\text{PCAFO}(f, t) = \sum_{c \in f} \text{PCAFO}(c, t)$$

where:

- i.  $c \in f$  denotes all Separately Certified Components c of Facility f; and
- ii. PCAFO(c,t) is the Peak Capacity Adjusted Forced Outage Quantity for Separately Certified Component c in Trading Interval t as calculated in clause 3.21.7A.

5.8 Delete clause 3.21.7C and replace it with the following new clause 3.21.7C:

3.21.7C. The Peak Capacity Adjusted Forced Outage Quantity for Dispatch Interval DI for Registered Facility f is:

- (a) if no Peak Capacity Credits are assigned to Registered Facility f in Dispatch Interval DI or Registered Facility f is a Non-Scheduled Facility:

$$\text{PCAFO}(f, DI) = 0$$

- (b) otherwise:

$$\text{PCAFO}(f, DI) = \sum_{c \in f} \text{PCAFO}(c, DI)$$

where:

- i.  $c \in f$  denotes all Separately Certified Components c of Facility f; and
- ii. PCAFO(c,DI) is the Peak Capacity Adjusted Forced Outage Quantity for Separately Certified Component c in Dispatch Interval DI as calculated in clause 3.21.7.

5.9 Delete clause 3.21.8(a) and replace it with the following new clause 3.21.8(a):

- (a) if Separately Certified Component c is an Intermittent Generating System:

$$\text{PCAPO}(c, DI) = 0$$

5.10 Delete the formula in clause 3.21.8(b) and replace it with the following new formula:

$$PCAPO(c, DI) = \max \left( 0, \sum_{o \in PO} PCQ(c, DI, o) - \max \left( 0, MaxCap(c, DI) - DefPRCOQ(c, DI) - \sum_{o \in FO} PCQ(c, DI, o) \right) \right)$$

5.11 Delete clause 3.21.8(b)(iii) and replace it with the following new clause 3.21.8(b)(iii):

iii. PCQ(c,DI,o) is the Peak Capacity Outage Quantity for Outage o of Separately Certified Component c in Dispatch Interval DI as calculated in clause 3.21.6;

5.12 Delete clause 3.21.8(b)(v) and replace it with the following new clause 3.21.8(b)(v):

v. DefPRCOQ(c,DI) is the Peak Reserve Capacity Obligation Quantity that would apply to Separately Certified Component c in Dispatch Interval DI if the Separately Certified Component was not subject to an Outage or an approved Commissioning Test Plan.

5.13 Delete clause 3.21.8A and replace it with the following new clause 3.21.8A:

3.21.8A. The Peak Capacity Adjusted Planned Outage Quantity for Trading Interval t for Separately Certified Component c of a Registered Facility is:

$$PCAPO(c, t) = \frac{\sum_{DI \in t} PCAPO(c, DI)}{6}$$

where:

(a) DI ∈ t denotes all Dispatch Intervals DI in Trading Interval t; and

(b) PCAPO(c,DI) is the Peak Capacity Adjusted Planned Outage Quantity for Separately Certified Component c in Dispatch Interval DI as calculated in clause 3.21.8.

5.14 Delete clause 3.21.8B and replace it with the following new clause 3.21.8B:

3.21.8B. The Peak Capacity Adjusted Planned Outage Quantity for Trading Interval t for Registered Facility f is:

(a) if no Peak Capacity Credits are assigned to Registered Facility f in Trading Interval t or Registered Facility f is a Non-Scheduled Facility:

$$PCAPO(f, t) = 0$$

(b) otherwise:

$$PCAPO(f, t) = \sum_{c \in f} PCAPO(c, t)$$

where:

i. c ∈ f denotes all Separately Certified Components c of Facility f; and

- ii. PCAPO(c,t) is the Peak Capacity Adjusted Planned Outage Quantity for Separately Certified Component c in Trading Interval t as calculated in clause 3.21.8A.

5.15 Delete clause 3.21.8C and replace it with the following new clause 3.21.8C:

3.21.8C. The Peak Capacity Adjusted Planned Outage Quantity for Dispatch Interval DI for Registered Facility f is:

- (a) if no Peak Capacity Credits are assigned to Registered Facility f in Dispatch Interval DI or Registered Facility f is a Non-Scheduled Facility:

$$\text{PCAPO}(f, \text{DI}) = 0$$

- (b) otherwise:

$$\text{PCAPO}(f, \text{DI}) = \sum_{c \in f} \text{PCAPO}(c, \text{DI})$$

where:

- i. c ∈ f denotes all Separately Certified Components c of Facility f; and
- ii. PCAPO(c,DI) is the Peak Capacity Adjusted Planned Outage Quantity for Separately Certified Component c in Dispatch Interval DI as calculated in clause 3.21.8.

5.16 Insert the following new clause 3.21.11:

3.21.11. The Flexible Capacity Outage Quantity for a Planned Outage or Forced Outage o of a Separately Certified Component c of a Registered Facility that is a Non-Intermittent Generating System or Electric Storage Resource for a Dispatch Interval DI that is included in Planned Outage or Forced Outage o is:

$$\text{FCQ}(c, \text{DI}, o) = \text{PrevRAC}(c, \text{DI}, o) - \text{RAC}(c, \text{DI}, o)$$

where:

- (a) PrevRAC(c,DI,o) is equal to:
  - i. MaxCap(c,DI), if Planned Outage or Forced Outage o was the first relevant outage to be submitted; or
  - ii. otherwise, the applicable Remaining Available Capacity for the relevant outage that was submitted most recently prior to the submission time of Planned Outage or Forced Outage o,

where relevant outage means a Planned Outage or Forced Outage for Flexible Capacity for Separately Certified Component c that includes Dispatch Interval DI;

- (b) RAC(c,DI,o) is the applicable Remaining Available Capacity for Planned Outage or Forced Outage o;
- (c) MaxCap(c,DI) is:

- i. if Separately Certified Component *c* 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, as specified under Appendix 1(b)(xB) or Appendix 1(c)(xB) as applicable; or
  - ii. if Separately Certified Component *c* 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 for Separately Certified Component *c* in Dispatch Interval *DI* to the relevant Network from the Electric Storage Resource under optimal conditions, as specified under Appendix 1(b)(xiiA) or Appendix 1(c)(xiiA) as applicable; and
- (d) the applicable Remaining Available Capacity for a Planned Outage or Forced Outage is the Remaining Available Capacity under the Planned Outage or Forced Outage for Separately Certified Component *c* in Dispatch Interval *DI* for the applicable Flexible Capacity Outage Capability, which is:
- i. if Separately Certified Component *c* is a Non-Intermittent Generating System, sent out capacity, net of embedded and Parasitic Loads, available for supply to the relevant Network from the Non-Intermittent Generating System; or
  - ii. if Separately Certified Component *c* is an Electric Storage Resource, sent out capacity, net of embedded and Parasitic Loads, available for supply across the Flexible Electric Storage Resource Obligation Intervals to the relevant Network from the Electric Storage Resource.

5.17 Insert the following new clause 3.21.12:

3.21.12. The Flexible Capacity Adjusted Forced Outage Quantity for Dispatch Interval *DI* for Separately Certified Component *c* of a Registered Facility is:

- (a) if Separately Certified Component *c* is an Intermittent Generating System:

$$FCAFO(c, DI) = 0$$

- (b) otherwise:

$$FCAFO(c, DI) = \max\left(0, \sum_{o \in FO} FCQ(c, DI, o) - (MaxCap(c, DI) - DefFRCOQ(c, DI))\right)$$

where:

- i.  $o \in FO$  denotes all Forced Outages *o* for Separately Certified Component *c* that include Dispatch Interval *DI*;
- ii.  $FCQ(c, DI, o)$  is the Flexible Capacity Outage Quantity for Outage *o* of Separately Certified Component *c* in Dispatch Interval *DI* as calculated in clause 3.21.11;
- iii.  $MaxCap(c, DI)$  is:



1. if Separately Certified Component  $c$  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, as specified under Appendix 1(b)(xB) or Appendix 1(c)(xB) as applicable; or
  2. if Separately Certified Component  $c$  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 for Separately Certified Component  $c$  in Dispatch Interval  $DI$  to the relevant Network from the Electric Storage Resource under optimal conditions, as specified under Appendix 1(b)(xiiA) or Appendix 1(c)(xiiA) as applicable; and
- iv. DefFRCOQ( $c, DI$ ) is the Flexible Reserve Capacity Obligation Quantity that would apply to Separately Certified Component  $c$  in Dispatch Interval  $DI$  if the Separately Certified Component was not subject to an Outage or an approved Commissioning Test Plan.

5.18 Insert the following new clause 3.21.13:

3.21.13. The Flexible Capacity Adjusted Forced Outage Quantity for Trading Interval  $t$  for Separately Certified Component  $c$  of a Registered Facility is:

$$FCAFO(c, t) = \frac{\sum_{DI \in t} FCAFO(c, DI)}{6}$$

where:

- (a)  $DI \in t$  denotes all Dispatch Intervals  $DI$  in Trading Interval  $t$ ; and
- (b)  $FCAFO(c, DI)$  is the Flexible Capacity Adjusted Forced Outage Quantity for Separately Certified Component  $c$  in Dispatch Interval  $DI$  as calculated in clause 3.21.12.

5.19 Insert the following new clause 3.21.14:

3.21.14. The Flexible Capacity Adjusted Forced Outage Quantity for Trading Interval  $t$  for Registered Facility  $f$  is:

- (a) if no Flexible Capacity Credits are assigned to Registered Facility  $f$  in Trading Interval  $t$ :

$$FCAFO(f, t) = 0$$

- (b) otherwise:

$$FCAFO(f, t) = \sum_{c \in f} FCAFO(c, t)$$

where:

- i.  $c \in f$  denotes all Separately Certified Components  $c$  of Facility  $f$ ; and

- ii. FCAFO(c,t) is the Flexible Capacity Adjusted Forced Outage Quantity for Separately Certified Component c in Trading Interval t as calculated in clause 3.21.13.

5.20 Insert the following new clause 3.21.15:

3.21.15. The Flexible Capacity Adjusted Forced Outage Quantity for Dispatch Interval DI for Registered Facility f is:

- (a) if no Flexible Capacity Credits are assigned to Registered Facility f in Dispatch Interval DI:

$$FCAFO(f, DI) = 0$$

- (b) otherwise:

$$FCAFO(f, DI) = \sum_{c \in f} FCAFO(c, DI)$$

where:

- i. c ∈ f denotes all Separately Certified Components c of Facility f; and
- ii. FCAFO(c,DI) is the Flexible Capacity Adjusted Forced Outage Quantity for Separately Certified Component c in Dispatch Interval DI as calculated in clause 3.21.12.

5.21 Insert the following new clause 3.21.16:

3.21.16. The Flexible Capacity Adjusted Planned Outage Quantity for Dispatch Interval DI for Separately Certified Component c of a Registered Facility is:

- (a) if Separately Certified Component c is an Intermittent Generating System:

$$FCAPO(c, DI) = 0$$

- (b) otherwise:

$$FCAPO(c, DI) = \max \left( 0, \sum_{o \in PO} FCQ(c, DI, o) - \max \left( 0, MaxCap(c, DI) - DefFRCOQ(c, DI) - \sum_{o \in FO} FCQ(c, DI, o) \right) \right)$$

where:

- i. o ∈ PO denotes all Planned Outages o for Separately Certified Component c that include Dispatch Interval DI;
- ii. o ∈ FO denotes all Forced Outages o for Separately Certified Component c that include Dispatch Interval DI;

- iii. FCQ(c,DI,o) is the Flexible Capacity Outage Quantity for Outage o of Separately Certified Component c in Dispatch Interval DI as calculated in clause 3.21.11;
- iv. MaxCap(c,DI) is:
  - 1. if Separately Certified Component c 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, as specified under Appendix 1(b)(xB) or Appendix 1(c)(xB) as applicable; or
  - 2. if Separately Certified Component c 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 for Separately Certified Component c in Dispatch Interval DI to the relevant Network from the Electric Storage Resource under optimal conditions, as specified under Appendix 1(b)(xiiA) or Appendix 1(c)(xiiA) as applicable; and
- v. DefFRCOQ(c,DI) is the Flexible Reserve Capacity Obligation Quantity that would apply to Separately Certified Component c in Dispatch Interval DI if the Separately Certified Component was not subject to an Outage or an approved Commissioning Test Plan.

5.22 Insert the following new clause 3.21.17:

3.21.17. The Flexible Capacity Adjusted Planned Outage Quantity for Trading Interval t for Separately Certified Component c of a Registered Facility is:

$$FCAPO(c, t) = \frac{\sum_{DI \in t} FCAPO(c, DI)}{6}$$

where:

- (a) DI ∈ t denotes all Dispatch Intervals DI in Trading Interval t; and
- (b) FCAPO(c,DI) is the Flexible Capacity Adjusted Planned Outage Quantity for Separately Certified Component c in Dispatch Interval DI as calculated in clause 3.21.16.

5.23 Insert the following new clause 3.21.18:

3.21.18. The Flexible Capacity Adjusted Planned Outage Quantity for Trading Interval t for Registered Facility f is:

- (a) if no Flexible Capacity Credits are assigned to Registered Facility f in Trading Interval t:

$$FCAPO(f, t) = 0$$

- (b) otherwise:

$$\text{FCAPO}(f, t) = \sum_{c \in f} \text{FCAPO}(c, t)$$

where:

- i.  $c \in f$  denotes all Separately Certified Components  $c$  of Facility  $f$ ; and
- ii.  $\text{FCAPO}(c, t)$  is the Flexible Capacity Adjusted Planned Outage Quantity for Separately Certified Component  $c$  in Trading Interval  $t$  as calculated in clause 3.21.17.

5.24 Insert the following new clause 3.21.19:

3.21.19. The Flexible Capacity Adjusted Planned Outage Quantity for Dispatch Interval  $DI$  for Registered Facility  $f$  is:

- (a) if no Flexible Capacity Credits are assigned to Registered Facility  $f$  in Dispatch Interval  $DI$ :

$$\text{FCAPO}(f, DI) = 0$$

- (b) otherwise:

$$\text{FCAPO}(f, DI) = \sum_{c \in f} \text{FCAPO}(c, DI)$$

where:

- i.  $c \in f$  denotes all Separately Certified Components  $c$  of Facility  $f$ ; and
- ii.  $\text{FCAPO}(c, DI)$  is the Flexible Capacity Adjusted Planned Outage Quantity for Separately Certified Component  $c$  in Dispatch Interval  $DI$  as calculated in clause 3.21.16.

6. **Section 3.22 amended** Insert the word 'Peak ' before 'Refund Exempt Planned' in clause 3.22.3.

6.2 Insert the words ' and Flexible Refund Exempt Planned Outage Count' after 'Planned Outage Count' in clause 3.22.3.

7. **Section 4.1 amended** Insert the following new clause 4.1.23AA:

4.1.23AA. For each Capacity Year, AEMO must determine and publish the Flexible IRCR Intervals in accordance with clause 4.28.5C within five Business Days after the last Trading Day of the relevant Capacity Year. For the avoidance of doubt, AEMO must not revise the Flexible IRCR Intervals after their publication.

7.2 Insert the following new clause 4.1.23BA:

4.1.23BA. For each Trading Month, AEMO must determine and publish:

- (a) the 3 High-Ramp Trading Days; and

- (b) for each of those Trading Days, the Trading Interval with the highest Four-Hour Demand Increase,

within five Business Days after the last Trading Day of the relevant Trading Month. For the avoidance of doubt, AEMO must not revise the 3 High-Ramp Trading Days after their publication.

7.3 Delete clause 4.1.23C and insert the following new clause 4.1.23C:

4.1.23C. For each Trading Month, AEMO must determine and provide to each Market Participant that Market Participant's:

- (a) Indicative Peak Individual Reserve Capacity Requirement in accordance with clause 4.28.6; and
- (b) Indicative Flexible Individual Reserve Capacity Requirement in accordance with clause 4.28.6A,

by 5:00 PM on the Business Day that is 10 Business Days prior to the start of the relevant Trading Month.

7.4 Delete clause 4.1.24 and insert the following new clause 4.1.24:

4.1.24. For each Trading Month, AEMO must determine and provide to each Market Participant that Market Participant's:

- (a) Peak Individual Reserve Capacity Requirement in accordance with clause 4.28.7; and
- (b) Flexible Individual Reserve Capacity Requirement in accordance with clause 4.28.7A,

by 5:00 PM on the Settlement Statement Date for the Trading Week containing the first Trading Day in the relevant Trading Month.

7.5 Delete clause 4.1.29 and insert the following new clause 4.1.29:

4.1.29. The Peak Reserve Capacity Price, the Flexible Reserve Capacity Price, each-Entity Daily Peak Reserve Capacity Price, and each Entity Daily Flexible Reserve Capacity Price for a Reserve Capacity Cycle apply from the start of the Trading Day commencing on 1 October of Year 3 of the Reserve Capacity Cycle to the end of the Trading Day ending on 1 October of Year 4 of the Reserve Capacity Cycle.

## **8. Section 4.10 amended**

8.1 Insert the word 'Peak ' before 'Reserve Capacity Obligation Quantity' in clause 4.10.1(e)(iv).

8.2 Insert the words ' and, where applicable, the Flexible Reserve Capacity Obligation Quantity' after 'Reserve Capacity Obligation Quantity' in clause 4.10.1(e)(iv).

**9. Section 4.11 amended**

- 9.1 Insert the word 'Peak ' before 'Individual Reserve Capacity' in clause 4.11.1(j)(i).
- 9.2 Insert the word 'Peak ' before 'Individual Reserve Capacity' in clause 4.11.1(j)(ii).
- 9.3 Insert the word 'Peak ' before 'Individual Reserve Capacity' in clause 4.11.1(jA)(i).
- 9.4 Insert the word 'Peak ' before 'Individual Reserve Capacity' in clause 4.11.1(jA)(ii).

**10. Section 4.12 amended**

- 10.1 Insert the word 'Peak ' before 'Reserve Capacity Obligation' in clause 4.12.1(b).
- 10.2 Delete clause 4.12.4 and replace it with the following new clause 4.12.4:

4.12.4. AEMO must determine the Peak Reserve Capacity Obligation Quantity for each Scheduled Facility, Semi-Scheduled Facility, Non-Scheduled Facility or Demand Side Programme for each Dispatch Interval as follows:

- (a) the Peak Reserve Capacity Obligation Quantity for a Registered Facility is equal to zero for each Dispatch Interval in which no Peak Capacity Credits are assigned to the Registered Facility;
- (b) the Peak Reserve Capacity Obligation Quantity for a Non-Scheduled Facility is equal to zero for each Dispatch Interval;
- (c) the Peak Reserve Capacity Obligation Quantity for a Demand Side Programme:
  - i. for a Dispatch Interval that falls within a period specified for the Demand Side Programme under clause 4.10.1(f)(vi), is equal to the number of Peak Capacity Credits assigned to the Demand Side Programme for the Dispatch Interval, except if clauses 4.12.4(c)(iii) or 4.12.4(c)(iv) apply;
  - ii. for a Dispatch Interval that falls outside the periods specified for the Demand Side Programme under clause 4.10.1(f)(vi), is equal to zero;
  - iii. will equal zero for the remainder of a Capacity Year once the capacity of the Demand Side Programme has been dispatched under clause 7.6.5A for the number of Trading Intervals per Capacity Year that is specified for the Demand Side Programme under clause 4.10.1(f)(ii) plus, if the Demand Side Programme has Flexible Capacity Credits, the number of Trading Intervals per Capacity Year that is specified for the Demand Side Programme under clause 4.10.1(f)(iiA); and
  - iv. will equal zero for the remainder of a Trading Day once the capacity of the Demand Side Programme has been dispatched under clause 7.6.5A for the number of Trading Intervals per Trading Day that is specified for the Demand Side Programme under clause 4.10.1(f)(iii); and

- (d) the Peak Reserve Capacity Obligation Quantity for a Scheduled Facility or Semi-Scheduled Facility which is assigned Peak Capacity Credits for a Dispatch Interval is equal to the sum of the Peak Reserve Capacity Obligation Quantities determined under clause 4.12.5 for each Separately Certified Component of the Registered Facility for the relevant Dispatch Interval.
- 10.3 Insert the word 'Peak ' before 'Reserve Capacity Obligation Quantity for each' in clause 4.12.5.
- 10.4 Insert the word 'Peak ' before 'Capacity Credits, as follows' in clause 4.12.5.
- 10.5 Delete clause 4.12.5(a) and replace it with the following new clause 4.12.5(a):
  - (a) the Peak Reserve Capacity Obligation Quantity for an Intermittent Generating System is equal to zero for each Dispatch Interval;
- 10.6 Insert the word 'Peak ' before 'Reserve Capacity Obligation Quantity for a Non-Intermittent Generating System' in clause 4.12.5(b).
- 10.7 Delete the words 'clauses 4.12.5(d), 4.12.5(f) and 4.12.5(g),' and replace them with 'clauses 4.12.5(d), 4.12.5(f), 4.12.5(g) and 4.12.5(h),' in clause 4.12.5(c).
- 10.8 Insert the word 'Peak ' before 'Reserve Capacity Obligation Quantity for an Electric Storage Resource' in clause 4.12.5(c).
- 10.9 Delete clause 4.12.5(d) and replace it with the following new clause 4.12.5(d):
  - (d) if a Scheduled Facility or Semi-Scheduled Facility is subject to Commissioning Test Plan approved by AEMO in a Dispatch Interval, the Peak Reserve Capacity Obligation Quantity for each Separately Certified Component of the Registered Facility is equal to zero for the Dispatch Interval and clauses 4.12.5(e) and 4.12.5(f) do not apply;
- 10.10 Delete clause 4.12.5(e) and replace it with the following new clause 4.12.5(e):
  - (e) subject to clause 4.12.5(d), if a Separately Certified Component which is a Non-Intermittent Generating System is subject to a Planned Outage in a Dispatch Interval, the Peak Reserve Capacity Obligation Quantity of the Separately Certified Component for the Dispatch Interval is reduced from the value determined under clause 4.12.5(b) by the Peak Capacity Adjusted Planned Outage Quantity determined for the Separately Certified Component under clause 3.21.8;
- 10.11 Delete clause 4.12.5(f) and replace it with the following new clause 4.12.5(f):
  - (f) subject to clauses 4.12.5(d), 4.12.5(g), and 4.12.5(h) if a Separately Certified Component which is an Electric Storage Resource is subject to a Planned

Outage in a Dispatch Interval, the Peak Reserve Capacity Obligation Quantity of the Separately Certified Component for the Dispatch Interval is reduced from the value determined under clause 4.12.5(c) by the Peak Capacity Adjusted Planned Outage Quantity determined for the Separately Certified Component under clause 3.21.8;

10.12 Delete clause 4.12.5(g) and replace it with the following new clause 4.12.5(g):

- (g) if:
- i. AEMO issues a direction under clause 7.7.5 in respect of a Registered Facility containing a Separately Certified Component which is an Electric Storage Resource; and
  - ii. the direction requires the Registered Facility to operate at a level higher than its Peak Reserve Capacity Obligation Quantity in the Dispatch Interval to which the direction relates,

the Peak Reserve Capacity Obligation Quantity for the Electric Storage Resource is reduced to zero for all Dispatch Intervals subsequent to the Dispatch Interval in which the direction is issued in the relevant Trading Day and clause 4.12.5(f) does not apply for those Dispatch Intervals; and

10.13 Insert the following new clause 4.12.5(h):

- (h) if:
- i. AEMO issues a Dispatch Instruction to a Registered Facility containing an Electric Storage Resource which holds Flexible Capacity Credits; and
  - ii. the Dispatch Instruction requires the Registered Facility to Inject in a Dispatch Interval which is within a Flexible Electric Storage Resource Obligation Interval and not within a Peak Electric Storage Resource Obligation Interval for that Electric Storage Resource,

the Peak Reserve Capacity Obligation Quantity for the Electric Storage Resource is reduced to zero in all subsequent Dispatch Intervals in the relevant Trading Day which are not within a Flexible Electric Storage Resource Obligation Interval, and clause 4.12.5(f) does not apply for those Dispatch Intervals.

10.14 Delete clause 4.12.6 and replace it with the following new clause 4.12.6:

4.12.6. The Peak Reserve Capacity Obligation Quantity for a Registered Facility f for a Trading Interval t is equal to:

$$PRCOQ(f,t) = \frac{\sum_{DI \in t} PRCOQ(f,DI)}{6}$$

where:

- (a)  $DI \in t$  denotes all Dispatch Intervals DI in Trading Interval t; and



- (b) PRCOQ(f,DI) is the Peak Reserve Capacity Obligation Quantity determined for Registered Facility f for Dispatch Interval DI under clause 4.12.4.

10.15 Insert the following new clause 4.12.7:

- 4.12.7. AEMO must determine the Flexible Reserve Capacity Obligation Quantity for each Scheduled Facility, Semi-Scheduled Facility, or Demand Side Programme for each Dispatch Interval as follows:
- (a) the Flexible Reserve Capacity Obligation Quantity for a Registered Facility is equal to zero for each Dispatch Interval in which no Flexible Capacity Credits are assigned to the Registered Facility;
  - (b) the Flexible Reserve Capacity Obligation Quantity for a Demand Side Programme:
    - i. for a Dispatch Interval that falls within a period specified for the Demand Side Programme under clause 4.10.1(f)(vi), is equal to the number of Flexible Capacity Credits assigned to the Demand Side Programme for the Dispatch Interval, except if clauses 4.12.7(b)(iii) or 4.12.7(b)(iv) apply;
    - ii. for a Dispatch Interval that falls outside the periods specified for the Demand Side Programme under clause 4.10.1(f)(vi), is equal to zero;
    - iii. will equal zero for the remainder of a Capacity Year once the capacity of the Demand Side Programme has been dispatched under clause 7.6.5A for the number of Trading Intervals per Capacity Year that is specified for the Demand Side Programme under clause 4.10.1(f)(ii), plus the number of Trading Intervals per Capacity Year that is specified for the Demand Side Programme under clause 4.10.1(f)(iiA); and
    - iv. will equal zero for the remainder of a Trading Day once the capacity of the Demand Side Programme has been dispatched under clause 7.6.5A for the number of Trading Intervals per Trading Day that is specified for the Demand Side Programme under clause 4.10.1(f)(iv); and
  - (c) the Flexible Reserve Capacity Obligation Quantity for a Scheduled Facility or Semi-Scheduled Facility which is assigned Flexible Capacity Credits for a Dispatch Interval is equal to the sum of the Flexible Reserve Capacity Obligation Quantities determined under clause 4.12.8 for each Separately Certified Component of the Registered Facility for the relevant Dispatch Interval.

10.16 Insert the following new clause 4.12.8:

- 4.12.8. AEMO must determine the Flexible 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 Flexible Capacity Credits, as follows:
- (a) the Flexible Reserve Capacity Obligation Quantity for an Intermittent Generating System is equal to zero for each Dispatch Interval;

(b) subject to the exceptions specified in clauses 4.12.8(d) and 4.12.8(e), the Flexible Reserve Capacity Obligation Quantity for a Non-Intermittent Generating System:

- i. for a Dispatch Interval during a Trading Day where the maximum daily temperature at the site of the Non-Intermittent Generating System does not exceed 41 degrees Celsius, is equal to the number of Flexible Capacity Credits assigned to the Non-Intermittent Generating System for the Dispatch Interval; and
- ii. for a Dispatch Interval during a Trading Day where the maximum daily temperature at the site of the Non-Intermittent Generating System exceeds 41 degrees Celsius, is equal to:

$$\text{FCC} \times \text{MSOC45} / \text{MSOC41}$$

where:

- 1. FCC is the number of Flexible Capacity Credits assigned to the Non-Intermittent Generating System for the Dispatch Interval;
- 2. MSOC45 is 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 when it is operated normally at an ambient temperature of 45 degrees Celsius, as specified in Standing Data; and
- 3. MSOC41 is 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 when it is operated normally at an ambient temperature of 41 degrees Celsius, as specified in Standing Data;

(c) subject to the exceptions specified in clauses 4.12.8(d), 4.12.8(f), and 4.12.8(g), the Flexible Reserve Capacity Obligation Quantity for an Electric Storage Resource:

- i. for a Dispatch Interval which does not fall within a Flexible Electric Storage Resource Obligation Interval for that Electric Storage Resource, is equal to zero;
- ii. for a Dispatch Interval which falls within a Flexible Electric Storage Resource Obligation Interval for that Electric Storage Resource, during a Trading Day where the maximum daily temperature at the site of the Electric Storage Resource does not exceed 41 degrees Celsius, is equal to the number of Flexible Capacity Credits assigned to the Electric Storage Resource for the Dispatch Interval; and
- iii. for a Dispatch Interval which falls within a Flexible Electric Storage Resource Obligation Interval, during a Trading Day where the maximum daily temperature at the site of the

Electric Storage Resource exceeds 41 degrees Celsius, is equal to:

$$FCC \times MSOC45 / MSOC41$$

where:

1. FCC is the number of Flexible Capacity Credits assigned to the Electric Storage Resource for the Dispatch Interval;
  2. MSOC45 is 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 45 degrees Celsius, as specified in Standing Data; and
  3. MSOC41 is 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 41 degrees Celsius, as specified in Standing Data;
- (d) if a Scheduled Facility or Semi-Scheduled Facility is subject to a Commissioning Test Plan approved by AEMO in a Dispatch Interval, the Flexible Reserve Capacity Obligation Quantity for each Separately Certified Component of the Registered Facility is equal to zero for the Dispatch Interval and clauses 4.12.8(e) and 4.12.8(f) do not apply;
- (e) subject to clause 4.12.8(d), if a Separately Certified Component which is a Non-Intermittent Generating System is subject to a Planned Outage in a Dispatch Interval, the Flexible Reserve Capacity Obligation Quantity of the Separately Certified Component for the Dispatch Interval is reduced from the value determined under clause 4.12.8(b) by the Flexible Capacity Adjusted Planned Outage Quantity determined for the Separately Certified Component under clause 3.21.16;
- (f) subject to clauses 4.12.8(d) and 4.12.8(g), if a Separately Certified Component which is an Electric Storage Resource is subject to a Planned Outage in a Dispatch Interval, the Flexible Reserve Capacity Obligation Quantity of the Separately Certified Component for the Dispatch Interval is reduced from the value determined under clause 4.12.8(c) by the Flexible Capacity Adjusted Planned Outage Quantity determined for the Separately Certified Component under clause 3.21.16; and
- (g) if:
- i. AEMO issues a direction under clause 7.7.5 in respect of a Registered Facility containing a Separately Certified Component which is an Electric Storage Resource; and

- ii. the direction requires the Registered Facility to operate at a level higher than its Peak Reserve Capacity Obligation Quantity in the Dispatch Interval to which the direction relates,

the Flexible Reserve Capacity Obligation Quantity for the Electric Storage Resource is reduced to zero for all Dispatch Intervals subsequent to the Dispatch Interval in which the direction is issued in the relevant Trading Day and clause 4.12.8(f) does not apply for those Dispatch Intervals.

10.17 Insert the following new clause 4.12.9:

4.12.9. The Flexible Reserve Capacity Obligation Quantity for a Registered Facility f for a Trading Interval t is equal to:

$$FRCOQ(f,t) = \frac{\sum_{DI \in t} FRCOQ(f,DI)}{6}$$

where:

- (a)  $DI \in t$  denotes all Dispatch Intervals DI in Trading Interval t; and
- (b)  $FRCOQ(f,DI)$  is the Flexible Reserve Capacity Obligation Quantity determined for Registered Facility f for Dispatch Interval DI under clause 4.12.7.

## 11. Section 4.13 amended

11.1 Insert the word 'Peak ' before 'Individual Reserve Capacity;' in clause 4.13.11A(b).

## 12. Section 4.13A amended

12.1 Delete clause 4.13A.15A and replace it with the following new clause 4.13A.15A:

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 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;
- (b) 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.

12.2 Insert the word 'Peak ' before 'Individual Reserve Capacity' in clause 4.13A.16(d).

**13. Section 4.13B amended**

13.1 Delete clause 4.13B.3(e) and replace it with the following new clause 4.13B.3(e):

- (e) whether applying Flexible Capacity refunds only outside the Hot Season remains consistent with the Wholesale Market Objectives;

**14. Section 4.23A amended**

14.1 Delete the word 'and' before 'Reserve Capacity Obligation Quantity' and replace it with 'Peak' in clause 4.23A.4(b).

14.2 Insert the words ', and Flexible Reserve Capacity Obligation Quantity' after 'Reserve Capacity Obligation Quantity' in clause 4.23A.4(b).

**15. Section 4.25 amended**

15.1 Insert the following new clause 4.25.1B:

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.

15.2 Insert the following new clause 4.25.1C:

4.25.1C. AEMO may verify the matters specified in clause 4.25.1B by:

- (a) in the case of a Facility that is not required to install Facility Sub-Metering in accordance with clause 2.29.12:
  - i. observing the Facility operate as part of normal market operations as determined from Meter Data Submissions; or
  - ii. subject to clause 4.25.2B, testing, in accordance with clause 4.25.9, and the Facility successfully passing that test as determined from Meter Data Submissions;
- (b) in the case of a Demand Side Programme, testing, in accordance with clause 4.25.9, and the Facility successfully passing that test as determined from metered consumption;
- (c) in the case of a Facility required to install Facility Sub-Metering in accordance with clause 2.29.12:
  - i. observing the Facility operate, in respect of each Separately Certified Component, as part of normal operations as determined from Meter Data Submissions and meter data recorded by the Facility Sub-Metering; or
  - ii. subject to clause 4.25.2B, testing, in accordance with clause 4.25.9, in respect of each Separately Certified Component, as determined from Meter Data Submissions and meter data recorded by the Facility Sub-Metering and that Separately Certified Component successfully passing the test.

15.3 Insert the words ' or clause 4.25.1C(c)(i)' after 'clause 4.25.2(e)(i)' in clause 4.25.2A(b).

15.4 Insert the following new clause 4.25.2AB:

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.
- 15.5 Delete clause 4.25.2B(c) and replace it with the following new clause 4.25.2B(c):
- (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
- 15.6 Delete the words 'in accordance with clauses 4.25.2(e)(ii), 4.25.4 or 4.25.6' and replace them with 'in accordance with clauses 4.25.1C(c)(ii), 4.25.2(e)(ii), 4.25.3F, 4.25.4 or 4.25.6' in clause 4.25.2C.
- 15.7 Insert the following new clause 4.25.3B:
- 4.25.3B. A Market Participant may request that AEMO tests its Facility or Separately Certified Component under clauses 4.25.1C(a)(ii) and 4.25.2(a)(ii), clauses 4.25.1C(b) and 4.25.2(b)(ii), or clauses 4.25.1C(c)(ii) and 4.25.2(e)(ii) in a single Reserve Capacity Test.
- 15.8 Insert the following new clause 4.25.3C:
- 4.25.3C. If a Market Participant makes a request under clause 4.25.3B, AEMO must comply with that request unless AEMO, acting reasonably, considers that doing so may endanger Power System Security or Power System Reliability.
- 15.9 Insert the following new clause 4.25.3E:
- 4.25.3E. If a Demand Side Programme fails a Reserve Capacity Test requested by AEMO under clause 4.25.1C, AEMO must, subject to clause 4.25.3H, determine the Flexible DSP Test Shortfall (to apply from the following Trading Day until the end of the Trading Day on which the Demand Side Programme passes a Reserve Capacity Test for Flexible Capacity) as the greater of zero and:
- (a) the Flexible Capacity Credits held by the relevant Market Participant for that Facility; less
  - (b) the greatest difference between the Relevant Demand of the Demand Side Programme in a Trading Interval of a Reserve Capacity Test and the lowest absolute demand value achieved by the Demand Side

Programme in the Reserve Capacity Test, while still meeting the minimum standards set under clause 4.10.1A(d).

15.10 Insert the following new clause 4.25.3F:

4.25.3F. Subject to clause 4.25.4G, if a Facility, or a Separately Certified Component of a Facility, fails a Reserve Capacity Test requested by AEMO under clause 4.25.1C, AEMO must re-test that Facility, or Separately Certified Component of that Facility, as applicable, in accordance with clause 4.25.1C, not earlier than 14 days and not later than 28 days after the first Reserve Capacity Test.

15.11 Insert the following new clause 4.25.3G:

4.25.3G. If a Facility, or Separately Certified Component of that Facility, as applicable, fails a second Reserve Capacity Test under clause 4.25.3F then, subject to clause 4.25.3H, from the second Trading Day following the Scheduling Day on which AEMO determines that the second Reserve Capacity Test was failed AEMO must:

- (a) if the Reserve Capacity Test related to a Non-Intermittent Generating System or an Electric Storage Resource, reduce the number of Flexible Capacity Credits held by the relevant Market Participant for that Facility or Separately Certified Component of that Facility to reflect the maximum capabilities achieved in either Reserve Capacity Test performed; or
- (b) if the Reserve Capacity Test related to a Demand Side Programme, calculate the Flexible DSP Test Shortfall (to apply from the following Trading Day until the end of the Trading Day on which the Demand Side Programme passes a Reserve Capacity Test for Flexible Capacity) as the number of Flexible Capacity Credits held by the relevant Market Participant for that Facility less the maximum level of reduction achieved in either of the two Reserve Capacity Tests while still meeting the minimum standards set under clause 4.10.1A(d).

15.12 Insert the following new clause 4.25.3H:

4.25.3H. If a Facility fails to meet the minimum eligibility requirements published under clause 4.10.1A(d) and determined under clauses 4.10.1A(a)(i)(1), 4.10.1A(a)(i)(4), 4.10.1A(a)(i)(5), 4.10.1A(a)(iii)(1), 4.10.1A(a)(iii)(4), or 4.10.1A(a)(iv)(3) as applicable, then AEMO must determine the Capacity Credit reduction quantity or Flexible DSP Test Shortfall (as applicable) as 100% of the Flexible Capacity Credits associated with the Facility or Separately Certified Component.

15.13 Insert the following new clause 4.25.4CB:

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.

15.14 Insert the word 'Peak ' before 'Individual Reserve Capacity' in clause 4.25.4CE(b).

15.15 Delete clause 4.25.4E and replace it with the following new clause 4.25.4E:

4.25.4E. A Market Participant may not apply to AEMO for an increase in the number of Flexible Capacity Credits for a Facility during a Capacity Year if the Facility has had its Flexible Capacity Credits reduced in accordance with clause 4.25.4C for any part of that Capacity Year.

15.16 Insert the words ' clause 4.25.1C or' after 'by AEMO under' in clause 4.25.4G.

15.17 Insert the words ' clause 4.25.3F or' after 'Test in accordance with' in clause 4.25.4G.

15.18 Insert the words ' clause 4.25.1C or' after 'by AEMO under' in clause 4.25.4H.

15.19 Insert the words ' or 4.25.3G' after 'clause 4.25.4' in clause 4.25.5.

15.20 Delete clause 4.25.6 and replace it with the following new clause 4.25.6:

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, then:

(a) if the re-test relates to a Non-Intermittent Generating System, AEMO must, as applicable:

i. conduct such a re-test in accordance with clauses 4.25.2(a)(ii) or 4.25.2(e)(ii) and, following the re-test, set the number of Peak Capacity Credits held by the relevant Market Participant for the Facility or Separately Certified Component of the Facility to reflect the maximum capabilities achieved in the re-test (after adjusting these results to the equivalent values at a temperature of 41 degrees Celsius and allowing for the capability provided by operation on different types of fuel), but not to exceed the number of Peak Capacity Credits originally confirmed by AEMO for the Facility or Separately Certified Component of the Facility under section 4.20 in respect of the relevant Reserve Capacity Cycle; or

ii. conduct such a re-test in accordance with clauses 4.25.1C(a)(ii) or 4.25.1C(c)(ii) and, following the re-test, set the number of Flexible Capacity Credits held by the relevant Market Participant for the Facility or Separately Certified Component of the Facility to reflect the maximum capabilities achieved in the re-test, but not to exceed the number of Flexible Capacity Credits originally confirmed by AEMO for the Facility or Separately Certified Component under section 4.20 in respect of the relevant Reserve Capacity Cycle;

- (b) if the re-test relates to a Demand Side Programme, AEMO must, as applicable:
  - i. conduct such a re-test in accordance with clause 4.25.2(b)(ii) and, following the re-test, recalculate the Peak DSP Test Shortfall as the number of Peak Capacity Credits held by the relevant Market Participant for the Facility less the maximum reduction in its consumption achieved in the re-test; or
  - ii. conduct such a re-test in accordance with clauses 4.25.1C(b) and, following the re-test, recalculate the Flexible DSP Test Shortfall as the number of Flexible Capacity Credits held by the relevant Market Participant for the Facility less the maximum level of reduction achieved in the re-test while still meeting the minimum standards set under clause 4.10.1A(d); and
- (c) if the re-test relates to an Electric Storage Resource, AEMO must, as applicable:
  - i. conduct such a re-test in accordance with clauses 4.25.2(a)(ii) or 4.25.2(e)(ii) and, following the re-test, set the number of Peak Capacity Credits held by the relevant Market Participant for the Facility or Separately Certified Component of the Facility to reflect the average performance achieved over the Electric Storage Resource's Peak Electric Storage Resource Obligation Duration in the re-test (after adjusting these results to performance at a temperature of 41 degrees Celsius) but not to exceed the number of Capacity Credits originally confirmed by AEMO for the Facility or Separately Certified Component of the Facility under section 4.20 in respect of the relevant Reserve Capacity Cycle; or
  - ii. conduct such a re-test in accordance with clauses 4.25.1C(a)(ii) or 4.25.2(c)(ii) and, following the re-test, set the number of Flexible Capacity Credits held by the relevant Market Participant for the Facility or Separately Certified Component to reflect the maximum capabilities achieved in the re-test, but not to exceed the number of Flexible Capacity Credits originally confirmed by AEMO for the Facility under clause 4.20.5A(a) in respect of the relevant Reserve Capacity Cycle.

15.21 Insert the following new clause 4.25.9(cA):

- (cA) in the case of a Demand Side Programme and a test under clause 4.25.2(b)(ii), clause 4.25.4 or clause 4.25.6(b)(i), as far as possible conduct the Reserve Capacity Test under power system conditions similar to those that AEMO expects to apply at times of high demand;

15.22 Delete clause 4.25.9(d) and replace it with the following new clause 4.25.9(d):

- (d) in the case of a Demand Side Programme and a test under clause 4.25.1C(b), clause 4.25.3F or clause 4.25.6(b)(ii), as far as possible conduct the Reserve Capacity Test under power system conditions similar to those that AEMO expects to apply at times of high system ramp rates;

15.23 Delete clause 4.25.9(dA) and replace it with the following new clause 4.25.9(dA):

- (dA) in the case of a Demand Side Programme and a test under clause 4.25.2(b)(ii), clause 4.25.4 or clause 4.25.6(b)(i), give at least two hours' and no more than three hours' notice to allow for arrangements to be made for the Facility to be triggered;

15.24 Insert the words ', ramp rate, and response time' after 'Withdrawal' in clause 4.25.9(f).

15.25 Delete clause 4.25.9(h) and replace it with the following new clause 4.25.9(h):

- (h) notify the Market Participant of:
- i. the time that the Reserve Capacity Test must be performed;
  - ii. the level of output required by the Separately Certified Component or level of Injection or Withdrawal required by the Facility for the Reserve Capacity Test, as applicable;
  - iii. the ramp rate required; and
  - iv. in the case of a test under clause 4.25.1C, 4.25.3F or 4.25.5, a test plan which details the requirements of the Reserve Capacity Test.

## 16. Section 4.26 amended

16.1 Delete clause 4.26.1(a) and replace it with the following new clause 4.26.1(a):

- (a) The Peak Trading Interval Refund Rate for a Facility f in the Trading Interval t is determined as follows:

$$\text{Peak Trading Interval Refund Rate}(f,t) = \text{PRF}(f,t) \times \text{PY}(f,t)$$

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).

16.2 Delete clause 4.26.1(b) and replace it with the following new 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:
- i. if Facility f is not a Registered Facility in Trading Interval t, PY(f,t) equals the Entity Daily Peak Reserve Capacity Price for the Facility, or the highest Entity Daily Peak Reserve Capacity Price for any component of the Facility, in Trading Interval t divided by 48;

- ii. if AEMO has determined that in Trading Interval t Facility f is not in Commercial Operation and is either a Scheduled Facility or Semi-Scheduled Facility:

$$PY(f, t) = \frac{\sum_{c \in f} EDPRCP(c, t) \times PCC(c, t)}{PCC(f, t) \times 48}$$

where:

1.  $c \in f$  denotes all Separately Certified Components c of Facility f;
  2.  $EDPRCP(c, t)$  is the Entity Daily Peak Reserve Capacity Price for Separately Certified Component c in Trading Interval t;
  3.  $PCC(c, t)$  is the Peak Capacity Credits associated with Separately Certified Component c in Trading Interval t; and
  4.  $PCC(f, t)$  is the Peak Capacity Credits associated with Facility f in Trading Interval t;
- iii. if AEMO has determined that in Trading Interval t Facility f is in Commercial Operation and is either a Scheduled Facility or Semi-Scheduled Facility,  $PY(f, t)$  is:

$$PY(f, t) = \left( \sum_{c \in ESR(f, t)} \frac{PESROI(c, t) \times PCC(c, t)}{PCC(f, t)} \times \frac{EDPRCP(c, t)}{PESROD(c, t)} \right) + \left( \sum_{c \in NonESR(f, t)} \frac{PCC(c, t)}{PCC(f, t)} \times \frac{EDPRCP(c, t)}{48} \right)$$

where:

1.  $c \in ESR(f, t)$  refers to all Separately Certified Components c of Facility f in Trading Interval t that are Electric Storage Resources;
2.  $PESROI(c, t)$  is 1 if Trading Interval t is a Peak Electric Storage Resource Obligation Interval for Separately Certified Component c and 0 otherwise;
3.  $PCC(c, t)$  is the Peak Capacity Credits associated with Separately Certified Component c in Trading Interval t;
4.  $PCC(f, t)$  is the Peak Capacity Credits associated with Facility f in Trading Interval t;
5.  $EDPRCP(c, t)$  is the Entity Daily Peak Reserve Capacity Price for Separately Certified Component c in Trading Interval t;
6.  $PESROD(c, t)$  is the number of Trading Intervals in the Peak Electric Storage Resource Obligation Duration for Separately Certified Component c in the Trading Day containing Trading Interval t; and
7.  $c \in NonESR(f, t)$  refers to all Separately Certified Components c of Facility f in Trading Interval t that are not Electric Storage Resources;

- 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;

16.3 Delete clause 4.26.1(c) and replace it with the following new clause 4.26.1(c):

- (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.

16.4 Delete clause 4.26.1(d) and replace it with the following new clause 4.26.1(d):

- (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).

16.5 Delete the word 'where' and replace it with 'if' in clause 4.26.1(e)(i).

16.6 Insert the word 'Peak ' before 'Reserve Capacity' in clause 4.26.1(e)(i)(1).

16.7 Insert the word 'Peak ' before 'Capacity Adjusted' in clause 4.26.1(e)(i)(2).

16.8 Insert the word 'Peak ' before 'Sent Out' in clause 4.26.1(e)(i)(3).

16.9 Delete the word 'where' and replace it with 'if' in clause 4.26.1(e)(iA).

16.10 Insert the word 'Peak ' before 'Reserve Capacity' in clause 4.26.1(e)(iA)(1).

16.11 Insert the word 'Peak ' before 'Capacity Adjusted' in clause 4.26.1(e)(iA)(2).

16.12 Insert the word 'Peak ' before 'Sent Out' in clause 4.26.1(e)(iA)(3).

16.13 Delete the word 'where' and replace it with 'if' in clause 4.26.1(e)(ii).

16.14 Delete clause 4.26.1(f) and replace it with the following new clause 4.26.1(f):

(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:

$$\text{PRF floor}(f,t) = 1 - 0.75 \times \text{Dispatchable}(f,t)$$

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:

$$\text{Dispatchable}(f,t) = 1 - \left( \frac{\sum_{pt \in PT} \text{PCAFO}(f,pt)}{\sum_{pt \in PT} \text{PCC}(f,pt)} \right)$$

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;

16.15 Delete clause 4.26.1(g) and replace it with the following new clause 4.26.1(g):

(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

16.16 Insert the following new clause 4.26.1(h):

- (h) The Flexible Trading Interval Refund Rate for a Facility f in the Trading Interval t is determined as follows:

$$\text{Flexible Trading Interval Refund Rate}(f,t) = \text{FRF}(f,t) \times \text{FY}(f,t)$$

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);

16.17 Insert the following new 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:

- i. if Facility f is not a Registered Facility in Trading Interval t:

$$\text{FY}(f,t) = \frac{12}{8} \times \frac{\text{EDFRCP}(f,t)}{48}$$

where EDFRCP(f,t) is the Entity Daily Flexible Reserve Capacity Price for Facility f in Trading Interval t;

- ii. if AEMO has determined that in Trading Interval t Facility f is not in Commercial Operation and is either a Scheduled Facility or Semi-Scheduled Facility:

$$\text{FY}(f,t) = \frac{12}{8} \times \frac{\sum_{c \in f} \text{EDFRCP}(c,t) \times \text{FCC}(c,t)}{\text{FCC}(f,t) \times 48}$$

where:

1. c ∈ f refers to all Separately Certified Components c of Facility f in Trading Interval t;
  2. EDFRCP(c,t) is the Entity Daily Flexible Reserve Capacity Price for Separately Certified Component c in Trading Interval t;
  3. FCC(c,t) is the quantity of Flexible Capacity Credits associated with Separately Certified Component c in Trading Interval t; and
  4. FCC(f,t) is the quantity of Flexible Capacity Credits associated with Facility f in Trading Interval t;
- iii. if AEMO has determined that in Trading Interval t Facility f is in Commercial Operation and is either a Scheduled Facility or Semi-Scheduled Facility, FY(f,t) is defined as:

$$FY(f, t) = \frac{12}{8} \times \left( \left( \sum_{c \in ESR(f,t)} \frac{FESROI(t) \times FCC(c,t)}{FCC(f,t)} \times \frac{EDFRCP(c,t)}{FCOD(t)} \right) + \left( \sum_{c \in NonESR(f,t)} \frac{FCC(c,t)}{FCC(f,t)} \times \frac{EDFRCP(c,t)}{48} \right) \right)$$

where:

1. 12/8 is the number of months in a year divided by the number of months outside the Hot Season;
  2.  $c \in ESR(f,t)$  refers to all Separately Certified Components  $c$  of Facility  $f$  in Trading Interval  $t$  which are Electric Storage Resources;
  3.  $FESROI(t)$  is 1 if Trading Interval  $t$  is a Flexible Electric Storage Resource Obligation Interval and 0 otherwise;
  4.  $FCC(c,t)$  is the Flexible Capacity Credits associated with Separately Certified Component  $c$  in Trading Interval  $t$ ;
  5.  $FCC(f,t)$  is the total Flexible Capacity Credits held by Facility  $f$  in Trading Interval  $t$ ;
  6.  $EDFRCP(c,t)$  is the Entity Daily Flexible Reserve Capacity Price for Separately Certified Component  $c$  in Trading Interval  $t$ ;
  7.  $FCOD(t)$  is the number of Trading Intervals in the Flexible Capacity Obligation Duration in the Trading Day containing Trading Interval  $t$ ; and
  8.  $c \in NonESR(f,t)$  refers to all Separately Certified Components  $c$  of Facility  $f$  in Trading Interval  $t$  that are not Electric Storage Resources; and
- 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  $f$ ;

16.18 Insert the following new clause 4.26.1(j):

- (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

16.19 Insert the following new clause 4.26.1(k):

- (k) The Flexible Capacity dynamic refund factor FRF\_dynamic(t) in Trading Interval t is determined as follows:

$$\text{FRF\_dynamic}(t) = 2 \times \frac{2 \times (\text{OD}(t) - \text{OD}(t - 1))}{0.25 \times \text{EHFHDI}}$$

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.

16.20 Insert the word 'Peak ' before 'Reserve Capacity' in clause 4.26.1A.

16.21 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.26.1A.

16.22 Insert the word '**Peak** ' before '**Facility Reserve Capacity Deficit Refund**' in clause 4.26.1A.

16.23 Insert the word 'Peak ' before 'Trading Interval Refund Rate' in clause 4.26.1A(a)(i).

16.24 Insert the word 'Peak ' before 'Reserve Capacity Deficit' in each of the two places it appears in clause 4.26.1A(a)(ii).

16.25 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.26.1A(a)(ii)(1).

16.26 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.26.1A(a)(ii)(2).

16.27 Delete the word 'min(CCIG(f,t),' and replace it with 'min(PCCIG(f,t),' in clause 4.26.1A(a)(ii)(3).

16.28 Delete the word 'RTMRCD(f,t)' and replace it with 'PRTMRCD(f,t)' in clause 4.26.1A(a)(ii)(3).

16.29 Delete the word '(CCIG(f,t),' and replace it with '(PCCIG(f,t),' in clause 4.26.1A(a)(ii)(3)(i).

16.30 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.26.1A(a)(ii)(3)(i).

16.31 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.26.1A(a)(ii)(3)(ii).

16.32 Delete the word 'RTMRCD(f,t)' and replace it with 'PRTMRCD(f,t)' in clause 4.26.1A(a)(ii)(3)(v).

16.33 Insert the word 'Peak ' before 'Real-Time Market' in clause 4.26.1A(a)(ii)(3)(v).

- 16.34 Delete the word 'CC(f,t)' and replace it with 'PCC(f,t)' in clause 4.26.1A(a)(ii)(4).
- 16.35 Delete the word 'CC(f,t)' and replace it with 'PCC(f,t)' in clause 4.26.1A(a)(ii)(4)(i).
- 16.36 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.26.1A(a)(ii)(4)(i).
- 16.37 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.26.1A(a)(ii)(4)(ii).
- 16.38 Insert the word 'Peak ' before 'Facility Refund' in clause 4.26.1A(b).
- 16.39 Insert the word 'Peak ' before 'Facility Reserve' in clause 4.26.1A(b).
- 16.40 Insert the word 'Peak ' before 'Capacity Shortfall' in clause 4.26.1AA.
- 16.41 Delete the word 'RCOQ(f, t)' and replace it with ' PRCOQ(f, t)' in clause 4.26.1(e)(iii)(1).
- 16.42 Delete the word 'RCOQ(f, t)' and replace it with ' PRCOQ(f, t)' in clause 4.26.1(e)(iii)(2).
- 16.43 Delete the word 'RCOQ(f, t)' and replace it with ' PRCOQ(f, t)' in clause 4.26.1(e)(iii)(3).
- 16.44 Insert the word 'Peak ' before 'Reserve Capacity' in clause 4.26.1(e)(iii)(3).
- 16.45 Delete clause 4.26.1B and replace it with the following new clause 4.26.1B:

4.26.1B. AEMO must calculate the Real-Time Market Reserve Capacity Deficit for each Scheduled Facility or Semi-Scheduled Facility *f* for each Trading Interval *t* in which AEMO considers the Facility to have been in Commercial Operation as:

$$PRTMRCD(f, t) = \min(PRCOQ(f, t), PCAFO(f, t) + PNISCRQ(f, t) + PESRCSF(f, t) + PRTMOSF(f, t)) + PNIMGRPPO(f, t) + PESRRPPO(f, t)$$

where:

- (a) PRCOQ(f,t) is the Peak Reserve Capacity Obligation Quantity determined for Facility *f* in Trading Interval *t*;
- (b) PCAFO(f,t) is the Peak Capacity Adjusted Forced Outage Quantity determined for Facility *f* in Trading Interval *t* under clause 3.21.7B;
- (c) PNISCRQ(f,t) is the Peak Not In-Service Capacity Refund Quantity determined for Facility *f* in Trading Interval *t* under clause 4.26.1D;
- (d) PESRCSF(f,t) is the Peak ESR Charge Shortfall determined for Facility *f* in Trading Interval *t* under clause 4.26.1E;
- (e) PRTMOSF(f,t) is the Peak Real-Time Market Offer Shortfall determined for Facility *f* in Trading Interval *t* under clause 4.26.1G;
- (f) PNIMGRPPO(f,t) is the total Peak Refund Payable Planned Outage Quantity determined for Separately Certified Components of Facility *f*

which are Non-Intermittent Generating Systems in Trading Interval t under clause 4.26.1C; and

- (g) PESRRPPO(f,t) is the total Peak Refund Payable Planned Outage Quantity determined for Separately Certified Components of Facility f which are Electric Storage Resources in Trading Interval t under clause 4.26.1CA.

16.46 Delete clause 4.26.1C and replace it with the following new clause 4.26.1C:

4.26.1C. If the Peak Capacity Adjusted Planned Outage Quantity in a Trading Interval for a Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility which is a Non-Intermittent Generating System is greater than zero, then AEMO must determine that Peak Capacity Adjusted Planned Outage Quantity to be:

- (a) if the Peak Refund Exempt Planned Outage Count for the Separately Certified Component, calculated over the 1000 Trading Days preceding the Trading Day in which the Trading Interval falls, is less than 8400, a Peak Refund Exempt Planned Outage Quantity; or
- (b) otherwise, a Peak Refund Payable Planned Outage Quantity.

16.47 Delete clause 4.26.1CA and replace it with the following new clause 4.26.1CA:

4.26.1CA. If the Peak Capacity Adjusted Planned Outage Quantity in a Trading Interval for a Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility which is an Electric Storage Resource is greater than zero, then AEMO must determine that Peak Capacity Adjusted Planned Outage Quantity to be:

- (a) if the Peak Refund Exempt Planned Outage Count for the Separately Certified Component, calculated over the 1000 Trading Days preceding the Trading Day in which the Trading Interval falls, is less than 16800 divided by the ESR Duration Requirement for the Reserve Capacity Cycle, a Peak Refund Exempt Planned Outage Quantity; or
- (b) otherwise, a Peak Refund Payable Planned Outage Quantity.

16.48 Delete clause 4.26.1D and replace it with the following new clause 4.26.1D:

4.26.1D. AEMO must calculate the Not In-Service Capacity Refund Quantity for each Scheduled Facility or Semi-Scheduled Facility f for each Trading Interval t in which AEMO considers the Facility to have been in Commercial Operation as:

$$PNISCRQ(f,t) = \frac{5}{30} \times \sum_{DI \in t} \begin{cases} 0, & \text{if } RTMSuspFlag(DI) = 1, \text{ otherwise} \\ \min(\text{PRCOQ}(f,DI) - \text{PCAFO}(f,DI), \text{PNISCap}(f,DI)) \end{cases}$$

where:

- (a) PRCOQ(f,DI) is the Peak Reserve Capacity Obligation Quantity determined for Facility f in Dispatch Interval DI;

- (b) PCAFO(f,DI) is the Peak Capacity Adjusted Forced Outage Quantity determined for Facility f in Dispatch Interval DI under clause 3.21.7C;
- (c) NISCap(f,DI) is the Not In-Service Capacity quantity determined for Facility f in Dispatch Interval DI under clause 7.13A.1;
- (d) RTMSuspFlag(DI) is the RTM Suspension Flag for Dispatch Interval DI; and
- (e) DI∈t denotes all Dispatch Intervals DI in Trading Interval t.

16.49 Delete clause 4.26.1E and replace it with the following new clause 4.26.1E:

4.26.1E. AEMO must calculate the Peak ESR Charge Shortfall for each Scheduled Facility or Semi-Scheduled Facility f for each Trading Interval t in which AEMO considers the Facility to have been in Commercial Operation as:

$$\text{PESRChargeShortfall}(f,t) = \frac{\sum_{DI \in t} \sum_{c \in f} \text{PESRCSF}(c,DI)}{6}$$

where:

- (a) PESRCSF(c,DI) is the capacity shortfall in MW determined for Separately Certified Component c in Dispatch Interval DI under clause 4.26.1F;
- (b) DI∈t denotes all Dispatch Intervals DI in Trading Interval t; and
- (c) c∈f denotes all Separately Certified Components c of Facility f that are Electric Storage Resources.

16.50 Delete clause 4.26.1F and replace it with the following new clause 4.26.1F:

4.26.1F. PESRCSF(c,DI) for Separately Certified Component c (which is an Electric Storage Resource) for Dispatch Interval DI is:

$$\text{PESRCSF}(c,DI) = \begin{cases} 0, & \text{if } \text{RTMSuspFlag}(DI) = 1, \text{ otherwise} \\ \max \left( 0, \text{PRCOQ}(c,DI) - \text{PCAFO}(c,DI) - 12 \times \max(0, \text{ChargeLevel}(c,DI) - \text{MinChargeLevel}(c,DI)) \right) \end{cases}$$

where:

- (a) PRCOQ(c,DI) is the Peak Reserve Capacity Obligation Quantity determined for Separately Certified Component c in Dispatch Interval DI;
- (b) PCAFO(c,DI) is the Peak Capacity Adjusted Forced Outage Quantity determined for Separately Certified Component c in Dispatch Interval DI under clause 3.21.7;
- (c) ChargeLevel(c,DI) is the Charge Level in MWh, or alternative estimate from AEMO if the Charge Level is not available, of Separately Certified Component c determined at the start of Dispatch Interval DI;
- (d) MinChargeLevel(c,DI) is the minimum Charge Level capability in MWh as specified in Standing Data for Separately Certified Component c in Dispatch Interval DI; and

- (e) RTMSuspFlag(DI) is the RTM Suspension Flag for Dispatch Interval DI.

16.51 Delete clause 4.26.1G and replace it with the following new clause 4.26.1G:

- 4.26.1G. AEMO must determine the shortfall in Peak Capacity offered into the Real-Time Market (“Peak Real-Time Market Offer Shortfall”) for each Scheduled Facility or Semi-Scheduled Facility *f* for each Trading Interval *t* in which AEMO considers the Facility to have been in Commercial Operation as:

$$PRTMOSF(f, t) = \max\left(0, \frac{\sum_{DI \in t} PRTMOSF(f, DI)}{6} - PCAFO(f, t) - PNISCRQ(f, t) - PESRCSF(f, t)\right)$$

where:

- (a) PRTMOSF(*f*,DI) is the shortfall in Peak Capacity offered into the Real-Time Market determined for Facility *f* in Dispatch Interval DI under clause 4.26.1H;
- (b) PCAFO(*f*,*t*) is the Peak Capacity Adjusted Forced Outage Quantity determined for Facility *f* in Trading Interval *t* under clause 3.21.7B;
- (c) PNISCRQ(*f*,*t*) is the Peak Not In-Service Capacity Refund Quantity determined for Facility *f* in Trading Interval *t* under clause 4.26.1D; and
- (d) PESRCSF(*f*,*t*) is the Peak ESR Charge Shortfall determined for Facility *f* in Trading Interval *t* under clause 4.26.1E.

16.52 Delete clause 4.26.1H and replace it with the following new clause 4.26.1H:

- 4.26.1H. PRTMOSF(*f*,DI) for Facility *f* in Dispatch Interval DI is:

$$PRTMOSF(f, DI) = \begin{cases} 0 & \text{if RTMSuspFlag(DI) = 1, otherwise} \\ \max(0, PRCOQ(f, DI) - OfferAvail(f, DI)) & \end{cases}$$

where:

- (a) PRCOQ(*f*,DI) is the Peak Reserve Capacity Obligation Quantity determined for Facility *f* in Dispatch Interval DI;
- (b) OfferAvail(*f*,DI) is the total MW quantity included in Real-Time Market Offers for energy from Facility *f* in Dispatch Interval DI (whether offered as Available Capacity or In-Service Capacity) that were used to calculate Dispatch Instructions and Market Clearing Prices for that Dispatch Interval; and
- (c) RTMSuspFlag(DI) is the RTM Suspension Flag for Dispatch Interval DI.

16.53 Delete clause 4.26.1I and replace it with the following new clause 4.26.1I:

- 4.26.1I. AEMO must calculate the Peak Generation Reserve Capacity Deficit Refund for each Market Participant for each Trading Interval as the sum of the Peak

Facility Reserve Capacity Deficit Refunds for the Trading Interval for each Facility with a Facility Class (or, for an unregistered Facility, an indicative Facility Class) of Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility, for which the Market Participant holds Peak Capacity Credits in the Trading Interval.

16.54 Delete clause 4.26.1J and replace it with the following new clause 4.26.1J:

- 4.26.1J. If a Scheduled Facility or a Semi-Scheduled Facility that has a Peak Reserve Capacity Obligation Quantity greater than zero for a Dispatch Interval:
- (a) has been issued a Dispatch Instruction with a Dispatch Target or a Dispatch Cap less than or equal to its Peak Reserve Capacity Obligation Quantity and did not Inject at a level of the Dispatch Cap or Dispatch Target during the Dispatch Interval; or
  - (b) has been issued a Dispatch Instruction with a Dispatch Target or a Dispatch Cap greater than its Peak Reserve Capacity Obligation Quantity and did not Inject at least at a level of the Peak Reserve Capacity Obligation Quantity during the Dispatch Interval,

the Market Participant for the Facility must, as soon as practicable at the end of the Dispatch Interval, or in any event, within 24 hours of the end of the Dispatch Interval, submit a Forced Outage for the energy Outage Capability in accordance with the WEM Procedure specified in clause 3.21.10.

16.55 Delete clause 4.26.2 and replace it with the following new clause 4.26.2:

- 4.26.2. If a Scheduled Facility or a Semi-Scheduled Facility that has a Flexible Reserve Capacity Obligation Quantity greater than zero for a Dispatch Interval:
- (a) has been issued a Dispatch Target or a Dispatch Cap less than or equal to its Flexible Reserve Capacity Obligation Quantity and did not Inject at a level of the Dispatch Cap or Dispatch Target during the Dispatch Interval; or
  - (b) has been issued a Dispatch Target or a Dispatch Cap greater than its Flexible Reserve Capacity Obligation Quantity and did not Inject at least at a level of the Flexible Reserve Capacity Obligation Quantity during the Dispatch Interval,

the Market Participant for the Facility must, as soon as practicable at the end of the Dispatch Interval, or in any event, within 24 hours of the end of the Dispatch Interval, submit a Forced Outage for the Flexible Capacity Outage Capability in accordance with the WEM Procedure specified in clause 3.21.10.

16.56 Insert the word 'Peak ' before 'Capacity Credits' in clause 4.26.2AA.

16.57 Delete clause 4.26.2AD and replace it with the following new clause 4.26.2AD:

4.26.2AD. STEMFREQ(f,DI) for Facility f in Dispatch Interval DI is:

$$\begin{aligned} \text{STEMFREQ}(f, DI) \\ &= \text{STEMPRCOQ}(f, DI) - \text{Max}(0, \text{STEMPCAFO}(f, DI) \\ &\quad - \text{PCAFO}(f, DI)) \end{aligned}$$

where:

- (a) STEMPRCOQ(f,DI) is the STEM Peak Reserve Capacity Obligation Quantity determined for Facility f in Dispatch Interval DI;
- (b) STEMPCAFO(f,DI) is the estimate of the Peak Capacity Adjusted Forced Outage Quantity for Facility f in Dispatch Interval DI determined on the Scheduling Day for the relevant Trading Day under clause 6.3A.3(g); and
- (c) PCAFO(f,DI) is the Peak Capacity Adjusted Forced Outage Quantity determined for Facility f in Dispatch Interval DI under clause 3.21.7C.

16.58 Delete the word 'where' and replace it with 'if' in clause 4.26.2AE(a).

16.59 Delete clause 4.26.2AG and replace it with the following new clause 4.26.2AG:

4.26.2AG. LF(p,DI) for Market Participant p in Dispatch Interval DI is:

$$LF(p, DI) = \frac{\sum_{f \in \text{SFFacilities}(p,DI)} (\text{LossFactor}(f, DI) \times \text{STEMPRCOQ}(f, DI))}{\sum_{f \in \text{SFFacilities}(p,DI)} \text{STEMPRCOQ}(f, DI)}$$

where:

- (a) LossFactor(f,DI) is the Loss Factor for Facility f in Dispatch Interval DI;
- (b) STEMPRCOQ(f,DI) is the STEM Peak Reserve Capacity Obligation Quantity determined for Facility f in Dispatch Interval DI; and
- (c)  $f \in \text{SFFacilities}(p,DI)$  denotes all Scheduled Facilities and Semi-Scheduled Facilities for which Market Participant p holds Peak Capacity Credits in Dispatch Interval DI and which AEMO considers to be in Commercial Operation in Dispatch Interval DI.

16.60 Delete clause 4.26.2AH and replace it with the following new clause 4.26.2AH:

4.26.2AH. RTCR(p,t) for Market Participant p in Trading Interval t is:

$$\begin{aligned} \text{RTCR}(p, t) = \sum_{f \in \text{SFFacilities}(p,t)} (\text{PCAFO}(f, t) + \text{PNISCRQ}(f, t) + \\ \text{PESRCSF}(f, t) + \text{PRTMOSF}(f, t) + \text{max}(0, \text{PNIMGRPPO}(f, t) + \\ \text{PESRRPPO}(f, t) - \text{STEMPCAPO}(f, t))) \end{aligned}$$

where:

- (a) PCAFO(f,t) is the Peak Capacity Adjusted Forced Outage Quantity determined for Facility f in Trading Interval t under clause 3.21.7B;
- (b) PNISCRQ(f,t) is the Peak Not In-Service Capacity Refund Quantity determined for Facility f in Trading Interval t under clause 4.26.1D;

- (c) PESRCSF(f,t) is the Peak ESR Charge Shortfall determined for Facility f in Trading Interval t under clause 4.26.1E;
- (d) PRTMOSF(f,t) is the Peak Real-Time Market Offer Shortfall determined for Facility f in Trading Interval t under clause 4.26.1G;
- (e) PNIMGRPPO(f,t) is the total Peak Refund Payable Planned Outage Quantity determined for Separately Certified Components of Facility f which are Non-Intermittent Generating Systems in Trading Interval t under clause 4.26.1C;
- (f) PESRRPPO(f,t) is the total Peak Refund Payable Planned Outage Quantity determined for Separately Certified Components of Facility f which are Electric Storage Resources in Trading Interval t under clause 4.26.1CA;
- (g) STEMPCAPO(f,t) is the estimate of the Peak Capacity Adjusted Planned Outage Quantity for Facility f in Trading Interval t determined on the Scheduling Day for the relevant Trading Day under clause 6.3A.3(g); and
- (h)  $f \in \text{SFFacilities}(p,t)$  denotes all Scheduled Facilities and Semi-Scheduled Facilities for which Market Participant p holds Peak Capacity Credits in Trading Interval t and which AEMO considers to be in Commercial Operation in Trading Interval t.

16.61 Insert the word '**Peak**' before '**Capacity Shortfall**' in clause 4.26.2D.

16.62 Insert the word 'Peak' before 'Reserve Capacity Obligation' in clause 4.26.2D.

16.63 Delete the word 'RCOQ(f,t)' and replace it with 'PRCOQ(f,t)' in each of the two places it appears in clause 4.26.2D(a).

16.64 Insert the word 'Peak' before 'Reserve Capacity Obligation' in clause 4.26.2D(a).

16.65 Insert the word '**Peak**' before '**Capacity Cost Refund**' in clause 4.26.2E.

16.66 Insert the word 'Peak' before 'Trading Interval Capacity' in clause 4.26.2E.

16.67 Delete clause 4.26.2F and replace it with the following new clause 4.26.2F:

4.26.2F. The Peak Trading Interval Capacity Cost Refund for Market Participant p and Trading Interval t is the sum of:

- (a) either:
  - i. if Market Participant p holds Peak Capacity Credits associated with an Energy Producing System, the Peak Generation Capacity Cost Refund for Market Participant p for Trading Interval t, determined in accordance with clause 4.26.3; or
  - ii. zero, otherwise; and



- (b) the sum of the Peak Demand Side Programme Capacity Cost Refunds for Trading Interval t for each Facility with a Facility Class (or, for an unregistered Facility, an indicative Facility Class) of Demand Side Programme for which Market Participant p holds Peak Capacity Credits in Trading Interval t.

16.68 Delete clause 4.26.3 and replace it with the following new clause 4.26.3:

4.26.3. The Peak Generation Capacity Cost Refund for Trading Interval t in Capacity Year y for a Market Participant p holding Peak Capacity Credits associated with an Energy Producing System is the lesser of:

- (a) the Maximum Peak Participant Generation Refund determined for Market Participant p and Capacity Year y less all Peak Generation Capacity Cost Refunds applicable to Market Participant p in previous Trading Intervals-falling in Capacity Year y; and
- (b) the Peak Generation Reserve Capacity Deficit Refund for Market Participant p and Trading Interval t, plus the Net STEM Refund in Trading Interval t for Market Participant p, where the Net STEM Refund is calculated as follows:

$$\text{N STEM Refund}(p, t) = \text{PTIRR weighted}(p, t) \times \text{N STEM Short}(p, t)$$

where:

- i. N STEM Refund(p, t) is the Net STEM Refund for Market Participant p in Trading Interval t;
- ii. PTIRR weighted(p, t) is the weighted average of the Peak Trading Interval Refund Rate in Trading Interval t for each Registered Facility that Market Participant p holds Peak Capacity Credits for and is calculated as follows:

$$\text{PTIRR weighted}(p, t) = \sum_{f \in F} \frac{\text{PTIRR}(f, t) \times \text{PCC}(f, t)}{\sum_{f \in F} \text{PCC}(f, t)}$$

where:

- 1. F denotes the set of all Registered Facilities registered to Market Participant p in Trading Interval t, for which Market Participant p holds Capacity Credits in Trading Interval t, excluding Demand Side Programmes and f is a Facility within that set;
- 2. PTIRR(f, t) is the Peak Trading Interval Refund Rate for Facility f in Trading Interval t; and
- 3. PCC(f,t) is the number of Peak Capacity Credits associated with Facility f in Trading Interval t; and
- iii. N STEM Short(p, t) is the Net STEM Shortfall for Market Participant p in Trading Interval t.

16.69 Delete clause 4.26.3A and replace it with the following new clause 4.26.3A:

- 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:
 

PCS is the Peak Capacity Shortfall in MW for Facility  $f$  in Trading Interval  $t$  determined in accordance with clause 4.26.2D, and

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.

16.70 Insert the following new clause 4.26.4:

- 4.26.4. AEMO must calculate the Flexible Reserve Capacity Deficit refund for each Facility  $f$ , for which a Market Participant holds Flexible Capacity Credits, (“**Flexible Facility Reserve Capacity Deficit Refund**”) in each Trading Interval  $t$  as the lesser of:
- (a) the product of:
    - i. the Flexible Trading Interval Refund Rate, calculated under clause 4.26.1(h), applicable to Facility  $f$  in Trading Interval  $t$ ; and
    - ii. the Flexible Reserve Capacity Deficit for Facility  $f$  in Trading Interval  $t$ , which is zero if Trading Interval  $t$  is in the Hot Season, and otherwise equal to:
      - 1. if Facility  $f$  is not a Registered Facility, the number of Flexible Capacity Credits associated with Facility  $f$  in Trading Interval  $t$ ;
      - 2. if Facility  $f$  is considered by AEMO to have not been in Commercial Operation in Trading Interval  $t$ , the number of Flexible Capacity Credits associated with Facility  $f$  in Trading Interval  $t$ ;

3. if Facility f is considered by AEMO to have been in Commercial Operation in Trading Interval t, and is not a Demand Side Programme:

$$\begin{aligned} & \min(\text{FCCIG}(f,t), \\ & \quad \max(0, \min(\text{RL}(f,t) - 2 \times \text{MAX2}(f,t), \text{RL}(f,t) \\ & \quad \quad - \text{A}(f,t)))) \\ & + \text{FRTMRCD}(f,t) \end{aligned}$$

where:

- i. FCCIG(f,t) is the number of Flexible Capacity Credits held for Facility f associated with Separately Certified Components of Facility f which are Intermittent Generating Systems of the Facility in Trading Interval t;
  - ii. RL(f,t) is the Required Level for Facility f, adjusted to 100 percent of the level of Peak Capacity Credits held for Facility f in Trading Interval t;
  - iii. MAX2(f,t) is the second highest value of the output for Facility f (in MWh) achieved for a Trading Interval during the Trading Day in which Trading Interval t falls, as measured in Meter Data Submissions received by AEMO in accordance with section 8.4, that has been achieved since the date AEMO determined the Facility to be in Commercial Operation up to the relevant Trading Day, where this value must be set equal to or greater than the MAX2 applied by AEMO for the previous Trading Day;
  - iv. A(f,t) is the level of output (in MW) detailed in the most recent report provided prior to Trading Interval t by the Market Participant for Facility f under clause 4.13.10C; and
  - v. FRTMRCD(f,t) is the Flexible Real-Time Market Reserve Capacity Deficit determined for Facility f in Trading Interval t under clause 4.26.5;
4. if Facility f is a Demand Side Programme, the capacity shortfall calculated as:

$$\max(\text{FDSPTS}(f,t), \text{FDSPDS}(f,t))$$

where:

- i. FDSPTS(f,t) is the Flexible DSP Test Shortfall determined by AEMO under clause 4.25.3E, clause 4.25.3G(b) or clause 4.25.6(b)(ii); and
- ii. FDSPDS(f,t) is the Flexible DSP Delivery Shortfall in MW determined by AEMO under clause 4.26.4A.

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

16.71 Insert the following new clause 4.26.4A:

- 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.

16.72 Insert the following new clause 4.26.5:

- 4.26.5. AEMO must calculate the Flexible Real-Time Market Reserve Capacity Deficit for each Scheduled Facility or Semi-Scheduled Facility *f* for each Trading Interval *t* in which AEMO considers the Facility to have been in Commercial Operation as zero if Trading Interval *t* is in the Hot Season, and otherwise:

$$\begin{aligned}
 FRTMRCD(f, t) = & \min(FRCOQ(f, t), \\
 & FCAFO(f, t) + FNISCRQ(f, t) + FESRCSF(f, t) \\
 & + FRTMOSF(f, t) + FNIMGRPPO(f, t) + FESRRPPO(f, t)
 \end{aligned}$$

where:

- (a) *FRCOQ(f,t)* is the Flexible Reserve Capacity Obligation Quantity determined for Facility *f* in Trading Interval *t*;
- (b) *FCAFO(f,t)* is the Flexible Capacity Adjusted Forced Outage Quantity determined for Facility *f* in Trading Interval *t* under clause 3.21.14;
- (c) *FNISCRQ(f,t)* is the Flexible Not In-Service Capacity Refund Quantity determined for Facility *f* in Trading Interval *t* under clause 4.26.8;
- (d) *FESRCSF(f,t)* is the Flexible ESR Charge Shortfall determined for Facility *f* in Trading Interval *t* under clause 4.26.9;
- (e) *FRTMOSF(f,t)* is the Flexible Real-Time Market Offer Shortfall determined for Facility *f* in Trading Interval *t* under clause 4.26.11;
- (f) *FNIMGRPPO(f,t)* is the total Flexible Refund Payable Planned Outage Quantity determined for Separately Certified Components of Facility *f* which are Non-Intermittent Generating Systems in Trading Interval *t* under clause 4.26.6; and
- (g) *FESRRPPO(f,t)* is the total Flexible Refund Payable Planned Outage Quantity determined for Separately Certified Components of Facility *f*

which are Electric Storage Resources in Trading Interval t under clause 4.26.7.

16.73 Insert the following new clause 4.26.6:

- 4.26.6. If the Flexible Capacity Adjusted Planned Outage Quantity in a Trading Interval for a Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility which is a Non-Intermittent Generating System is greater than zero, then AEMO must determine that Flexible Capacity Adjusted Planned Outage Quantity to be:
- (a) if the Flexible Refund Exempt Planned Outage Count for the Separately Certified Component, calculated over the 1000 Trading Days preceding the Trading Day in which the Trading Interval falls, is less than 8400, a Flexible Refund Exempt Planned Outage Quantity; or
  - (b) otherwise, a Flexible Refund Payable Planned Outage Quantity.

16.74 Insert the following new clause 4.26.7:

- 4.26.7. If the Flexible Capacity Adjusted Planned Outage Quantity in a Trading Interval for a Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility which is an Electric Storage Resource is greater than zero, then AEMO must determine that Flexible Capacity Adjusted Planned Outage Quantity to be:
- (a) if the Flexible Refund Exempt Planned Outage Count for the Separately Certified Component, calculated over the 1000 Trading Days preceding the Trading Day in which the Trading Interval falls, is less than 1400, a Flexible Refund Exempt Planned Outage Quantity; or
  - (b) otherwise, a Flexible Refund Payable Planned Outage Quantity.

16.75 Insert the following new clause 4.26.8:

- 4.26.8. AEMO must calculate the Flexible Not In-Service Capacity Refund Quantity for each Scheduled Facility or Semi-Scheduled Facility f for each Trading Interval t in which AEMO considers the Facility to have been in Commercial Operation as zero if Trading Interval t is in the Hot Season, and otherwise:

$$FNISCRQ(f, t) = \frac{5}{30} \times \sum_{DI \in t} \begin{cases} 0, & \text{if } RTMSuspFlag(DI) = 1, \text{ otherwise} \\ \min \left( \begin{matrix} NISCap(f, DI), \\ FRCOQ(f, DI) - FCAFO(f, DI) \end{matrix} \right) \end{cases}$$

where:

- (a) RTMSuspFlag(DI) is the RTM Suspension Flag for Dispatch Interval DI;
- (b) FRCOQ(f,DI) is the Flexible Reserve Capacity Obligation Quantity determined for Facility f in Dispatch Interval DI;

- (c) FCAFO(f,DI) is the Flexible Capacity Adjusted Forced Outage Quantity determined for Facility f in Dispatch Interval DI under clause 3.21.15;
- (d) NISCap(f,DI) is the Not In-Service Capacity quantity determined for Facility f in Dispatch Interval DI under clause 7.13A.1; and
- (e) DI $\in$ t denotes all Dispatch Intervals DI in Trading Interval t.

16.76 Insert the following new clause 4.26.9:

4.26.9. AEMO must calculate the Flexible ESR Charge Shortfall for each Scheduled Facility or Semi-Scheduled Facility f for each Trading Interval t in which AEMO considers the Facility to have been in Commercial Operation as:

$$\text{FESRChargeShortfall}(f,t) = \frac{\sum_{DI \in t} \sum_{c \in f} \text{FESRCSF}(c,DI)}{6}$$

where:

- (a) FESRCSF(c,DI) is the Flexible Capacity shortfall in MW determined for Separately Certified Component c in Dispatch Interval DI under clause 4.26.10;
- (b) DI $\in$ t denotes all Dispatch Intervals DI in Trading Interval t; and
- (c) c $\in$ f denotes all Separately Certified Components c of Facility f that are Electric Storage Resources.

16.77 15.36 Insert the following new clause 4.26.10:

4.26.10. FESRCSF(c,DI) for Separately Certified Component c (which is an Electric Storage Resource) for Dispatch Interval DI is:

$$\text{FESRCSF}(c,DI) = \begin{cases} 0, & \text{if RTMSuspFlag}(DI) = 1, \text{ otherwise} \\ \max(0, \text{FRCOQ}(c,DI) - \text{FCAFO}(c,DI) - 12 \times \max(0, \text{ChargeLevel}(c,DI) - \text{MinChargeLevel}(c,DI))) & \end{cases}$$

where:

- (a) RTMSuspFlag(DI) is the RTM Suspension Flag for Dispatch Interval DI;
- (b) FRCOQ(c,DI) is the Flexible Reserve Capacity Obligation Quantity determined for Separately Certified Component c in Dispatch Interval DI;
- (c) FCAFO(c,DI) is the Flexible Capacity Adjusted Forced Outage Quantity determined for Separately Certified Component c in Dispatch Interval DI under clause 3.21.12;
- (d) ChargeLevel(c,DI) is the Charge Level in MWh, or alternative estimate from AEMO if the Charge Level is not available, of Separately Certified Component c determined at the start of Dispatch Interval DI; and
- (e) MinChargeLevel(c,DI) is the minimum Charge Level capability in MWh as specified in Standing Data for Separately Certified Component c in Dispatch Interval DI.

16.78 Insert the following new clause 4.26.11:

- 4.26.11. AEMO must determine the shortfall in Flexible Capacity offered into the Real-Time Market (“**Flexible Real-Time Market Offer Shortfall**”) for each Scheduled Facility or Semi-Scheduled Facility  $f$  for each Trading Interval  $t$  in which AEMO considers the Facility to have been in Commercial Operation as:

$$FRTMOSF(f, t) = \max\left(0, \frac{\sum_{DI \in t} FRTMOSF(f, DI)}{6} - FCAFO(f, t) - FNISCRQ(f, t) - FESRCSF(f, t)\right)$$

where:

- (a)  $FRTMOSF(f, DI)$  is the shortfall in Flexible Capacity offered into the Real-Time Market determined for Facility  $f$  in Dispatch Interval  $DI$  under clause 4.26.12;
- (b)  $FCAFO(f, t)$  is the Flexible Capacity Adjusted Forced Outage Quantity determined for Facility  $f$  in Trading Interval  $t$  under clause 3.21.14;
- (c)  $FNISCRQ(f, t)$  is the Flexible Not In-Service Capacity Refund Quantity determined for Facility  $f$  in Trading Interval  $t$  under clause 4.26.8; and
- (d)  $FESRCSF(f, t)$  is the Flexible ESR Charge Shortfall determined for Facility  $f$  in Trading Interval  $t$  under clause 4.26.9.

16.79 Insert the following new clause 4.26.12:

4.26.12.  $FRTMOSF(f, DI)$  for Facility  $f$  in Dispatch Interval  $DI$  is:

$$FRTMOSF(f, DI) = \begin{cases} 0, & \text{if } RTMSuspFlag(DI) = 1, \text{ otherwise} \\ \max(0, FRCOQ(f, DI) - OfferAvail(f, DI)) \end{cases}$$

where:

- (a)  $RTMSuspFlag(DI)$  is the RTM Suspension Flag for Dispatch Interval  $DI$ ;
- (b)  $FRCOQ(f, DI)$  is the Flexible Reserve Capacity Obligation Quantity determined for Facility  $f$  in Dispatch Interval  $DI$ ; and
- (c)  $OfferAvail(f, DI)$  is the total MW quantity included in Real-Time Market Offers for energy from Facility  $f$  in Dispatch Interval  $DI$  (whether offered as Available Capacity or In-Service Capacity) that were used to calculate Dispatch Instructions and Market Clearing Prices for that Dispatch Interval.

16.80 Insert the following new clause 4.26.13:

- 4.26.13. AEMO must calculate the Flexible Generation Reserve Capacity Deficit Refund for each Market Participant for each Trading Interval as the sum of the Flexible Facility Reserve Capacity Deficit Refunds for the Trading Interval for each Facility with a Facility Class (or, for an unregistered Facility, an indicative Facility Class) of Scheduled Facility or Semi-Scheduled Facility, for which the Market Participant holds Flexible Capacity Credits in the Trading Interval.

16.81 Insert the following new clause 4.26.14:

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:

$$\max(0, \min(\text{FRCOQ}(f,t), \text{DIMW}(f,t)) - \max(0, \text{RD}(f,t) - \text{DSPLMW}(f,t)))$$

where:

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

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;

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

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.

16.82 Insert the following new clause 4.26.15:

4.26.15. For each Market Participant holding Flexible Capacity Credits, AEMO must determine the amount of the refund (“**Flexible Capacity Cost Refund**”) to be applied for Trading Day d as the sum of the Flexible Trading Interval Capacity Cost Refunds of every Trading Interval in the Trading Day d, as calculated in accordance with clause 4.26.16.

16.83 Insert the following new clause 4.26.16:

4.26.16. The Flexible Trading Interval Capacity Cost Refund for Market Participant p and Trading Interval t is the sum of:

- (a) either:
- i. if Market Participant p holds Flexible Capacity Credits associated with an Energy Producing System, the Flexible Generation Capacity Cost Refund for Market Participant p for Trading Interval t, determined in accordance with clause 4.26.17; or
  - ii. zero, otherwise; and



- (b) the sum of the Flexible Demand Side Programme Capacity Cost Refunds for Trading Interval t for each Facility with a Facility Class (or, for an unregistered Facility, an indicative Facility Class) of Demand Side Programme for which Market Participant p holds Flexible Capacity Credits in Trading Interval t.

16.84 Insert the following new clause 4.26.17:

- 4.26.17. The Flexible Generation Capacity Cost Refund for Trading Interval t in Capacity Year y for a Market Participant p holding Flexible Capacity Credits associated with an Energy Producing System is the lesser of:
- (a) the Maximum Flexible Participant Generation Refund determined for Market Participant p and Capacity Year y less all Flexible Generation Capacity Cost Refunds applicable to Market Participant p in previous Trading Intervals falling in Capacity Year y; and
  - (b) the Flexible Generation Reserve Capacity Deficit Refund for Market Participant p and Trading Interval t.

16.85 Insert the following new clause 4.26.18:

- 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:

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

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.

**17. Section 4.28 amended**

17.1 Delete clause 4.28.1 and replace it with the following new clause 4.28.1:

4.28.1. AEMO must separate the total costs of Peak Capacity Credits acquired by it for a Trading Day into the following two sets:

(a) the Peak Targeted Reserve Capacity Cost, which is the cost of acquiring enough Peak Capacity Credits to ensure, to the extent possible given the number of Peak Capacity Credits AEMO has acquired, that the lesser of:

- i. the Peak Reserve Capacity Requirement applicable to that Trading Day; and
- ii. total Peak Capacity Credits assigned to Facilities,

is just covered after allowing for Capacity Credits traded bilaterally (as defined in clause 4.14.2 and subject to clause 4.28.2(b)) in that Trading Day; and

(b) the Peak Shared Reserve Capacity Cost, calculated in accordance with clause 4.28.4, which is the cost of other Peak Capacity Credits acquired but not allocated to the set referred to in clause 4.28.1(a),

determined on the basis that the Peak Capacity Credits acquired by AEMO are allocated to the set referred to in clause 4.28.1(a) in order of decreasing cost per Peak Capacity Credit until the capacity requirements referred to in clause 4.28.1(a) are met, with the remaining Peak Capacity Credits acquired by AEMO being allocated to the set referred to in clause 4.28.1(b).

17.2 Insert the following new clause 4.28.1A:

4.28.1A. AEMO must separate the total costs of Flexible Capacity Credits acquired by it for a Trading Day into the following two sets:

(a) the Flexible Targeted Reserve Capacity Cost, which is the cost of acquiring enough Flexible Capacity Credits to ensure, to the extent possible given the number of Flexible Capacity Credits AEMO has acquired, that the lesser of:

- i. the Flexible Reserve Capacity Requirement applicable to that Trading Day; and
- ii. total Flexible Capacity Credits assigned to Facilities,

is just covered after allowing for Flexible Capacity Credits traded bilaterally (as defined in clause 4.14.2 and subject to clause 4.28.2(b)) in that Trading Day; and

(b) the Flexible Shared Reserve Capacity Cost, calculated in accordance with clause 4.28.4B, which is the cost of other Flexible Capacity Credits acquired but not allocated to the set referred to in clause 4.28.1A(a),

determined on the basis that the Flexible Capacity Credits acquired by AEMO are allocated to the set referred to in clause 4.28.1A(a) in order of

decreasing cost per Flexible Capacity Credit until the capacity requirements referred to in clause 4.28.1A(a) are met, with the remaining Flexible Capacity Credits acquired by AEMO being allocated to the set referred to in clause 4.28.1A(b).

17.3 Delete clause 4.28.2 and replace it with the following new clause 4.28.2:

4.28.2. For the purposes of clauses 4.28.1 and 4.28.1A:

- (a) AEMO is taken to have acquired a Capacity Credit held by a Market Participant in respect of a Facility for a Trading Day if that Capacity Credit has not been allocated by that Market Participant to another Market Participant for settlement purposes under sections 4.30 and 4.31;
- (b) any Capacity Credits that have been allocated to a Market Participant in excess of that Market Participant's Individual Reserve Capacity Requirement must be:
  - i. deemed to be Capacity Credits acquired by AEMO from the Market Participant; and
  - ii. not counted as Capacity Credits traded bilaterally;
- (c) the cost of a Peak Capacity Credit deemed to be acquired by AEMO from a Market Participant under clause 4.28.2(b)(i) is the Peak Excess Allocation Price for that Market Participant in that Trading Day;
- (d) the cost of each other Peak Capacity Credit acquired by AEMO from a Market Participant is the Entity Daily Peak Reserve Capacity Price for the relevant Facility or Separately Certified Component in that Trading Day;
- (e) the cost of a Flexible Capacity Credit deemed to be acquired by AEMO from a Market Participant under clause 4.28.2(b)(i) is the Flexible Excess Allocation Price for that Market Participant in that Trading Day; and
- (f) the cost of each other Flexible Capacity Credit acquired by AEMO from a Market Participant is the Entity Daily Flexible Reserve Capacity Price for the relevant Facility or Separately Certified Component in that Trading Day.

17.4 Insert the word 'Peak ' before 'Targeted Reserve' in clause 4.28.3.

17.5 Insert the following new clause 4.28.3A:

4.28.3A. For each Trading Day, AEMO must calculate the Flexible Targeted Reserve Capacity Cost and must allocate this cost to Market Participants in accordance with section 9.8.

17.6 Delete clause 4.28.4 and replace it with the following new clause 4.28.4:

- 4.28.4. For each Trading Day, AEMO must calculate a Peak Shared Reserve Capacity Cost being the sum of:
- (a) the cost defined under clause 4.28.1(b); and
  - (aA) the sum of the costs determined under clause 4.28.4A for that Trading Day; and
  - (b) the net payments to be made by AEMO under Supplementary Capacity Contracts relating to shortfalls of Peak Capacity or both Peak Capacity and Flexible Capacity, as identified by AEMO under clause 4.24.1(aA), less any amount drawn under a Reserve Capacity Security or a DSP Reserve Capacity Security by AEMO and distributed in accordance with clauses 4.13.11A(a) or 4.13A.16(c) for that Trading Day; less
  - (c) the sum of all Intermittent Load Refunds, calculated under clause 4.28A.1, paid by all Market Participants for that Trading Day; less
  - (cA) the sum of all Peak Capacity Cost Refunds, calculated under clause 4.26.2E, paid by all Market Participants for that Trading Day; less
  - (cB) any payments made by Market Participants under clause 4.25.4CD; less
  - (d) any amount drawn under a Reserve Capacity Security or a DSP Reserve Capacity Security by AEMO and distributed in accordance with clauses 4.13.11A(b), 4.13A.16(d), or 4.25.4CE for that Trading Day,

and AEMO must allocate this total cost to Market Participants in proportion to each Market Participant's Peak Individual Reserve Capacity Requirement.

- 17.7 Insert the words ', or both the Peak Reserve Capacity Requirement and the Flexible Reserve Capacity Requirement,' after 'Peak Reserve Capacity Requirement' in clause 4.28.4A:

- 17.8 Insert the following new clause 4.28.4B:

- 4.28.4B. For each Trading Day, AEMO must calculate a Flexible Shared Reserve Capacity Cost being the sum of:
- (a) the cost defined under clause 4.28.1A(b); and
  - (b) the sum of the costs determined under clause 4.28.4C for that Trading Day; and
  - (c) the net payments to be made by AEMO under Supplementary Capacity Contracts relating to shortfalls of Flexible Capacity which are not also shortfalls of Peak Capacity, as identified by AEMO under clause 4.24.1AA; less
  - (d) the sum of all Flexible Capacity Cost Refunds, calculated under clause 4.26.15, paid by all Market Participants for that Trading Day,

and AEMO must allocate this total cost to Market Participants in proportion to each Market Participant's Flexible Individual Reserve Capacity Requirement.

17.9 Insert the following new clause 4.28.4C:

4.28.4C. For each Trading Interval, AEMO must determine the sum of the payments to be made by AEMO under NCESS Contracts for capacity procured by AEMO to meet the Flexible Reserve Capacity Requirement and not the Peak Reserve Capacity Requirement, for the relevant Reserve Capacity Cycle set under clause 4.6.1.

17.10 Insert the word 'Peak ' before 'Shared Reserve' in clause 4.28.5.

17.11 Insert the following new clause 4.28.5A:

4.28.5A. The Flexible Shared Reserve Capacity Cost may have a negative value.

17.12 Insert the following new clause 4.28.5C:

4.28.5C. To determine the Flexible IRCR Intervals, AEMO must:

- (a) select the three Trading Days in the previous Capacity Year containing the Trading Intervals with the highest Four-Hour Demand Increase. If two or more Trading Days have the same Four-Hour Demand Increase, AEMO shall select the latest Trading Days; and
- (b) for each Trading Day selected in clause 4.28.5C(a) select the Trading Interval with the largest Four-Hour Demand Increase and the seven previous Trading Intervals.

17.13 Delete clause 4.28.6 and insert the following new clause 4.28.6:

4.28.6. For each Trading Month, AEMO must determine and provide to each Market Participant that Market Participant's Indicative Peak Individual Reserve Capacity Requirement by the date and time specified in clause 4.1.23C, and this Indicative Peak Individual Reserve Capacity Requirement must be determined using the method described in Appendix 5.

17.14 Insert the following new clause 4.28.6A:

4.28.6A. For each Trading Month, AEMO must determine and provide to each Market Participant that Market Participant's Indicative Flexible Individual Reserve Capacity Requirement by the date and time specified in clause 4.1.23C, and this Indicative Flexible Individual Reserve Capacity Requirement must be determined using the method described in Appendix 4.

17.15 Insert the word 'Peak ' before 'Individual Reserve Capacity Requirement' in each of the two places it appears in clause 4.28.7.

17.16 Insert the following new clause 4.28.7A:

4.28.7A. For each Trading Month, AEMO must determine and provide to each Market Participant that Market Participant's Flexible Individual Reserve Capacity

Requirement by the date and time specified in clause 4.1.24, and this Flexible Individual Reserve Capacity Requirement must be determined using the method described in Appendix 4.

- 17.17 Insert the word 'Peak ' before 'Individual Reserve Capacity Requirement' in clause 4.28.9C(a)(i).
- 17.18 Insert the word 'Peak ' before 'Individual Reserve Capacity Requirement' in clause 4.28.9C(a)(ii).
- 17.19 Insert the word 'Peak ' before 'Individual Reserve Capacity Requirement' in clause 4.28.9D.
- 17.20 Delete clause 4.28.11A and insert the following new clause 4.28.11A:
- 4.28.11A. When undertaking the Adjustment Process for a Trading Week under clause 9.3.5 in accordance with the settlement cycle timeline, if the Trading Week contains the first Trading Day of a Trading Month AEMO must recalculate the Peak Individual Reserve Capacity Requirements applicable for each Trading Day in that Trading Month, using the method described in Appendix 5, and must provide to each Market Participant the recalculated Peak Individual Reserve Capacity Requirements for that Market Participant applicable for each Trading Day in that Trading Month by the Relevant Settlement Statement Date for the Trading Week.
- 17.21 Insert the following new clause 4.28.11B:
- 4.28.11B. When undertaking the Adjustment Process for a Trading Week under clause 9.3.5 in accordance with the settlement cycle timeline, if the Trading Week contains the first Trading Day of a Trading Month AEMO must recalculate the Flexible Individual Reserve Capacity Requirements applicable for each Trading Day in that Trading Month, using the method described in Appendix 4, and must provide to each Market Participant the recalculated Flexible Individual Reserve Capacity Requirements for that Market Participant applicable for each Trading Day in that Trading Month by the Relevant Settlement Statement Date for the Trading Week.
- 17.22 Insert the word 'IML ' before 'Trading Interval Refund' in clause 4.28A.1(a).
- 17.23 Delete the words 'clause 4.28.8(c)' and replace them with 'clause 4.28.8' in clause 4.28A.1(c)(ii).
- 17.24 Delete the words 'clause 4.28.8(c)' and replace them with 'clause 4.28.8' in clause 4.28A.1(c)(iii).

**18. Section 4.28A amended**

18.1 Delete clause 4.28A.1A and replace it with the following new clause 4.28A.1A:

4.28A.1A. The IML Trading Interval Refund Rate for an Intermittent Load  $f$  in the Trading Interval  $t$  is determined as follows:

$$\text{IML Trading Interval Refund Rate}(f,t) = \text{RF}(f,t) \times Y(f,t)$$

where:

- (a) IML Trading Interval Refund Rate ( $f,t$ ) is the IML Trading Interval Refund Rate for Intermittent Load  $f$  in Trading Interval  $t$ ;
- (b)  $\text{RF}(f,t)$  is the refund factor for Intermittent Load  $f$  in Trading Interval  $t$ , which is the lesser of:
  - i. six; and
  - ii. the greater of 1 and the Peak Capacity dynamic refund factor  $\text{RF dynamic}(t)$  as determined under clause 4.26.1(d); and
- (c)  $Y(f,t)$  is the per Trading Interval Peak Capacity price associated with Intermittent Load  $f$  in Trading Interval  $t$ , which equals the Floating Daily Peak Reserve Capacity Price divided by 48.

**19. Section 4.29 amended**

19.1 Delete clause 4.29.3(a) and replace it with the following new clause 4.29.3(a):

- (a) the Entity Daily Peak Reserve Capacity Price for each Demand Side Programme, Non-Scheduled Facility, and Separately Certified Component applying during that Trading Day;

19.2 Delete clause 4.29.3(aA) and replace it with the following new clause 4.29.3(aA):

- (aA) the Entity Daily Flexible Reserve Capacity Price for each Demand Side Programme and Separately Certified Component applying during that Trading Day;

19.3 Insert the word 'Peak' before 'Targeted' in clause 4.29.3(b).

19.4 Insert the following new clause 4.29.3(bA):

- (bA) the Flexible Targeted Reserve Capacity Cost for that Trading Day as defined in clause 4.28.3A;

19.5 Insert the word 'Peak' before 'Shared' in clause 4.29.3(c).

19.6 Insert the following new clause 4.29.3(cA):

- (cA) the Flexible Shared Reserve Capacity Cost for that Trading Day as defined in clause 4.28.4B;

19.7 Insert the following new clause 4.29.3(d)(iA):

- iA. the quantity of Peak Capacity Credits (including Capacity Credits from Facilities subject to NCESS Contracts) for each Separately Certified Component acquired by AEMO;
- 19.8 Insert the following new clause 4.29.3(d)(iB):
- iB. the quantity of Flexible Capacity Credits (including Capacity Credits from Facilities subject to NCESS Contracts) for each Facility acquired by AEMO;
- 19.9 Insert the following new clause 4.29.3(d)(iC):
- iC. the quantity of Flexible Capacity Credits (including Capacity Credits from Facilities subject to NCESS Contracts) for each Separately Certified Component acquired by AEMO;
- 19.10 Delete clause 4.29.3(d)(iii) and replace it with the following new clause 4.29.3(d)(iii):
- iii. the quantity of Flexible Capacity Credits for each Demand Side Programme for Trading Day d;
- 19.11 Insert the following new clause 4.29.3(d)(ivA):
- ivA. the quantity of Peak Capacity Credits for each Separately Certified Component traded bilaterally in accordance with section 4.30;
- 19.12 Insert the following new clause 4.29.3(d)(ivB):
- ivB. the quantity of Flexible Capacity Credits for each Facility traded bilaterally in accordance with section 4.30;
- 19.13 Insert the following new clause 4.29.3(d)(ivC):
- ivC. the quantity of Flexible Capacity Credits for each Separately Certified Component traded bilaterally in accordance with section 4.30;
- 19.14 Delete clause 4.29.3(d)(v) and replace it with the following new clause 4.29.3(d)(v):
- v. the Peak Individual Reserve Capacity Requirement for the Trading Month in which Trading Day d falls;
- 19.15 Insert the following new clause 4.29.3(d)(vA):
- vA. the Flexible Individual Reserve Capacity Requirement for the Trading Month in which Trading Day d falls;
- 19.16 Delete clause 4.29.3(d)(vi) and replace it with the following new clause 4.29.3(d)(vi):
- vi. the total Peak Capacity Cost Refund to be paid by Market Participant p to AEMO for all Trading Intervals in Trading Day d; and
- 19.17 Delete clause 4.29.3(d)(vii) and replace it with the following new clause 4.29.3(d)(vii):



- vii. the total Flexible Capacity Cost Refund to be paid by Market Participant p to AEMO for all Trading Intervals in Trading Day d;
- 19.18 Delete clause 4.29.3(e) and replace it with the following new clause 4.29.3(e):
- (e) for each Supplementary Capacity Contract:
    - i. the net payment to be made by AEMO under that contract for the Trading Day d;
    - ii. to whom the payment is to be made; and
    - iii. whether that contract relates to a shortfall of solely Peak Capacity, both Peak Capacity and Flexible Capacity, or solely Flexible Capacity.

19.19 Delete clause 4.29.5 and replace it with the following new clause 4.29.5:

- 4.29.5. If a Facility first enters service prior to 1 October of Year 3 of a Reserve Capacity Cycle and Reserve Capacity Obligations apply to the relevant Facility in accordance with clause 4.1.26, then for the period between commencement of the Reserve Capacity Obligations for the Facility and up to the start of the Trading Day on 1 October of Year 3 of that Reserve Capacity Cycle;
- (a) the Entity Daily Peak Reserve Capacity Price for the Facility or a Separately Certified Component of the Facility for that period is equal to the Floating Daily Peak Reserve Capacity Price for the Capacity Year immediately preceding 1 October of Year 3 of that Reserve Capacity Cycle; and
  - (b) the Entity Daily Flexible Reserve Capacity Price for the Facility or a Separately Certified Component of the Facility for that period is equal to the Floating Daily Flexible Reserve Capacity Price for the Capacity Year immediately preceding 1 October of Year 3 of that Reserve Capacity Cycle.

**20. Section 4.30 amended**

20.1 Insert the following new clause 4.30.4A:

- 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 for the Trading Day.

20.2 Insert the word 'or clause 4.30.4A' after '4.30.4' in clause 4.30.5.

20.3 Insert the following new clause 4.30.11A:

4.30.11A. If, at 5:00 PM on the Scheduling Day, the number of Flexible Capacity Credits allocated in Capacity Credit Allocations for a Market Participant with respect to a Facility or Separately Certified Component that is registered to them exceeds the number of Flexible Capacity Credits held for the Facility or Separately Certified Component, AEMO must, by 5:00 PM on the Trading Day for which the Capacity Credit Allocation relates:

- (a) amend all of the relevant Capacity Credit Allocations proportionally, to ensure that the sum of the Flexible Capacity Credit Allocations in respect of the relevant Facility or Separately Certified Component for the Market Participant for the Trading Day equal the number of Flexible Capacity Credits held for that Facility or Separately Certified Component; and
- (b) for each amended Capacity Credit Allocation, notify each affected Market Participant of the details of the amendment.

**21. Section 4.31 amended**

21.1 Delete the word 'and' after the semi-colon in clause 4.31.1(c).

21.2 Insert the following new clause 4.31.1(cA):

(cA) whether the Capacity Credit Allocation Submission relates to Peak Capacity Credits or Flexible Capacity Credits; and

21.3 Insert the word 'or Flexible Capacity Credits' after 'Peak Capacity Credits' in clause 4.31.1(d).

**22. Section 6.3A amended**

22.1 Insert the word 'Peak ' before 'Capacity Adjusted Forced' in clause 6.3A.3(g).

22.2 Insert the word 'Peak ' before 'Capacity Adjusted Planned' in clause 6.3A.3(g).

22.3 Insert the words 'Peak Reserve Capacity Obligation Quantity and the Flexible ' before 'Reserve Capacity Obligation Quantity' in clause 6.3A.3(h).

22.4 Insert the word ' Peak' after 'determining' in clause 6.3A.4.

22.5 Insert the word 'Peak ' before 'Capacity Adjusted Forced Outage Quantity' in clause 6.3A.4.

22.6 Insert the words ', Peak Reserve Capacity Obligation Quantity' after 'Forced Outage Quantity' in clause 6.3A.4.

22.7 Insert the word 'Flexible ' before 'Reserve Capacity Obligation Quantity' in clause 6.3A.4.

22.8 Delete clause 6.3A.4(e) and replace it with the following new clause 6.3A.4(e):

- (e) the Peak Reserve Capacity Obligation Quantity and Flexible Reserve Capacity Obligation Quantity of an Electric Storage Resource are not reduced under clauses 4.12.5(g) or 4.12.5(h) for any Dispatch Interval in the STEM Submission Information Window.

22.9 Insert the word 'Peak ' before 'Capacity Adjusted' in clause 6.3A.5(b)(i).

22.10 Insert the word 'Peak' before 'Capacity Adjusted' in clause 6.3A.5(b)(ii).

22.11 Delete clause 6.3A.5(c) and replace it with the following new clause 6.3A.5(c):

- (c) for each Dispatch Interval in the STEM Submission Information Window, for each Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility for which the Market Participant holds Capacity Credits in the Dispatch Interval:
  - i. the Peak Capacity Adjusted Forced Outage Quantity estimate determined on the Scheduling Day under clause 6.3A.3(g);
  - ii. the Peak Capacity Adjusted Planned Outage Quantity estimate determined on the Scheduling Day under clause 6.3A.3(g);
  - iii. the Peak Reserve Capacity Obligation Quantity estimate determined on the Scheduling Day under clause 6.3A.3(h); and
  - iv. the Flexible Reserve Capacity Obligation Quantity estimate determined on the Scheduling Day under clause 6.3A.3(h).

### **23. Section 7.3 amended**

23.1 Delete clause 7.3.3 and replace it with the following new clause 7.3.3:

- 7.3.3. For each Trading Day in each Week-Ahead Schedule Horizon, AEMO must identify the Trading Interval in which the highest Four-Hour Demand Increase is expected to occur, and the size of that Four-Hour Demand Increase.

23.2 Delete clause 7.3.4 and replace it with the following new clause 7.3.4:

- 7.3.4. AEMO must document in a WEM Procedure the method and processes it follows for determining and publishing the Forecast Unscheduled Operational Demand and the forecast highest Four-Hour Demand Increase under this section 7.3.

### **24. Section 7.4A amended**

24.1 Delete clause 7.4A.5(b) and replace it with the following new clause 7.4A.5(b):

- (b) for the purposes of determining DSP Constrained Quantities, assume the Demand Side Programme will be subject to Dispatch Instructions that restricts its DSP Energy Level by the maximum quantity consistent with its Peak Reserve Capacity Obligation Quantity or Flexible Reserve Obligation Quantity (as relevant) for the period specified under clause 7.11.6(cA)(ii).

24.2 insert the words ', 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),' after 'practicable and' in clause 7.4A.8(a).

**25. Section 7.6 amended**

25.1 Insert the word 'Peak ' before 'Reserve Capacity Obligation Quantity' in clause 7.6.5B(a).

25.2 Insert the words ' or Flexible Reserve Capacity Obligation Quantity (as relevant)' after 'Reserve Capacity Obligation Quantity' in clause 7.6.5B(a).

25.3 Delete clause 7.6.11(b) and replace it with the following new clause 7.6.11(b):

- (b) a Dispatch Target, if:
  - i. the Registered Facility has a non-zero Essential System Service Enablement Quantity for Contingency Reserve or Regulation; or
  - ii. Flexible Capacity Credits are associated with the Semi-Scheduled Facility and the Dispatch Instruction is for a Dispatch Interval which is within a Flexible Electric Storage Resource Obligation Interval.

**26. Section 7.8A amended**

26.1 Insert the word 'Peak ' before 'Reserve Capacity' in clause 7.8A.1(i).

26.2 Insert the word ' and' after the semi-colon at the end of clause 7.8A.1(i).

26.3 Insert the following new clause 7.8A.1(ii):

- ii. the Flexible Reserve Capacity Obligation Quantity of the Demand Side Programme in the Dispatch Interval.

26.4 Insert the word 'Peak ' before 'Reserve Capacity' in clause 7.8A.3.

**27. Section 7.10 amended**

27.1 Insert the word 'Peak ' before 'individual Reserve Capacity' in clause 7.10.6B.

27.2 Insert the words ' or the Flexible Individual Reserve Capacity Requirement' after 'Reserve Capacity Requirement' in clause 7.10.6B.

**28. Section 7.13A amended**

28.1 Delete the word ' RCOQ(f,DI),' and replace it with 'PRCOQ(f,DI),' in the equation in clause 7.13A.1(b).

28.2 Delete the word ' RCOQ(f,DI),' and replace it with 'PRCOQ(f,DI),' in the equation in clause 7.13A.1(c).

28.3 Delete the word ' and' after the semi-colon in clause 7.13A.1(c)(iv).

28.4 Delete the full stop at the end of clause 7.13A.1(c)(v) and replace it with '; and'.

28.5 Insert the following new clause 7.13A.1(c)(vi):

- vi. PRCOQ(f,DI) is the Peak Reserve Capacity Obligation Quantity for Facility f in Dispatch Interval DI.

**29. Section 9.8 amended**

29.1 Delete clause 9.8.2 and replace it with the following new clause 9.8.2:

9.8.2. The Reserve Capacity settlement amount for Market Participant p for Trading Day d is:

$$RC\_SA(p,d)$$

$$= Peak\_Capacity\_Provider\_Payment(p,d) - Peak\_Capacity\_Purchaser\_Payment(p,d) \\ + Flexible\_Capacity\_Provider\_Payment(p,d) - Flexible\_Capacity\_Purchaser\_Payment(p,d)$$

where:

- (a) Peak\_Capacity\_Provider\_Payment(p,d) is calculated in accordance with clause 9.8.3;
- (b) Peak\_Capacity\_Purchaser\_Payment(p,d) is calculated in accordance with clause 9.8.4;
- (c) Flexible\_Capacity\_Provider\_Payment(p,d) is calculated in accordance with clause 9.8.6; and
- (d) Flexible\_Capacity\_Purchaser\_Payment(p,d) is calculated in accordance with clause 9.8.9.

29.2 Delete clause 9.8.3 and replace it with the following new clause 9.8.3:

9.8.3. For the purposes of clause 9.8.2, Peak\_Capacity\_Provider\_Payment(p,d) for Market Participant p for Trading Day d is:

$$Peak\_Capacity\_Provider\_Payment(p,d)$$

$$= Peak\_Capacity\_Payments(p,d) - Intermittent\_Load\_Refund(p,d) \\ + Peak\_Supplementary\_Capacity\_Payment(p,d) - Peak\_Capacity\_Cost\_Refund(p,d) \\ + Peak\_Over\_Allocation\_Payment(p,d)$$

where:

- (a) [Blank]
- (b) Peak\_Capacity\_Payments(p,d) is calculated in accordance with clause 9.8.3A;
- (c) Intermittent\_Load\_Refund(p,d) is the total Intermittent Load Refund payable to AEMO by Market Participant p in respect of each of its Intermittent Loads, deemed to be an Intermittent Load under clause 1.48.2, for Trading Day d, as determined in accordance with clause 4.29.3(dA);

- (d)  $Peak\_Supplementary\_Capacity\_Payment(p,d)$  is the net payment to be made by AEMO under a Supplementary Capacity Contract to Market Participant  $p$  for Trading Day  $d$ , as specified by AEMO in accordance with clause 4.29.3(e)(i), for a contract relating to Peak Capacity or to both Peak Capacity and Flexible Capacity as specified by AEMO in accordance with clause 4.29.3(e)(iii);
- (e)  $Peak\_Capacity\_Cost\_Refund(p,d)$  is the Peak Capacity Cost Refund payable to AEMO by Market Participant  $p$  in respect of that Market Participant's Peak Capacity Credits for Trading Day  $d$ , as specified in clause 4.29.3(d)(vi); and
- (f)  $Peak\_Over\_Allocation\_Payment(p,d)$  is calculated in accordance with clause 9.8.3B.

29.3 Insert the following new clause 9.8.3A:

9.8.3A. For the purposes of clause 9.8.3,  $Peak\_Capacity\_Payments(p,d)$  is calculated as:

$$Peak\_Capacity\_Payments(p,d) = \sum_{e \in PCCEntities(p,d)} ((PCC(e,d) - PCCA(e,d)) \times EDPRCP(e,d))$$

where:

- (a)  $e \in PCCEntities(p,d)$  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  $d$ ;

29.4 Insert the following new clause 9.8.3B:

9.8.3B. For the purposes of clause 9.8.3,  $Peak\_Over\_Allocation\_Payment(p,d)$  is calculated as:

$Peak\_Over\_Allocation\_Payment(p,d) =$   
 $\max(0, Participant\_PCCA(p,d) - PIRCR(p,d)) \times Peak\_Excess\_Allocation\_Price(p,d);$

where:

- (a) Participant\_PCCA(p,d) is the sum of Peak Capacity Credits allocated to Market Participant p in Trading Day d in Capacity Credit Allocations;
- (b) PIRCR(p,d) is the Peak Individual Reserve Capacity Requirement for Market Participant p for the Trading Month in which Trading Day d falls, expressed in units of MW; and
- (c) Peak\_Excess\_Allocation\_Price(p,d) is zero if Participant\_PCCA(p,d)=0, and otherwise:

$$\begin{aligned}
 & Peak\_Excess\_Allocation\_Price(p,d) \\
 &= \frac{\sum_{c \in C(p,d)} (\sum_{e \in PCCEntities(d)} (PCCA(c,e,p,d) \times EDPRCP(e,d)))}{\sum_{c \in C(p,d)} (\sum_{e \in PCCEntities(d)} (PCCA(c,e,p,d)))}
 \end{aligned}$$

where:

- i. C(p,d) is the set of Capacity Credit Allocations made to Market Participant p in Trading Day d and c is a Capacity Credit Allocation within the set;
- ii. e ∈ PCCEntities(d) denotes all registered:
  1. Separately Certified Components of Scheduled Facilities;
  2. Separately Certified Components of Semi-Scheduled Facilities;
  3. Non-Scheduled Facilities; and
  4. Demand Side Programmes,
 on Trading Day d;
- iii. PCCA(c,e,p,d) is the number of Peak Capacity Credits associated with entity e that have been allocated to Market Participant p in Capacity Credit Allocation c in Trading Day d; and
- iv. EDPRCP(e,d) is the Entity Daily Peak Reserve Capacity Price associated with entity e in Trading Day d.

29.5 Delete clause 9.8.4 and replace it with the following new clause 9.8.4:

9.8.4. For the purposes of clause 9.8.2, Peak\_Capacity\_Purchaser\_Payment(p,d) for Market Participant p for Trading Day d is:

$$\begin{aligned}
 Peak\_Capacity\_Purchaser\_Payment(p,d) = & \\
 & Peak\_Targeted\_Reserve\_Capacity\_Cost(p,d) \\
 & + Peak\_Shared\_Reserve\_Capacity\_Cost(p,d)
 \end{aligned}$$

where:

- (a)  $\text{Peak\_Targeted\_Reserve\_Capacity\_Cost}(p,d) = \text{Peak\_Targeted\_Reserve\_Capacity\_Cost}(d) \times \text{Peak\_Shortfall\_Share}(p,d)$
- (b)  $\text{Peak\_Shared\_Reserve\_Capacity\_Cost}(p,d) = \text{Peak\_Shared\_Reserve\_Capacity\_Cost}(d) \times \text{Peak\_Capacity\_Share}(p,d)$
- (c)  $\text{Peak\_Targeted\_Reserve\_Capacity\_Cost}(d)$  is the cost of Peak Capacity-to be shared amongst those Market Participants who have not had sufficient Peak Capacity Credits allocated to them for Trading Day d where this cost is specified under clause 4.29.3(b);
- (d)  $\text{Peak\_Shortfall\_Share}(p,d) = \frac{(\max(0, \text{PIRCR}(p,d) - \text{Participant\_PCCA}(p,d)))}{\sum_{p \in P} (\max(0, \text{PIRCR}(p,d) - \text{Participant\_PCCA}(p,d)))}$
- (e)  $\text{Peak\_Shared\_Reserve\_Capacity\_Cost}(d)$  is the cost of Peak Capacity to be shared amongst all Market Participants for Trading Day d where this cost is specified under clause 4.29.3(c);
- (f)  $\text{Peak\_Capacity\_Share}(p,d) = \text{PIRCR}(p,d) / \sum_{p \in P} \text{PIRCR}(p,d)$
- (g) P is the set of all Market Participants where p is a member of that set;
- (h)  $\text{PIRCR}(p,d)$  is the Peak Individual Reserve Capacity Requirement for Market Participant p for the Trading Month in which Trading Day d falls, expressed in units of MW; and
- (i)  $\text{Participant\_PCCA}(p,d)$  is the sum of the Peak Capacity Credits allocated to Market Participant p in Trading Day d, in a Capacity Credit Allocation.

29.6 Insert the following new clause 9.8.6:

9.8.6. For the purposes of clause 9.8.2,  $\text{Flexible\_Capacity\_Provider\_Payment}(p,d)$  for Market Participant p for Trading Day d is:

$\text{Flexible\_Capacity\_Provider\_Payment}(p,d)$

$= \text{Flexible\_Capacity\_Payments}(p,d) + \text{Flexible\_Supplementary\_Capacity\_Payment}(p,d)$

$- \text{Flexible\_Capacity\_Cost\_Refund}(p,d) + \text{Flexible\_Over\_Allocation\_Payment}(p,d)$

where:

- (a)  $\text{Flexible\_Capacity\_Payments}(p,d)$  is calculated in accordance with clause 9.8.7;
- (b)  $\text{Flexible\_Supplementary\_Capacity\_Payment}(p,d)$  is the net payment to be made by AEMO under a Supplementary Capacity Contract to Market Participant p for Trading Day d, as specified by AEMO in accordance with clause 4.29.3(e)(i), for a contract relating solely to Flexible Capacity as specified by AEMO in accordance with clause 4.29.3(e)(iii);
- (c)  $\text{Flexible\_Capacity\_Cost\_Refund}(p,d)$  is the Flexible Capacity Cost Refund payable to AEMO by Market Participant p in respect of that



Market Participant's Flexible Capacity Credits for Trading Day d, as specified in clause 4.29.3(d)(vii); and

- (d) Flexible\_Over\_Allocation\_Payment(p,d) is calculated in accordance with clause 9.8.8.

29.7 Insert the following new clause 9.8.7:

- 9.8.7. For the purposes of clause 9.8.6, Flexible\_Capacity\_Payments(p,d) is calculated as:

$$\text{Flexible\_Capacity\_Payments}(p, d) = \sum_{e \in \text{FCCEntities}(p, d)} ((\text{FCC}(e, d) - \text{FCCA}(e, d)) \times \text{EDFRCP}(e, d))$$

where:

- (a)  $e \in \text{FCCEntities}(p, d)$  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.

29.8 Insert the following new clause 9.8.8:

- 9.8.8. For the purposes of clause 9.8.6, Flexible\_Over\_Allocation\_Payment(p,d) is calculated as:

$$\text{Flexible\_Over\_Allocation\_Payment}(p, d) = \max(0, \text{Participant\_FCCA}(p, d) - \text{FIRCR}(p, d)) \times \text{Flexible\_Excess\_Allocation\_Price}(p, d);$$

where:

- (a) Participant\_FCCA(p,d) is the sum of Flexible Capacity Credits allocated to Market Participant p in Trading Day d in Capacity Credit Allocations;
- (b) FIRCR(p,d) is the Flexible Individual Reserve Capacity Requirement for Market Participant p for the Trading Month in which Trading Day d falls, expressed in units of MW; and

- (c) Flexible\_Excess\_Allocation\_Price(p,d) is zero if Participant\_FCCA(p,d) = 0, and otherwise:

$$\text{Flexible\_Excess\_Allocation\_Price}(p, d) = \frac{\sum_{c \in C(p,d)} (\sum_{e \in FCCEntities(d)} (FCCA(c, e, p, d) \times EDFRCP(e, d)))}{\sum_{c \in C(p,d)} (\sum_{e \in FCCEntities(d)} (FCCA(c, e, p, d)))}$$

where:

- i. C(p,d) is the set of Capacity Credit Allocations made to Market Participant p in Trading Day d and c is a Capacity Credit Allocation within the set;
- ii. e ∈ FCCEntities(d) denotes all registered:
  1. Separately Certified Components of Scheduled Facilities;
  2. Separately Certified Components of Semi-Scheduled Facilities;
  3. Non-Scheduled Facilities; and
  4. Demand Side Programmes,
 on Trading Day d;
- iii. FCCA(c,e,p,d) is the number of Flexible Capacity Credits associated with entity e that have been allocated to Market Participant p in Capacity Credit Allocation c in Trading Day d; and
- iv. EDFRCP(e,d) is the Entity Daily Flexible Reserve Capacity Price associated with entity e in Trading Day d.

29.9 Insert the following new clause 9.8.9:

- 9.8.9. For the purposes of clause 9.8.2, Flexible\_Capacity\_Purchaser\_Payment(p,d) for Market Participant p for Trading Day d is:

$$\text{Flexible\_Capacity\_Purchaser\_Payment}(p, d) = \text{Flexible\_Targeted\_Reserve\_Capacity\_Cost}(p, d) + \text{Flexible\_Shared\_Reserve\_Capacity\_Cost}(p, d)$$

where:

- (a) Flexible\_Targeted\_Reserve\_Capacity\_Cost(p,d) = Flexible\_Targeted\_Reserve\_Capacity\_Cost(d) × Flexible\_Shortfall\_Share(p,d)
- (b) Flexible\_Shared\_Reserve\_Capacity\_Cost(p,d) = Flexible\_Shared\_Reserve\_Capacity\_Cost(d) × Flexible\_Capacity\_Share(p,d)
- (c) Flexible\_Targeted\_Reserve\_Capacity\_Cost(d) is the cost of Flexible Capacity to be shared amongst those Market Participants who have

not had sufficient Flexible Capacity Credits allocated to them for Trading Day d where this cost is specified under clause 4.29.3(bA);

- (d) 
$$Flexible\_Shortfall\_Share(p, d) = \frac{(\max(0, FIRCR(p, d) - Participant\_FCCA(p, d)))}{\sum_{p \in P} (\max(0, FIRCR(p, d) - Participant\_FCCA(p, d)))}$$
- (e) Flexible\_Shared\_Reserve\_Capacity\_Cost(d) is the cost of Flexible Capacity to be shared amongst all Market Participants for Trading Day d where this cost is specified under clause 4.29.3(cA);
- (f)  $Flexible\_Capacity\_Share(p, d) = FIRCR(p, d) / \sum_{p \in P} FIRCR(p, d)$
- (g) P is the set of all Market Participants where p is a member of that set;
- (h) FIRCR(p, d) is the Flexible Individual Reserve Capacity Requirement for Market Participant p for the Trading Month in which Trading Day d falls, expressed in units of MW; and
- (i) Participant\_FCCA(p, d) is the sum of the Flexible Capacity Credits allocated to Market Participant p in Trading Day d, in a Capacity Credit Allocation.

### 30. Chapter 11 (Glossary) amended

30.1 Insert the following new definition of 3 High-Ramp Trading Days:

**3 High-Ramp Trading Days:** For a Trading Month, means the three Trading Days with the highest Four-Hour Demand Increase, as published by AEMO under clause 4.1.23BA.

30.2 Delete the definition of Capacity Adjusted Forced Outage Quantity.

30.3 Delete the definition of Capacity Adjusted Planned Outage Quantity.

30.4 Delete the definition of Capacity Cost Refund.

30.5 Delete the definition of Consumption Deviation Application.

30.6 Delete the definition of Demand Side Programme Capacity Cost Refund.

30.7 Delete the definition of ESR Charge Shortfall.

30.8 Delete the definition of Excess Allocation Price.

30.9 Delete the definition of Facility Daily Peak Reserve Capacity Price.

30.10 Delete the definition of Facility Monthly Peak Reserve Capacity Price.

30.11 Insert the following new definition of Flexible Capacity Adjusted Forced Outage Quantity:

**Flexible Capacity Adjusted Forced Outage Quantity:** Means, the quantity, in MW, of the derating of a Facility or Separately Certified Component in a Dispatch Interval or Trading Interval from the Flexible Reserve Capacity Obligation Quantity for the Facility or Separately Certified Component as determined by AEMO in accordance with:

- (a) for a Separately Certified Component in a Dispatch Interval, the formula in clause 3.21.12;
- (b) for a Separately Certified Component in a Trading Interval, the formula in clause 3.21.13;
- (c) for a Facility in a Trading Interval, the formula in clause 3.21.14; and
- (d) for a Facility in a Dispatch Interval, the formula in clause 3.21.15.

30.12 Insert the following new definition of Flexible Capacity Adjusted Planned Outage Quantity:

**Flexible Capacity Adjusted Planned Outage Quantity:** Means, the quantity, in MW, of the derating of a Facility or Separately Certified Component in a Dispatch Interval or Trading Interval from the Flexible Reserve Capacity Obligation Quantity for the Facility or Separately Certified Component as determined by AEMO in accordance with:

- (a) for a Separately Certified Component in a Dispatch Interval, the formula in clause 3.21.16;
- (b) for a Separately Certified Component in a Trading Interval, the formula in clause 3.21.17;
- (c) for a Facility in a Trading Interval, the formula in clause 3.21.18; and
- (d) for a Facility in a Dispatch Interval, the formula in clause 3.21.19.

30.13 Insert the following new definition of Flexible Capacity Cost Refund:

**Flexible Capacity Cost Refund:** Has the meaning given in clause 4.26.15.

30.14 Insert the following new definition of Flexible Capacity Outage Quantity:

**Flexible Capacity Outage Quantity:** The quantity, in MW, of the derating of a Separately Certified Component in a Dispatch Interval as a result of a Planned Outage or Forced Outage for Flexible Capacity, determined in accordance with clause 3.21.11.

30.15 Insert the following new definition of Flexible Demand Side Programme Capacity Cost Refund:

**Flexible Demand Side Programme Capacity Cost Refund:** Has the meaning given in clause 4.26.18.

30.16 Insert the following new definition of Flexible DSP Delivery Shortfall:

**Flexible DSP Delivery Shortfall:** For a Demand Side Programme with Flexible Capacity Credits and for a Trading Day, denotes the quantity calculated in accordance with clause 4.26.4A.

30.17 Insert the following new definition of Flexible DSP Test Shortfall:

**Flexible DSP Test Shortfall:** For a Demand Side Programme in a Trading Interval, the quantity in MW by which it failed a Reserve Capacity Test for Flexible Capacity, calculated under clause 4.25.3E, clause 4.25.3G(b) or clause 4.25.6(b)(ii);

30.18 Insert the following new definition of Flexible ESR Charge Shortfall:

**Flexible ESR Charge Shortfall:** The MW quantity of Flexible Capacity of a Scheduled Facility or Semi-Scheduled Facility that is subject to a capacity refund in a Trading Interval due to the inadequate Charge Level of an Electric Storage Resource, calculated in accordance with clause 4.26.9.

30.19 Insert the following new definition of Flexible Excess Allocation Price:

**Flexible Excess Allocation Price:** Means the price for a Market Participant as calculated in accordance with clause 9.8.8(c).

30.20 Insert the following new definition of Flexible Facility Reserve Capacity Deficit Refund:

**Flexible Facility Reserve Capacity Deficit Refund:** Has the meaning given in clause 4.26.4.

30.21 Insert the following new definition of Flexible Generation Capacity Cost Refund:

**Flexible Generation Capacity Cost Refund:** Has the meaning given in clause 4.26.17.

30.22 Insert the following new definition of Flexible Generation Reserve Capacity Deficit Refund:

**Flexible Generation Reserve Capacity Deficit Refund:** Has the meaning given in clause 4.26.13.

30.23 Insert the following new definition of Flexible Individual Reserve Capacity Requirement:

**Flexible Individual Reserve Capacity Requirement:** The MW quantity determined by AEMO in respect of a Market Participant for a Trading Month, in accordance with clause 4.28.7A and, if applicable, as revised in accordance with clause 4.28.11B.

30.24 Insert the following new definition of Flexible IRCR Intervals:

**Flexible IRCR Intervals:** For a Capacity Year, the Trading Intervals determined by AEMO under clause 4.28.5C.

30.25 Insert the following new definition of Flexible Not In-Service Capacity Refund Quantity:

**Flexible Not In-Service Capacity Refund Quantity:** The MW quantity of Not In-Service Capacity of a Scheduled Facility or Semi-Scheduled Facility that is subject to a Flexible Capacity refund in a Trading Interval, calculated in accordance with clause 4.26.8.

30.26 Insert the following new definition of Flexible Real-Time Market Offer Shortfall:

**Flexible Real-Time Market Offer Shortfall:** Has the meaning given in clause 4.26.11.

30.27 Insert the following new definition of Flexible Real-Time Market Reserve Capacity Deficit:

**Flexible Real-Time Market Reserve Capacity Deficit:** Has the meaning given in clause 4.26.5.

30.28 Insert the following new definition of Flexible Refund Exempt Planned Outage Count:

**Flexible 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 during which Flexible Capacity Credits were associated with the Separately Certified Component, the sum over all Trading Intervals in that period of:

- (a) the total Flexible Refund Exempt Planned Outage Quantity determined by AEMO for the Separately Certified Component in the Trading Interval under clauses 4.26.6 or 4.26.7; divided by
- (b) the number of Flexible Capacity Credits associated with the Separately Certified Component in the Trading Interval.

30.29 Insert the following new definition of Flexible Refund Exempt Planned Outage Quantity:

**Flexible Refund Exempt Planned Outage Quantity:** A Flexible Capacity Adjusted Planned Outage Quantity for a Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility in a Trading Interval for which a Flexible Facility Reserve Capacity Deficit Refund is not payable, as determined by AEMO under clauses 4.26.6 or 4.26.7.

30.30 Insert the following new definition of Flexible Refund Payable Planned Outage Quantity:

**Flexible Refund Payable Planned Outage Quantity:** A Flexible Capacity Adjusted Planned Outage Quantity for a Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility in a Trading Interval for which a Flexible Facility Reserve Capacity Deficit Refund is payable, as determined by AEMO under clauses 4.26.6 or 4.26.7.

- 30.31 Delete the definition of Flexible Reserve Capacity Obligation Quantity and insert the following new definition of Flexible Reserve Capacity Obligation Quantity:

**Flexible Reserve Capacity Obligation Quantity:** The specific amount of capacity required to be provided in a Dispatch Interval or Trading Interval as part of a Reserve Capacity Obligation set by AEMO in accordance with clauses 4.12.7 to 4.12.9.

- 30.32 Insert the following new definition of Flexible Reserve Capacity Deficit:

**Flexible Reserve Capacity Deficit:** Has the meaning given in clause 4.26.4(a)(ii).

- 30.33 Insert the following new definition of Flexible Shared Reserve Capacity Cost:

**Flexible Shared Reserve Capacity Cost:** For a Trading Day, the amount determined in accordance with clause 4.28.1A(b).

- 30.34 Insert the following new definition of Flexible Targeted Reserve Capacity Cost:

**Flexible Targeted Reserve Capacity Cost:** For a Trading Day, the cost defined under clause 4.28.1A(a).

- 30.35 Insert the following new definition of Flexible Trading Interval Capacity Cost Refund:

**Flexible Trading Interval Capacity Cost Refund:** The refund a Market Participant holding Flexible Capacity Credits incurs in a Trading Interval, as calculated in accordance with clause 4.26.16.

- 30.36 Insert the following new definition of Flexible Trading Interval Refund Rate:

**Flexible Trading Interval Refund Rate:** The Flexible Capacity refund rate applicable in a Trading Interval, and in **respect** of a Facility, as calculated in accordance with clause 4.26.1(h).

- 30.37 Delete the definition of Four-Hour Demand Increase and insert the following new definition of 'Four-Hour Demand Increase':

**Four-Hour Demand Increase:** For a Trading Interval, the quantity in MW determined by AEMO in **accordance** with the formula in clause 3.16.7A.

- 30.38 Delete the definition of Generation Capacity Cost Refund.

- 30.39 Delete the definition of Generation Reserve Capacity Deficit Refund.

- 30.40 Insert the following new definition of IML Trading Interval Refund Rate:

**IML Trading Interval Refund Rate:** The Peak Capacity refund rate applicable in a Trading Interval, and in respect of an Intermittent Load, as calculated in accordance with clause 4.28A.1A.

- 30.41 Insert the following new definition of Indicative Flexible Individual Reserve Capacity Requirement:

**Indicative Flexible Individual Reserve Capacity Requirement:** Means the estimate of a Market Participant's Flexible Individual Reserve Capacity Requirement for a Trading Month determined and provided to that Market Participant by AEMO in accordance with clause 4.28.6A.

- 30.42 Delete the definition of Indicative Individual Reserve Capacity Requirement and insert the following new definition of Indicative Peak Individual Reserve Capacity Requirement:

**Indicative Peak Individual Reserve Capacity Requirement:** Means the estimate of a Market Participant's Peak Individual Reserve Capacity Requirement for a Trading Month determined and provided to that Market Participant by AEMO in accordance with clause 4.28.6.

- 30.43 Delete the definition of Individual Reserve Capacity Requirement and insert the following new definition of Individual Reserve Capacity Requirement:

**Individual Reserve Capacity Requirement:** A Peak Individual Reserve Capacity Requirement or a Flexible Individual Reserve Capacity Requirement or both (as the context requires).

- 30.44 Delete the definition of Individual Reserve Capacity Requirement Contribution.

- 30.45 Insert the following new definition of Maximum Flexible Facility Refund:

**Maximum Flexible Facility Refund:** The total amount of the Flexible Capacity Credit payments paid or to be paid under these WEM 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).

- 30.46 Insert the following new definition of Maximum Flexible Participant Generation Refund:

**Maximum Flexible Participant Generation Refund:** The total amount of the Flexible Capacity Credit payments paid or to be paid under these WEM 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).

30.47 Delete the definition of Maximum Participant Generation Refund and insert the following new definition of Maximum Peak Participant Generation Refund:

**Maximum Peak Participant Generation Refund:** The total amount of the Peak Capacity Credit payments paid or to be paid under these WEM 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).

30.48 Delete the definition of Maximum Facility Refund and replace it with the following new definition of Maximum Peak Facility Refund:

**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 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).

30.49 Delete the definition of Not In-Service Capacity Refund Quantity.

30.50 Delete the definition of Outage Quantity.

30.51 Insert the following new definition of Peak Capacity Adjusted Forced Outage Quantity:

**Peak Capacity Adjusted Forced Outage Quantity:** Means, the quantity, in MW, of the derating of a Facility or Separately Certified Component in a Dispatch Interval or Trading Interval from the Peak Reserve Capacity Obligation Quantity for the Facility or Separately Certified Component as determined by AEMO in accordance with:

- (a) for a Separately Certified Component in a Dispatch Interval, the formula in clause 3.21.7;
- (b) for a Separately Certified Component in a Trading Interval, the formula in clause 3.21.7A;
- (c) for a Facility in a Trading Interval, the formula in clause 3.21.7B; and

(d) for a Facility in a Dispatch Interval, the formula in clause 3.21.7C.

30.52 Insert the following new definition of Peak Capacity Adjusted Planned Outage Quantity:

**Peak Capacity Adjusted Planned Outage Quantity:** Means, the quantity, in MW, of the derating of a Facility or Separately Certified Component in a Dispatch Interval or Trading Interval from the Peak Reserve Capacity Obligation Quantity for the Facility or Separately Certified Component as determined by AEMO in accordance with:

(a) for a Separately Certified Component in a Dispatch Interval, the formula in clause 3.21.8;

(b) for a Separately Certified Component in a Trading Interval, the formula in clause 3.21.8A;

(c) for a Facility in a Trading Interval, the formula in clause 3.21.8B; and

(d) for a Facility in a Dispatch Interval, the formula in clause 3.21.8C.

30.53 Insert the following new definition of Peak Capacity Cost Refund:

**Peak Capacity Cost Refund:** Has the meaning given in clause 4.26.2E.

30.54 Insert the following new definition of Peak Capacity Outage Quantity:

**Peak Capacity Outage Quantity:** The quantity, in MW, of the derating of a Separately Certified Component in a Dispatch Interval as a result of a Planned Outage or Forced Outage for energy, determined in accordance with clause 3.21.6.

30.55 Insert the following new definition of Peak Demand Side Programme Capacity Cost Refund:

**Peak Demand Side Programme Capacity Cost Refund:** Has the meaning given in clause 4.26.3A.

30.56 Insert the following new definition of Peak ESR Charge Shortfall:

**Peak ESR Charge Shortfall:** The MW quantity of capacity of a Scheduled Facility or Semi-Scheduled Facility that is subject to a capacity refund in a Trading Interval due to the inadequate Charge Level of an Electric Storage Resource, calculated in accordance with clause 4.26.1E.

30.57 Insert the following new definition of Peak Excess Allocation Price:

**Peak Excess Allocation Price:** For a Market Participant is as calculated in accordance with clause 9.8.3B(c).

30.58 Insert the following new definition of Peak Generation Capacity Cost Refund:

**Peak Generation Capacity Cost Refund:** Has the meaning given in clause 4.26.3.

30.59 Insert the following new definition of Peak Generation Reserve Capacity Deficit Refund:

**Peak Generation Reserve Capacity Deficit Refund:** Has the meaning given in clause 4.26.1I.

30.60 Insert the following new definition of Peak Individual Reserve Capacity Requirement:

**Peak Individual Reserve Capacity Requirement:** The MW quantity determined by AEMO in respect of a Market Participant for a Trading Month, in accordance with clause 4.28.7 and, if applicable, as revised in accordance with clause 4.28.11A.

30.61 Insert the following new definition of Peak Individual Reserve Capacity Requirement Contribution:

**Peak Individual Reserve Capacity Requirement Contribution:** Means the contribution of an Associated Load to a Market Participant's Indicative Peak Individual Reserve Capacity Requirement determined in accordance with step 11 of Appendix 5.

30.62 Insert the following new definition of Peak Not In Service Capacity Refund Quantity:

**Peak Not In-Service Capacity Refund Quantity:** The MW quantity of Not In-Service Capacity of a Scheduled Facility or Semi-Scheduled Facility that is subject to a Peak Capacity refund in a Trading Interval, calculated in accordance with clause 4.26.1D.

30.63 Insert the following new definition of Peak Real-Time Market Offer Shortfall:

**Peak Real-Time Market Offer Shortfall:** Has the meaning given in clause 4.26.1G.

30.64 Insert the following new definition of Peak Real-Time Market Reserve Capacity Deficit:

**Peak Real-Time Market Reserve Capacity Deficit:** Has the meaning given in clause 4.26.1B.

30.65 Insert the following new definition of Peak Refund Exempt Planned Outage Count:

**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 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 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.

30.66 Insert the following new definition of Peak Refund Exempt Planned Outage Quantity:

**Peak Refund Exempt Planned Outage Quantity:** A Peak Capacity Adjusted Planned Outage Quantity for a Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility in a Trading Interval for which a Peak Facility Reserve Capacity Deficit Refund is not payable, as determined by AEMO under clauses 4.26.1C or 4.26.1CA.

30.67 Insert the following new definition of Peak Refund Payable Planned Outage Quantity:

**Peak Refund Payable Planned Outage Quantity:** A Peak Capacity Adjusted Planned Outage Quantity for a Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility in a Trading Interval for which a Peak Facility Reserve Capacity Deficit Refund is payable, as determined by AEMO under clauses 4.26.1C or 4.26.1CA.

30.68 Insert the following new definition of Peak Reserve Capacity Deficit:

**Peak Reserve Capacity Deficit:** Has the meaning given in clause 4.26.1A(a)(ii).

30.69 Insert the following new definition of Peak Reserve Capacity Deficit Refund:

**Peak Reserve Capacity Deficit Refund:** Has the meaning given in clause 4.26.1A.

30.70 Insert the following new definition of Peak Reserve Capacity Obligation Quantity:

**Peak Reserve Capacity Obligation Quantity:** The specific amount of capacity required to be provided in a Dispatch Interval or Trading Interval as part of a Reserve Capacity Obligation set by AEMO in accordance with clauses 4.12.4 to 4.12.6.

30.71 Insert the following new definition of Peak Shared Reserve Capacity Cost:

**Peak Shared Reserve Capacity Cost:** For a Trading Day, the amount determined in accordance with clause 4.28.4.

30.72 Insert the following new definition of Peak Targeted Reserve Capacity Cost:

**Peak Targeted Reserve Capacity Cost:** For a Trading Day, the cost defined under clause 4.28.1(a).

30.73 Insert the following new definition of Peak Trading Interval Capacity Cost Refund:

**Peak Trading Interval Capacity Cost Refund:** The refund a Market Participant holding Peak Capacity Credits incurs in a Trading Interval, as calculated in accordance with clause 4.26.2F.

30.74 Insert the following new definition of Peak Trading Interval Refund Rate:

**Peak Trading Interval Refund Rate:** The Peak Capacity refund rate applicable in a Trading Interval, and in respect of a Facility, as calculated in accordance with clause 4.26.1(a).

30.75 Insert the following new definition of Post Hot Season New Notional Wholesale Meter:

**Post Hot Season New Notional Wholesale Meter:** A notional interval meter representing Non-Dispatchable Loads that are deemed as non-interval meters that are served by Synergy and which came into existence after the end of the previous Hot Season.

30.76 Insert the following new definition of Post Capacity Year New Notional Wholesale Meter:

**Post Capacity Year New Notional Wholesale Meter:** A notional interval meter representing Non-Dispatchable Loads that are not read as interval meters that are served by Synergy and which came into existence after the end of the previous Capacity Year.

30.77 Delete the definition of Real Time Market Offer Shortfall.

30.78 Delete the definition of Real Time Market Reserve Capacity Deficit.

30.79 Delete the definition of Refund Exempt Planned Outage Count.

30.80 Delete the definition of Refund Exempt Planned Outage Quantity.

30.81 Delete the definition of Refund Payable Planned Outage Quantity.

30.82 Delete the definition of Reserve Capacity Deficit.

30.83 Delete the definition of Reserve Capacity Obligation Quantity.

30.84 Delete the definition of Shared Reserve Capacity Cost.

30.85 Delete the definition of STEM Reserve Capacity Obligation Quantity and replace it with the following new definition of STEM Peak Reserve Capacity Obligation Quantity:

**STEM Peak Reserve Capacity Obligation Quantity:** An estimate of the Peak Reserve Capacity Obligation Quantity for a Scheduled Facility or Semi-Scheduled Facility, or a

Separately Certified Component of a Scheduled Facility or Semi-Scheduled Facility, for a Dispatch Interval that is determined by AEMO on the Scheduling Day for the relevant Trading Day in accordance with clause 6.3A.3(h).

30.86 Delete the definition of Targeted Reserve Capacity Cost.

30.87 Delete the definition of Trading Interval Capacity Cost Refund.

30.88 Delete the definition of Trading Interval Refund Rate.

30.89 Insert the following new definition of Unadjusted Baseline Energy:

**Unadjusted Baseline Energy:** For an Associated Load of a Demand Side Programme in a Trading Interval, the value in MWh determined in clause 2.2 of Appendix 10.

### 31. Appendix 1 amended

31.1 Delete clause (b)vD and replace it with the following new clause (b)vD:

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;

31.2 Insert the following new clause (b)xB:

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), expressed in MW;

31.3 Insert the word 'Peak ' before 'Electric Storage Resource Obligation Duration' in clause (b)xii.

31.4 Insert the following new clause (b)xiiA:

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), expressed in MW;

31.5 Delete clause (b)xviA.

31.6 Insert the following new clause (b)xviiiA:

xviiiA. the minimum time to operation at the minimum stable loading level for each Facility Technology Type from each of the following states, if applicable:

1. cold;
2. warm; and
3. hot,

and the number of hours that must have elapsed since the Facility Technology Type last ran for it to be considered in each of these states;

31.7 Insert the following new clause (b)xixA:

xixA. the minimum time before each Facility Technology Type in the Facility can be shut down after it is started, excluding Loads;

31.8 Insert the following new clause (b)xxiiiA:

xxiiiA. the output range over which the Facility and each Separately Certified Component is capable of meeting the requirements for Flexible Capacity determined under clause 4.10.1A(a);

31.9 Delete clause (c)vD and insert the following new clause (c)vD:

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;

31.10 Insert the following new clause (c)xB:

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), expressed in MW;

31.11 Delete clause (c)xii and insert the following new clause (c)xii:

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;

31.12 Insert the following new clause (c)xiiA:

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), expressed in MW, expressed in MW;

31.13 Insert the following new clause (c)xviiA:

xviiA. the minimum time to operation at the minimum stable loading level for each Facility Technology Type from each of the following states, if applicable:

1. cold;
2. warm; and
3. hot,

and the number of hours that must have elapsed since the Facility Technology Type last ran for it to be considered in each of these states;

31.14 Insert the following new clause (c)xviiiA:

xviiiA. the minimum time before each Facility Technology Type in the Facility can be shut down after it is started, excluding Loads;

31.15 Insert the following new clause (c)xxiA:

xxiA. the minimum time required to ramp down from the minimum stable loading level to zero output;

31.16 Insert the following new clause (c)xxiiA:

xxiiA. the output range over which the Facility and each Separately Certified Component is capable of meeting the requirements for Flexible Capacity determined under clause 4.10.1A(a);

31.17 Delete clause (d)vD and insert the following new clause (d)vD:

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;

**32. Appendix 4 amended**

32.1 Delete the word '[Blank]' and replace it with 'Flexible Individual Reserve Capacity Requirements' in the heading of Appendix 4.

32.2 Insert the following new Appendix 4:

This Appendix presents the method that must be used by AEMO to determine, for a Trading Month n:

- Indicative Flexible Individual Reserve Capacity Requirements as required under clause 4.28.6A;
- Flexible Individual Reserve Capacity Requirements as required under clause 4.28.7A; and
- revised Flexible Individual Reserve Capacity Requirements as required under clause 4.28.11B.

AEMO must perform steps 1 to 3 to determine the Indicative Flexible Individual Reserve Capacity Requirements, Flexible Individual Reserve Capacity Requirements or revised Flexible Individual Reserve Capacity Requirements for Trading Month n.

For the purpose of this Appendix:

1. All references, apart from those in step 1(c)(ii), to meters are to interval meters.
2. The Notional Wholesale Meter is to be treated as a registered interval meter. This meter is denoted by meter  $m=m^*$ .
3. The Post Capacity Year New Notional Wholesale Meter, determined in accordance with step 1(c), is to be treated as a registered interval meter. This meter is denoted by  $m=m^+$ .
4. A meter measuring a Facility containing an Intermittent Load is to be included in these calculations as a single meter representing a Non-Dispatchable Load, with metered consumption calculated according to clause 2.30B.11 and clause 9 of this Appendix 4.
5. The meter registration data to be used in the calculations is to be the most current complete set of meter registration data as at the time of commencing the calculations.
6. When calculating the Indicative Flexible Individual Reserve Capacity Requirements AEMO must assume that all meters registered to a Market Participant on the day of calculation will remain registered to that Market Participant for all future Trading Intervals.
7. A meter measuring a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility not containing an Intermittent Load is to be included in these calculations with metered consumption calculated in accordance with clause 9 of this Appendix 4.
8. Each meter measuring an Aggregated Facility is to be included as a separate meter with metered consumption calculated in accordance with clause 9 of this Appendix 4.
9. Metered consumption for meter  $m$ , in Trading Interval  $t$ , is zero when AEMO issues a direction under clause 7.7.5 in respect of an Electric Storage Resource associated with

m for a Dispatch Interval within t, otherwise it is  $-1 \times \min(0, \text{SOMS}(m, t))$ , where  $\text{SOMS}(m, t)$  is the Sent Out Metered Schedule of m in t.

10. If meter m measures an Associated Load of a Demand Side Programme then:
- (a) If the Demand Side Programme was issued a Dispatch Instruction under clause 7.6.5A for a quantity determined under clause 7.6.5A in a Flexible IRCR Interval t, then the metered consumption in Trading Interval t equals the Unadjusted Baseline Energy for that load in the Trading Interval as calculated in Step 2.2 of Appendix 10.
  - (b) Otherwise, the metered consumption of meter m is given by its Sent Out Metered Schedule in Trading Interval t.
11. References to the “relevant Capacity Year” are to the Capacity Year which contains Trading Month n.

Step 1: Determine the contribution of each meter m to the Flexible Reserve Capacity Requirement as:

- (a) for a meter, including the Notional Wholesale Meter, for which Sent Out Metered Schedules exist for all of the Flexible IRCR Intervals for the relevant Capacity Year:

$$\text{FRCRC}(m) = 2 \times \frac{\sum_{d \in \text{FIRCRD}} \max_{t \in \text{FIRCRI}(d)} (\text{Demand}(m, \text{LatestInterval}(d)) - \text{Demand}(m, t))}{3}$$

where:

- i.  $\text{Demand}(m, t)$  is the metered consumption in MWh of meter m in Trading Interval t;
  - ii.  $d \in \text{FIRCRD}$  refers to all Trading Days in the relevant Capacity Year which contain Flexible IRCR Intervals;
  - iii.  $t \in \text{FIRCRI}(d)$  refers to all Flexible IRCR Trading Intervals on Trading Day d; and
  - iv.  $\text{LatestInterval}(d)$  is the latest Flexible IRCR Trading Interval on Trading Day d;
- (b) for a meter, excluding the Post Capacity Year New Notional Wholesale Meter, for which Sent Out Metered Schedules do not exist for all of the Flexible IRCR Intervals, but for which Sent Out Metered Schedules exist for all Trading Intervals in Trading Month n-3:

$$\text{FRCRC}(m) = 2 \times \max_{M \in \text{PTM}} \left( \frac{\sum_{d \in \text{3HRTD}(M)} (\max_{t \in \text{HRTI}(d)} (\text{Demand}(m, \text{Highest4HDI}(d)) - \text{Demand}(m, t)))}{3} \right)$$

where:

- i.  $\text{Demand}(m, t)$  is the metered consumption in MWh of meter m in Trading Interval t; and
- ii.  $d \in \text{3HRTD}(M)$  refers to all Trading Days in the 3 High-Ramp Trading Days in Trading Month M;

- iii.  $t \in \text{HRTI}(d)$  refers to the Trading Interval with the highest Four-Hour Demand Increase on Trading Day  $d$  and the seven prior Trading Intervals;
  - iv.  $\text{Highest4HDI}(d)$  is the Trading Interval with the highest Four-Hour Demand Increase on Trading Day  $d$ ; and
  - v.  $M \in \text{PTM}$  refers to all Trading Months from the start of the relevant Capacity Year to Trading Month  $n-3$  inclusive; and
- (c) for the Post Capacity Year New Notional Wholesale Meter:

$$\text{FRCRC}(m^+) = \frac{\text{FRCRC}(m^*)}{\text{NIMCount}(\text{FMPCY})} \times (\text{NIMCount}(n-3) - \text{NIMCount}(\text{FMPCY}))$$

where:

- i.  $\text{FRCRC}(m^*)$  is the contribution to the Flexible Reserve Capacity Requirement by the Notional Wholesale Meter calculated under step 1(a);
- ii.  $\text{NIMCount}(\text{FMPCY})$  is the number of non-interval or accumulation meters that existed at the end of the final Trading Month of the Capacity Year before the relevant Capacity Year; and
- iii.  $\text{NIMCount}(n-3)$  is the number of non-interval or accumulation meters that existed at the end of Trading Month  $n-3$ .

Step 2: For each Market Participant  $p$ , calculate the contribution to the Flexible Reserve Capacity Requirement as:

$$\text{FRCRC}(p) = \sum_{m \in \text{Meters}(p)} \text{FRCRC}(m)$$

where:

- (a)  $\text{FRCRC}(m)$  is the contribution to the Flexible Reserve Capacity Requirement of meter  $m$  calculated under step 1; and
- (b)  $m \in \text{Meters}(p)$  refers to all meters registered to Market Participant  $p$ .

Step 3: For each Market Participant  $p$ , calculate the Indicative Flexible Individual Reserve Capacity Requirement or Flexible Individual Reserve Capacity Requirement, as applicable as:

$$\text{FIRCR}(p) = \frac{\text{FRCRC}(p)}{\sum_p \text{FRCRC}(p)} \times \min(\text{FRCR}, \text{FCC})$$

where:

- (a)  $\text{FRCRC}(p)$  is the contribution to the Flexible Reserve Capacity Requirement by Market Participant  $p$  calculated under step 2;
- (b)  $\text{FRCR}$  is the Flexible Reserve Capacity Requirement for the relevant Capacity Year; and

- (c) FCC is the number of Flexible Capacity Credits held by Market Participants on the relevant Trading Day.

**33. Appendix 5 amended**

- 33.1 Insert the word 'Peak ' before 'Individual Reserve Capacity' in the heading of Appendix 5.
- 33.2 Insert the word 'Peak ' before 'Individual Reserve Capacity' in the first bullet point paragraph of Appendix 5.
- 33.3 Insert the word 'Peak ' before 'Individual Reserve Capacity' in the second bullet point paragraph of Appendix 5.
- 33.4 Insert the word 'Peak ' before 'Individual Reserve Capacity' in the third bullet point paragraph of Appendix 5.
- 33.5 Insert the word 'Peak ' before 'Individual Reserve Capacity' in the fourth bullet point paragraph of Appendix 5.
- 33.6 Delete the two paragraphs following the four dot points in Appendix 5 and replace them with the following two paragraphs:

AEMO must perform steps 1 to 10A to determine the Indicative Peak Individual Reserve Capacity Requirements, Peak Individual Reserve Capacity Requirements or revised Peak Individual Reserve Capacity Requirements for Trading Month n.

AEMO must perform step 11 as required to determine the Peak Individual Reserve Capacity Requirement Contribution of an individual metered Associated Load for Trading Month n, using as input the relevant values calculated by AEMO when it determined the Indicative Peak Individual Reserve Capacity Requirements for Trading Month n.

- 33.7 Insert the word 'Peak ' before 'Individual Reserve Capacity Requirements' in point 9 of the paragraph commencing with 'For the Purposes of this Appendix:' in Appendix 5.
- 33.8 Insert the following new point 13 in the paragraph commencing with 'For the Purposes of this Appendix' in Appendix 5:

- 13. If meter m measures an Associated Load of a Demand Side Programme then:
  - (a) if the Demand Side Programme was issued a Dispatch Instruction by AEMO for a non-zero MW quantity under clause 7.6.5A in a Peak IRCR Interval t, then its metered consumption in Trading Interval t is given by the Unadjusted Baseline Energy of that load for that Trading Interval; and

- (b) otherwise, the metered consumption of meter m is given by its Sent Out Metered Schedule in Trading Interval t.

33.9 Delete the paragraphs dealing with 'Step 1' in Appendix 5 and replace it with the following new paragraphs:

Step 1: Calculate:

$$RR = \min(RCR, CC)$$

$$FL = FL\_RCR \times RR / RCR$$

where:

RCR is the Peak Reserve Capacity Requirement for the relevant Reserve Capacity Cycle

CC is the total number of Peak Capacity Credits assigned for Trading Month n at the time of the calculation

FL\_RCR is the peak demand associated with the Peak Reserve Capacity Requirement for the relevant Reserve Capacity Cycle as specified in clause 4.6.2

33.10 Delete the paragraph dealing with 'Step 10A' in Appendix 5 and replace it with the following new paragraph:

Step 10A: For each Market Participant i, set the Indicative Peak Individual Reserve Capacity Requirement or Individual Peak Reserve Capacity Requirement, as applicable, for Trading Month n to:

$$X(i) \times \text{Total\_Ratio}$$

33.11 Insert the word 'Peak ' before 'Reserve Capacity Requirement Contribution' in the paragraph dealing with 'Step 11' in Appendix 5.

#### **34. Appendix 10 amended**

34.1 Insert the words ' and/or clause 4.25.2BA' after 'clause 4.25.2B' at the end of the second bullet point in the definition of DSP Dispatch Event in Appendix 10.

## **Schedule 5**

### **1. Section 1.63 amended**

- 1.1 Delete the words '3 and 4' after 'purposes of Steps' and replace them with 'B.1.2 and B.1.3' in clause 1.63.3.

### **2. Section 4.1 amended**

- 2.1 Delete clause 4.1.9 and replace it with the following new clause 4.1.9:

4.1.9. AEMO must publish certain input data to be used in the Relevant Level Method in accordance with step B.9.1 of Appendix 9 by 5:00 PM on the first Business Day falling on or following 10 June of Year 1 of a Reserve Capacity Cycle.

### **3. Section 4.1 amended**

- 3.1 Delete clause 4.1.16 and replace it with the following new clause 4.1.16:

4.1.16. AEMO must publish the information set out in step B.9.2 of Appendix 9 by the time specified in clause 4.1.15A.

### **4. Section 4.5 amended**

- 4.1 Delete the number '5' after 'determined under step' and replace it with 'B.2.5' in clause 4.5.12(g)(i).
- 4.2 Delete the number '7' after 'of Appendix' and replace it with '9' in clause 4.5.12(g)(i).

### **5. Section 4.11 amended**

- 5.1 Insert the following new clause 4.11.2B:

4.11.2B. AEMO must document in a WEM Procedure the assumptions and process for the Relevant Level Method, including how it determines:

- (a) the DER Adjusted Demand Profile under step B.2.2;
- (b) the Reference Demand Profile under step B.2.5;
- (c) Non-Candidate Availability Scenarios under step B.3.4; and
- (d) any other aspect of the Relevant Level Method AEMO considers appropriate.

**6. Chapter 11 (Glossary) amended**

- 6.1 Delete the words '1 April of Capacity Year 1' at the end of the definition of RLM Reference Period and replace them with '1 October of Year 1 of the previous Reserve Capacity Cycle'.

**7. Appendix 7 amended**

- 7.1 Delete Appendix 7 and replace it with the following:

**Appendix 7: [Blank]**

**8. Appendix 9 amended**

- 8.1 Delete Appendix 9 and replace it with the following new Appendix 9:

**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.

**Part A: Introduction**

**Interpretations and Definitions**

- A.1. This Appendix 9 presents the method for determining the Relevant Levels for Facilities or components of Facilities (“**Candidates**”) for which:
- (a) Market Participants have applied for:
    - i. Peak Certified Reserve Capacity for a given Reserve Capacity Cycle (“**Current Reserve Capacity Cycle**”) under section 4.9;
    - ii. Conditional Peak Certified Reserve Capacity for a future Reserve Capacity Cycle under section 4.9 and AEMO is required under clause 4.9.7A to process the application at the time it processes applications for Certified Reserve Capacity for the Current Reserve Capacity Cycle; or
    - iii. Peak Early Certified Reserve Capacity for a Reserve Capacity Cycle under clause 4.28C.2 and AEMO is required under clause 4.28C.7 to process the application at the time it processes applications for Peak Certified Reserve Capacity for the Current Reserve Capacity Cycle;
  - (b) the Market Participant’s application includes all required supporting information and is deemed by AEMO to be complete; and
  - (c) the Peak Certified Reserve Capacity, Conditional Peak Certified Reserve Capacity or Peak Early Certified Reserve Capacity (as applicable) is required to be determined using the Relevant Level Method;

- A.2. In this Appendix 9:
- (a) a reference to a step is the process step so numbered in this Appendix 9;
  - (b) the steps in Parts B and C are to be carried out sequentially unless stated otherwise;
  - (c) the full operation date of a Candidate for the Current Reserve Capacity Cycle (“**Full Operation Date**”) is:
    - i. if at the time the application is made the Candidate is yet to enter service, the date provided under clause 4.10.1(c)(iii)(7) or revised in accordance with clause 4.27.11A; or
    - ii. otherwise the date most recently provided for a Reserve Capacity Cycle under clause 4.10.1(k);
  - (d) a “**Committed Candidate**” is a Candidate which is the subject of an application for Peak Certified Reserve Capacity for the Current Reserve Capacity Cycle and has been allocated Peak Capacity Credits in a previous Reserve Capacity Cycle;
  - (e) a “**Proposed Candidate**” is a Candidate which is the subject of an application for Peak Certified Reserve Capacity for the Current Reserve Capacity Cycle and has not been allocated Peak Capacity Credits in a previous Reserve Capacity Cycle;
  - (f) an “**Early Candidate**” is a Candidate which is the subject of an application for Peak Early Certified Reserve Capacity for a future Reserve Capacity Cycle that AEMO is required, under clause 4.28C.7, to process at the time it processes applications for Peak Certified Reserve Capacity for the Current Reserve Capacity Cycle; and
  - (g) “**Conditional Candidate**” is a Candidate which is the subject of an application for Conditional Peak Certified Reserve Capacity for a future Reserve Capacity Cycle that AEMO is required, under clause 4.9.7A, to process at the time it processes applications for Peak Certified Reserve Capacity for the Current Reserve Capacity Cycle.
- A.3. AEMO must determine the Relevant Levels for Candidates for the Current Reserve Capacity Cycle by following each of the steps set out in Part B, using the subprocesses in Part C and Part D as specified.

## **Part B: Process Steps**

### **Step B.1: Determine Candidate Historical Output**

- B.1.1. For each Candidate, determine:
- (a) for each Trading Interval (if any) in the RLM Reference Period that falls after 8:00 AM on the Full Operation Date for the Candidate, the quantity of energy (in MWh) sent out by the Candidate using:
    - i. Facility Sub-Metering, if the Candidate is a component of a Facility for which Facility Sub-Metering is required to be installed; and



- ii. Sent Out Metered Schedules, if the Candidate is not a component of a Facility for which Facility Sub-Metering is required to be installed;
  - (b) for each Trading Interval (if any) in the RLM Reference Period that falls before 8:00 AM on the Full Operation Date for the Candidate, an estimate of the quantity of energy (in MWh) that would have been sent out by the Candidate 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 under clause 4.10.3, unless AEMO reasonably considers the estimates in the expert report to be inaccurate.
- B.1.2. For each Candidate, identify any Trading Intervals in the RLM Reference Period that fall after 8:00 AM on the Full Operation Date for the Candidate where the output of the parent Facility was restricted by a Dispatch Instruction or Network limitation, and estimate the output of that Candidate had it not been restricted by a Dispatch Instruction or Network limitation.
- B.1.3. For each Candidate and Trading Interval identified in step B.1.2 identify the higher of:
- (a) the actual quantity as determined in step B.1.1(a); and
  - (b) AEMO's estimate made under clause 7.13.6 or AEMO's revised estimate made under clause 7.13.7 as applicable.
- B.1.4. Determine the "**Historical Output**" for each Candidate for each Trading Interval t in the RLM Reference Period as:
- (a) for Trading Intervals that fall after 8:00 AM on the Full Operation Date for the Candidate, the MWh quantity determined in step B.1.1(a) or estimated in step B.1.3 as applicable, multiplied by 2 to convert to units of MW; and
  - (b) for Trading Intervals that fall before 8:00 AM on the Full Operation Date for the Candidate, the MWh quantity determined in step B.1.1(b) for the Candidate and Trading Interval, multiplied by 2 to convert to units of MW.

## **Step B.2: Determine Reference Demand Profile**

- B.2.1. Determine the "**Observed Demand**" (in MW) for each Trading Interval in the RLM Reference Period as:

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

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.
- B.2.2. Determine the “**DER Adjusted Demand Profile**” for the RLM Reference Period by adjusting the Observed Demand for each Trading Interval determined under step B.2.1 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 Reserve Capacity Cycle.
- B.2.3. Identify the Capacity Year in the RLM Reference Period with the lowest maximum demand in the DER Adjusted Demand Profile.
- B.2.4. Determine the “**ELCC Reference Period**” by selecting all Trading Intervals in the RLM Reference Period except those in the Capacity Year identified in step B.2.3.
- B.2.5. 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 Reserve Capacity Cycle in the scenario described in clause 4.5.10(a)(iv).

### **Step B.3: Determine Non-Candidate fleet parameters**

- B.3.1. Identify all Facilities or components of Facilities (“**Non-Candidates**”) that:
- (a) were allocated Peak Capacity Credits in a previous Reserve Capacity Cycle;
  - (b) AEMO expects to assign Peak Certified Reserve Capacity for the Current Reserve Capacity Cycle; and
  - (c) are not Candidates.
- B.3.2. Determine the “**Non-Candidate Forced Outage Rate**” for each Non-Candidate that is a Non-Intermittent Generating System or an Electric Storage Resource as the Forced Outage rate for that Non-Candidate:
- (a) as determined under clause 4.11.1A for the Current Reserve Capacity Cycle; or
  - (b) if a Forced Outage rate has not been determined for the Non-Candidate under clause 4.11.1A, the expected Forced Outage rate provided for the Non-Candidate under clause 4.10.1(e)(vi) or clause 4.10.1(fA)(v).
- B.3.3. Determine the Non-Candidate Forced Outage Rate for each Non-Candidate that is a Demand Side Programme or a Non-Scheduled Facility as zero.
- 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, 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.

- B.3.5. Determine the “**Default Capacity Obligation Quantity**” for each Non-Candidate  $nc$  for each Trading Interval  $t$  in the RLM Reference Period as follows:
- (a) the quantity of Peak Certified Reserve Capacity that AEMO expects to assign to Non-Candidate  $f$  for the Current Reserve Capacity Cycle if:
    - i. Non-Candidate  $nc$  is a Non-Intermittent Generating System;
    - ii. Non-Candidate  $nc$  is an Electric Storage Resource and Trading Interval  $t$  is a Peak Electric Storage Resource Obligation Interval for Non-Candidate  $nc$ ;
    - iii. Non-Candidate  $nc$  is a Non-Scheduled Facility consisting solely of an Electric Storage Resource and Trading Interval  $t$  is a Default Peak Electric Storage Resource Obligation Interval; or
    - iv. Non-Candidate  $nc$  is a Demand Side Programme and Trading Interval  $t$  falls in a period specified for the Facility under clause 4.10.1(f)(vi); and
  - (b) zero otherwise.

#### **Step B.4: Determine the Facility Average Performance Level**

- B.4.1. Identify the 12 Peak SWIS Trading Intervals for each Capacity Year in the ELCC Reference Period.
- B.4.2. Count the number of Trading Intervals identified in step B.4.1.
- B.4.3. For each Candidate, determine the “**Facility Average Performance Level**” as:

$$FAPL(c) = \frac{\sum_{t \in IRCRIntervals} \text{HistoricalOutput}(c, t)}{\text{IntervalCount}}$$

where:

- (a)  $\text{HistoricalOutput}(c, t)$  is the Historical Output for Candidate  $c$  in Trading Interval  $t$  determined in step B.1.4;
- (b)  $t \in IRCRIntervals$  denotes the set of Trading Intervals identified in step B.4.1; and
- (c)  $\text{IntervalCount}$  refers to the number of Trading Intervals determined in step B.4.2.

#### **Step B.5: Determine Relevant Levels for Committed Candidates**

- B.5.1. Determine the “**Committed Fleet Capacity**” for the ELCC Reference Period, by applying the subprocess in Part C using the fleet of Committed Candidates as the Part C Candidate Fleet;
- B.5.2. Determine the “**Committed Candidate Scaling Factor**” as:

$$CCSF = \frac{CFC}{\sum_{c \in CC} FAPL(c)}$$

where:

- (a) CFC is the Committed Fleet Capacity determined in step B.5.1;
- (b)  $c \in CC$  denotes all Committed Candidates; and
- (c) FAPL(c) is the Facility Average Performance Level for Candidate c determined in step B.4.3.

B.5.3. Determine the Relevant Level for each Committed Candidate c as:

$$\text{RelevantLevel}(c) = \max(0, FAPL(c) \times CCSF)$$

where:

- (a) FAPL(c) is the Facility Average Performance Level of Candidate c determined in step B.4.3; and
- (b) CCSF is the Committed Candidate Scaling Factor determined in step B.5.2.

### **Step B.6: Determine Relevant Levels for Proposed Candidates**

B.6.1. Determine the “**Committed and Proposed Fleet Capacity**” for the ELCC Reference Period as:

- (a) if the sum of the nameplate capacities of all Proposed Candidates is greater than or equal to 5 MW, by applying the subprocess in Part C using the fleet of Committed Candidates and Proposed Candidates as the Part C Candidate Fleet; and
- (b) otherwise, the Committed Fleet Capacity determined in step B.5.1, plus:
  - i. the sum of the Facility Average Performance Levels of all Proposed Candidates; multiplied by
  - ii. the Committed Candidate Scaling Factor determined in step B.5.2.

B.6.2. Determine the “**Proposed Fleet Capacity**” for the ELCC Reference Period as:

$$PFC = CPFC - CFC$$

where:

- (a) CPFC is the Committed and Proposed Fleet Capacity determined in step B.6.1; and
- (b) CFC is the Committed Fleet Capacity determined in step B.5.1.

B.6.3. Determine the “**Proposed Candidate Scaling Factor**” as:

- (a) if the sum of the nameplate capacities of all Proposed Candidates is greater than or equal to 5 MW:

$$PCSF = \frac{PFC}{\sum_{c \in PC} FAPL(c)}$$

where:

- i. PFC is the Proposed Fleet Capacity determined in step B.6.2;
  - ii.  $c \in PC$  denotes all Proposed Candidates; and
  - iii. FAPL(c) is the Facility Average Performance Level for Candidate c determined in step B.4.3; and
- (b) otherwise, the Committed Candidate Scaling Factor determined in step B.5.2.

B.6.4. Determine the Relevant Level for each Proposed Candidate c as:

$$\text{RelevantLevel}_c = \max(0, FAPL(c) \times PCSF)$$

where:

- (a) FAPL(c) is the Facility Average Performance Level of Candidate c determined in step B.4.3; and
- (b) PCSF is the Proposed Candidate Scaling Factor determined in step B.6.3.

### **Step B.7: Determine Relevant Levels for Early Candidates**

B.7.1. Determine the “**Committed Proposed and Early Fleet Capacity**” for the ELCC Reference Period as:

- (a) if the sum of the nameplate capacities of all Early Candidates is greater than or equal to 5 MW, by applying the subprocess in Part C using the fleet of Committed Candidates, Proposed Candidates, and Early Candidates as the Part C Candidate Fleet; and
- (b) otherwise, the Committed and Proposed Fleet Capacity determined in step B.6.1, plus:
  - i. the sum of the Facility Average Performance Levels of all Early Candidates; multiplied by
  - ii. the Committed Candidate Scaling Factor determined in step B.5.2.

B.7.2. Determine the “**Early Fleet Capacity**” for the ELCC Reference Period as:

$$EFC = CPEFC - CPFC$$

where:

- (a) CPEFC is the Committed and Proposed and Early Fleet Capacity determined in step B.7.1; and
- (b) CPFC is the Committed and Proposed Fleet Capacity determined in step B.6.1.

B.7.3. Determine the “**Early Candidate Scaling Factor**” as:

- (a) if the sum of the nameplate capacities of all Early Candidates is greater than or equal to 5 MW:

$$ECSF = \frac{EFC}{\sum_{c \in EC} FAPL(c)}$$

where:

- i. EFC is the Early Fleet Capacity determined in step B.7.2;
  - ii.  $c \in EC$  denotes all Early Candidates; and
  - iii. FAPL(c) is the Facility Average Performance Level for Candidate c determined in step B.4.3.
- (b) otherwise, the Committed Candidate Scaling Factor determined in step B.5.2.

- B.7.4. Determine the Relevant Level for each Early Candidate c as:

$$\text{RelevantLevel}_c = \max(0, FAPL(c) \times ECSF)$$

where:

- (a) FAPL(c) is the Facility Average Performance Level of Candidate c determined in step B.4.3; and
- (b) ECSF is the Early Candidate Scaling Factor determined in step B.7.3.

### **Step B.8: Determine Relevant Levels for Conditional Candidates**

- B.8.1. Determine the “**Committed Proposed Early and Conditional Fleet Capacity**” for the ELCC Reference Period as:

- (a) if the sum of the nameplate capacities of all Conditional Candidates is greater than or equal to 5 MW, by applying the subprocess in Part C using the fleet of Committed Candidates, Proposed Candidates, Early Candidates, and Conditional Candidates as the Part C Candidate Fleet;
- (b) otherwise, the Committed and Proposed and Early Fleet Capacity determined in step B.7.1, plus:
  - i. the sum of the Facility Average Performance Levels of all Committed Candidates; multiplied by
  - ii. the Committed Candidate Scaling Factor determined in step B.5.2.

- B.8.2. Determine the “**Conditional Fleet Capacity**” for the ELCC Reference Period as:

$$\text{ConFC} = \text{CPEConFC} - \text{CPEFC}$$

where:

- (a) CPEConFC is the Committed and Proposed and Early and Conditional Fleet Capacity determined in step B.8.1; and
- (b) CPEFC is the Committed and Proposed and Early Fleet Capacity determined in step B.7.1.

- B.8.3. Determine the “**Conditional Candidate Scaling Factor**” as:
- (a) if the sum of the nameplate capacities of all Conditional Candidates is greater than or equal to 5 MW:

$$\text{ConCSF} = \frac{\text{ConFC}}{\sum_{c \in \text{ConC}} \text{FAPL}(c)}$$

where:

- i. ConFC is the Conditional Fleet Capacity determined in step B.8.2;
  - ii.  $c \in \text{ConC}$  denotes all Conditional Candidates; and
  - iii. FAPL(c) is the Facility Average Performance Level for Candidate c determined in step B.4.3.
- (b) otherwise, the Committed Candidate Scaling Factor determined in step B.5.2.

- B.8.4. Determine the Relevant Level for each Conditional Candidate c as:

$$\text{RelevantLevel}_c = \max(0, \text{FAPL}(c) \times \text{ConCSF})$$

where:

- (a) FAPL(c) is the Facility Average Performance Level of Candidate c determined in step B.4.3; and
- (b) ConCSF is the Conditional Candidate Scaling Factor determined in step B.8.3.

### **Step B.9: Publish Inputs and Results on the WEM Website**

- B.9.1. Publish on the WEM Website by the date specified in clause 4.1.9 (as modified or extended) for the relevant Reserve Capacity Cycle:
- (a) the Observed Demand for the RLM Reference Period determined in step B.2.1;
  - (b) the estimated historical and future levels of behind-the-meter photovoltaic capacity in the SWIS that AEMO used to determine the DER Adjusted Demand Profile for the RLM Reference Period in step B.2.2;
  - (c) the DER Adjusted Demand Profile for the RLM Reference Period determined in step B.2.2;
  - (d) the Reference Demand Profile for the RLM Reference Period determined in step B.2.5; and
  - (e) for each Committed Candidate which is in Commercial Operation:
    - i. the Historical Output values determined in step B.1.4 for each Trading Interval in the RLM Reference Period; and
    - ii. the Facility Average Performance Level determined in step B.4.3.
- B.9.2. Publish on the WEM Website by the date specified in clause 4.1.16 (as modified or extended) for the Current Reserve Capacity Cycle:

- (a) the Committed Fleet Capacity determined in step B.5.1;
- (b) the Proposed Fleet Capacity determined in step B.6.1;
- (c) the Early Fleet Capacity determined in step B.7.1;
- (d) the Conditional Fleet Capacity determined in step B.8.1; and
- (e) for each Candidate:
  - i. whether the Candidate is a Committed Candidate, a Proposed Candidate, an Early Candidate or a Conditional Candidate;
  - ii. the Historical Output values determined in step B.1.4 for each Trading Interval in the RLM Reference Period; and
  - iii. the Facility Average Performance Level determined in step B.4.3.

**Part C: Subprocess to determine total capacity to be allocated to a given Candidate Fleet**

- C.1. This Part C subprocess requires as input a fleet of Candidates for which a capacity quantity is to be determined (“**Part C Candidate Fleet**”).
- C.2. Determine the “**Whole Period ELCC**” by applying the subprocess in Part D using:
  - (a) the Part C Candidate Fleet set under clause C.1 as the Part D Candidate Fleet; and
  - (b) the ELCC Reference Period as the Part D ELCC Period.
- C.3. Determine the “**Capacity Year ELCC**” for each Capacity Year in the ELCC Reference Period by applying the subprocess in Part D using:
  - (a) the Part C Candidate Fleet set under clause C.1 as the Part D Candidate Fleet; and
  - (b) the Capacity Year as the Part D ELCC Period.
- C.4. Determine the “**Mean Capacity Year ELCC**” for the ELCC Reference Period as:

$$MCYELCC = \frac{\sum_{cy \in ELCCRP} \text{CapacityYearELCC}(cy)}{4}$$

where:

- (a) CapacityYearELCC(cy) is the Capacity Year ELCC for Capacity Year cy; and
  - (b) cy ∈ ELCCRP denotes all Capacity Years in the ELCC Reference Period.
- C.5. Determine the total capacity to be allocated to the Part C Candidate Fleet as the lesser of:
    - (a) the Whole Period ELCC determined in step C.2; and
    - (b) the Mean Capacity Year ELCC determined in step C.4.



## **Part D: Subprocess to Calculate Effective Load Carrying Capacity of a Candidate Fleet for a Given Time Period**

- D.1. This Part D subprocess requires the following inputs:
- (a) a fleet of Candidates for which an ELCC is to be determined (“**Part D Candidate Fleet**”); and
  - (b) a period of time over which the ELCC is to be determined (“**Part D ELCC Period**”).

- D.2 Determine the “**Reference Unserved Energy Target**” for the Part D ELCC Period as:

$$RUET = PCUET \times \sum_{t \in EP} \text{ReferenceDemand}(t)$$

where:

- (a) PCUET is the Planning Criterion unserved energy target percentage in clause 4.5.9(b);
  - (b) ReferenceDemand(t) is the demand in Trading Interval t in the Reference Demand Profile; and
  - (c)  $t \in EP$  denotes all Trading Intervals in the Part D ELCC Period.
- D.3. Determine the “**Initial Demand Adjustment**” as the MW quantity (which may be positive or negative) which gives Mean Initial Unserved Energy equal to the Reference Unserved Energy Target for the Part D ELCC Period, where:
- (a) The “**Mean Initial Unserved Energy**” is:

$$MIUE = \frac{\sum_{s \in NCAS} SIUE(s)}{\text{Count}(NCAS)}$$

where:

- i. SIUE(s) is the Scenario Initial Unserved Energy for Non-Candidate Availability Scenario s as calculated in step D.3(b);
  - ii.  $s \in NCAS$  denotes all Non-Candidate Availability Scenarios; and
  - iii. Count(NCAS) denotes the number of Non-Candidate Availability Scenarios.
- (b) The “**Scenario Initial Unserved Energy**” for each Non-Candidate Availability Scenario s is:

$$SIUE(s) = \sum_{t \in ERP} \max(0, \text{ReferenceDemand}(t) + \text{InitialDemandAdjustment} - \sum_{nc \in ANC(s,t)} \text{DCOQ}(nc, t))$$

where:

- i. ReferenceDemand(t) is the demand in Trading Interval t in the Reference Demand Profile;
- ii. InitialDemandAdjustment is the Initial Demand Adjustment;
- iii. DCOQ(nc,t) is the Default Capacity Obligation Quantity of Non-Candidate nc in Trading Interval t;
- iv. t ∈ ERP denotes all Trading Intervals in the Part D ELCC Reference Period; and
- v. nc ∈ ANC(s,t) denotes all Non-Candidates which are available in Trading Interval t in Non-Candidate Availability Scenario s.

D.4. Determine the “**Final Demand Adjustment**” as the MW quantity (which may be positive or negative) which gives Mean Final Unserved Energy equal to the Reference Unserved Energy Target for the Part D ELCC Period, where:

(a) the “Mean Final Unserved Energy” is:

$$MFUE = \frac{\sum_{s \in NCAS} SFUE(s)}{Count(NCAS)}$$

where:

- i. SFUE(s) is the Scenario Final Unserved Energy for Non-Candidate Availability Scenario s as calculated in step D.4(b);
- ii. s ∈ NCAS denotes all Non-Candidate Availability Scenarios; and
- iii. Count(NCAS) denotes the number of Non-Candidate Availability Scenarios.

(b) the “**Scenario Final Unserved Energy**” for each Non-Candidate Availability Scenario s is:

$$SFUE(s) = \sum_{t \in ERP} \text{Max}(0, \text{ReferenceDemand}(t) + \text{FinalDemandAdjustment} - \sum_{nc \in ANC(s,t)} \text{DCOQ}(nc, t) - \sum_{c \in Candidates} \text{HistoricalOutput}(c, t))$$

where:

- i. ReferenceDemand(t) is the demand in Trading Interval t in the Reference Demand Profile;
- ii. FinalDemandAdjustment is the Final Demand Adjustment;
- iii. DCOQ(nc,t) is the Default Capacity Obligation Quantity of Non-Candidate nc in Trading Interval t;
- iv. HistoricalOutput(c,t) is the Historical Output of Candidate c in Trading Interval t;
- v. t ∈ ERP denotes all Trading Intervals in the Part D ELCC Reference Period;
- vi. c ∈ ANC(s,t) denotes all Non-Candidates which are available in Trading Interval t in Non-Candidate Availability Scenario s; and
- vii. c ∈ Candidates denotes all Candidates in the Part D Candidate Fleet.

- D.5. Determine the effective load carrying capacity of the Part D Candidate Fleet over the Part D ELCC Period as:

$$\text{FleetELCC} = \text{FinalDemandAdjustment} - \text{InitialDemandAdjustment}$$

where:

- (a) FinalDemandAdjustment is the Final Demand Adjustment determined in step D.4; and
- (b) InitialDemandAdjustment is the Initial Demand Adjustment determined in step D.3.

## **Schedule 6**

### **1. Section 2.30B amended**

- 1.1 Delete the word 'where' and replace it with 'if' in clause 2.30B.9(a).
- 1.2 Delete the word 'where' and replace it with 'if' in clause 2.30B.9(b)
- 1.3 Delete the words ', which may be Temperature Dependent or Non-Temperature Dependent' in clause 2.30B.9(c).

### **2. Section 4.1 amended**

- 2.1 Delete the first reference to the words '12 Peak SWIS Trading Intervals' and replace them with 'Peak IRCR Intervals in accordance with clause 4.28.5B' in clause 4.1.23A.
- 2.2 Delete the second reference to the words '12 Peak SWIS Trading Intervals' and replace them with 'Peak IRCR Intervals' in clause 4.1.23A.

### **3. Section 4.28 amended**

- 3.1 Insert the following new clause 4.28.5B:

4.28.5B. To determine the Peak IRCR Intervals, AEMO must:

- (a) identify the 12 Trading Intervals with the highest Total Sent Out Generation in the most recently concluded Hot Season;
- (b) select the Trading Days on which the Trading Intervals identified in clause 4.28.5B(a) fell;
- (c) if fewer than three Trading Days are selected in clause 4.28.5B(b), select additional Trading Days containing Trading Intervals with the highest Total Sent Out Generation in the most recently concluded Hot Season, to make a total of three Trading Days; and
- (d) for each Trading Day selected under clauses 4.28.5B(b) and 4.28.5B(c):
  - i. select the Trading Interval with the highest Total Sent Out Generation;
  - ii. select all other Trading Intervals that were identified in clause 4.28.5B(a);
  - iii. if the Trading Intervals selected in clauses 4.28.5B(d)(i) and 4.28.5B(d)(ii) are not contiguous, identify any gaps of three hours or less, and select all Trading Intervals in those gaps; and
  - iv. if fewer than three Trading Intervals have been selected, select the Trading Intervals (within that Trading Day) with the highest Total Sent Out Generation immediately before or after the selected Trading Intervals to select three Trading Intervals for the Trading Day.

For the purposes of clauses 4.28.5B(a), 4.28.5B(c) and 4.28.5B(d)(i), when ordering Trading Intervals from those with highest to lowest Total Sent Out Generation, if AEMO identifies two or more Trading Intervals that have the same Total Sent Out Generation, AEMO must prioritise them according to when they occurred, with an earlier Trading Interval above a later Trading Interval.

- 3.2 Delete clause 4.28.8 and replace it with the following:
- 4.28.8. To assist AEMO in determining Indicative Peak Individual Reserve Capacity Requirements in accordance with clause 4.28.6 and Peak Individual Reserve Capacity Requirements in accordance with clause 4.28.7 for the Capacity Year starting on 1 October of Year 3 of a Reserve Capacity Cycle, Market Participants must, by the date and time specified in clause 4.1.23, provide to AEMO nominations of capacity requirements for Intermittent Loads, deemed to be Intermittent Loads under clause 1.48.2, expressed in MW, where the nominated quantity cannot exceed the greater of:
- (a) the maximum allowed level of Intermittent Load specified in Standing Data for that Intermittent Load at the time of providing the data; and
  - (b) the maximum Contract Maximum Demand expected to be associated with that Intermittent Load during the Capacity Year to which the nomination relates. The Market Participant must provide evidence to AEMO of this Contract Maximum Demand level unless AEMO has previously been provided with that evidence.
- 3.3 Delete the words 'clause 4.28.8(c)(ii)' and replace them with 'clause 4.28.8(b)' in clause 4.28.8B.
- 3.4 Delete clause 4.28.8C.
- 3.5 Delete the words 'AEMO must only accept the load measured by an interval meter nominated in accordance with clauses 4.28.8(a) or 4.28.8C as a Non-Temperature Dependent Load if that load satisfies the requirements of Appendix 5A.' and replace them with '[Blank]' in clause 4.28.9.
- 3.6 Delete clause 4.28.9A.
- 3.7 Delete clause 4.28.9B.
- 3.8 Delete clause 4.28.9C.
- 3.9 Delete clause 4.28.9D.
- 3.10 Delete clause 4.28.9E.
- 3.11 Delete clause 4.28.9F.
- 3.12 Delete the words 'clauses 4.28.8, 4.28.8A and 4.28.8C' and replace them with the words 'clause 4.28.8' in clause 4.28.11.

4. **Chapter 11 (Glossary) amended**

4.1 Delete the definition of 12 Peak SWIS Trading Intervals.

4.2 Delete the definition of 4 Peak SWIS Trading Intervals and replace it with the following new definition of 4 Peak SWIS Trading Intervals:

**4 Peak SWIS Trading Intervals:** Means, for a Trading Month, the 4 Trading Intervals in the relevant Trading Month with the highest Total Sent Out Generation, as published by AEMO in accordance with clause 4.1.23B. For the purposes of calculating the 4 Peak SWIS Trading Intervals, when ordering Trading Intervals from highest to lowest Total Sent Out Generation, if there are two or more Trading Intervals with the same Total Sent Out Generation, then AEMO shall select the earliest Trading Intervals.

4.3 Delete the definition of Individual Intermittent Load Reserve Capacity Requirement.

4.4 Delete the definition of Non-Temperature Dependent Load.

4.5 Delete the words 'step 11' and replace them with 'step 1' in the definition of Peak Individual Reserve Capacity Requirement Contribution.

4.6 Delete the words ', which are used solely in the Relevant Level Method in Appendix 9' in the definition of Peak IRCR Intervals.

4.7 Delete the definition of Temperature Dependent Load.

5. **Appendix 4A deleted**

5.1 Delete Appendix 4A in its entirety.

6. **Appendix 5 amended**

6.1 Delete Appendix 5 and replace it with the following new Appendix 5:

**Appendix 5: Peak Individual Reserve Capacity Requirements**

This Appendix presents the method that must be used by AEMO to determine, for a Trading Month n:

- Peak Individual Reserve Capacity Requirement Contributions as required for the determination of Relevant Demands under clause 4.26.2CA;
- Indicative Peak Individual Reserve Capacity Requirements as required under clause 4.28.6;
- Peak Individual Reserve Capacity Requirements as required under clause 4.28.7; and
- revised Peak Individual Reserve Capacity Requirements as required under clause 4.28.11A.

AEMO must perform steps 1 to 3 to determine the Indicative Peak Individual Reserve Capacity Requirements, Peak Individual Reserve Capacity Requirements or revised Peak Individual Reserve Capacity Requirements for Trading Month n.

AEMO must perform step 1 as required to determine the Peak Individual Reserve Capacity Requirement Contribution of an individual metered Associated Load for Trading Month n, using as input the relevant values calculated by AEMO when it determined the Indicative Peak Individual Reserve Capacity Requirements for Trading Month n.

For the purpose of this Appendix:

1. All references, apart from those in step 1(c), to meters are interval meters.
2. The Notional Wholesale Meter is to be treated as a registered interval meter. This meter is denoted by meter  $m=m^*$ .
3. The Post Hot Season New Notional Wholesale Meter, determined in accordance with step 1(c), is to be treated as a registered interval meter. This meter is denoted by  $m=m^+$ .
4. A meter measuring a Facility containing an Intermittent Load, that is and continues to be deemed to be an Intermittent Load under clause 1.48.2, is to be included in these calculations as if it were two meters, one representing the Intermittent Load and processed in step 1(d) and one representing other load at the Facility and processed in step 1(a), with metered consumption calculated according to clause 2.30B.10 and clause 9 of this Appendix 5.
5. A meter measuring a Facility containing an Intermittent Load, for which an application was approved under clause 2.30B.6 on or after New WEM Commencement Day, is to be included in these calculations as a single meter representing a Non-Dispatchable Load, with metered consumption calculated according to clause 2.30B.11 and clause 10 of this Appendix 5.
6. The meter registration data to be used in the calculations is to be the most current complete set of meter registration data as at the time of commencing the calculations.
7. When calculating the Indicative Peak Individual Reserve Capacity Requirements AEMO must assume all meters registered to a Market Participant on the day of calculation will remain registered to that Market Participant for all future Trading Intervals.
8. A meter measuring a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility not containing an Intermittent Load is to be included in these calculations with metered consumption calculated in accordance with clause 10 of this Appendix 5.
9. Each meter measuring an Aggregated Facility is to be included as a separate meter with metered consumption calculated in accordance with clause 10 of this Appendix 5.
10. Metered consumption for meter  $m$ , in Trading Interval  $t$ , is zero when AEMO issues a direction under clause 7.7.5 in respect of an Electric Storage Resource associated with  $m$  for a Dispatch Interval within  $t$ , otherwise it is  $-1 \times \min(0, \text{SOMS}(m, t))$ , where  $\text{SOMS}(m, t)$  is the Sent Out Metered Schedule of  $m$  in  $t$ .
11. If meter  $m$  measures an Associated Load of a Demand Side Programme then:

- (a) if the Demand Side Programme was issued a Dispatch Instruction under clause 7.6.5A for a non-zero MW quantity in a Peak IRCR Interval t, then the metered consumption in Trading Interval t equals the Unadjusted Baseline Energy for that load in the Trading Interval as calculated in Step 2.2 of Appendix 10,
- (b) otherwise, the metered consumption of meter m equals its Sent Out Metered Schedule in Trading Interval t.

Step 1: Determine the contribution of each meter m to the Peak Reserve Capacity Requirement as:

- (a) for a meter, including the Notional Wholesale Meter, that is not an Intermittent Load meter and for which Sent Out Metered Schedules exist for all Peak IRCR Intervals for the relevant Capacity Year,

$$PRCRC(m) = 2 \times \text{MedianIRCRIntervals}(m)$$

where MedianIRCRIntervals(m) is the median metered consumption of meter m in the Peak IRCR Intervals for the relevant Capacity Year.

- (b) for a meter, excluding the Post Hot Season New Notional Wholesale Meter, that is not an Intermittent Load meter and for which Sent Out Metered Schedules do not exist for all of the Peak IRCR Intervals, but for which Sent Out Metered Schedules do exist for all Trading Intervals in Trading Month n-3:

$$PRCRC(m) = 2 \times \max_{M \in \text{PTM}}(\text{Median4Peaks}(m, M))$$

where:

- i.  $M \in \text{PTM}$  refers to all Trading Months from the first month after the end of the previous Hot Season to Trading Month n-3 inclusive; and
- ii. Median4Peaks(m,M) is the median metered consumption of meter m in the 4 Peak SWIS Trading Intervals of Trading Month M.

- (c) for the Post Hot Season New Notional Wholesale Meter:

$$PRCRC(m^+) = \frac{PRCRC(m^*)}{\text{NIMCount}(FMPHS)} \times (\text{NIMCount}(n-3) - \text{NIMCount}(FMPHS))$$

where:

- i. PRCRC(m\*) is the contribution to the Peak Reserve Capacity Requirement by the Notional Wholesale Meter calculated under step 2(a);
- ii. NIMCount(n-3) is the number of non-interval or accumulation meters that existed at the end of Trading Month n-3; and
- iii. NIMCount(FMPHS) is the number of non-interval or accumulation meters that existed at the end of the final Trading Month of the previous Hot Season; and

- (d) for an Intermittent Load meter defined under clause 2.30B.9(b):



- i. if the Intermittent Load is registered and operating or AEMO reasonably expects it to be registered and operating during the relevant Trading Month based on information provided to AEMO in accordance with clause 4.28.8:

$$PRCRC(m) = \text{MaxL}(m) \times \text{RM}$$

where:

- 1. MaxL(m) is the nominated load level for Intermittent Load m to apply for Trading Day d as specified in clause 4.28.8; and
- 2. RM is the reserve margin for the Reserve Capacity Cycle defined as negative one plus the ratio of the Peak Reserve Capacity Requirement for the relevant Capacity Year as described in clause 4.6.1 and the expected peak demand for the relevant Capacity Year as described in clause 4.6.2; and

- ii. otherwise zero.

Step 2: For each Market Participant p, calculate the contribution to the Peak Reserve Capacity Requirement as:

$$PRCRC(p) = \sum_{m \in \text{Meters}(p)} PRCRC(m)$$

where:

- (a) PRCRC(m) is the contribution to the Peak Reserve Capacity Requirement by meter m calculated under step 1; and
- (b) m ∈ Meters(p) refers to all meters registered to Market Participant p.

Step 3: For each Market Participant p, calculate the Indicative Peak Individual Reserve Capacity Requirement or Peak Individual Reserve Capacity Requirement, as applicable, as:

$$PIRCR(p) = \frac{PRCRC(p)}{\sum_p PRCRC(p)} \times \min(\text{PRCR}, \text{PCC})$$

where:

- (a) PRCRC(p) is the contribution to the Peak Reserve Capacity Requirement by Market Participant p calculated under step 2;
- (b) (b) PRCR is the Peak Reserve Capacity Requirement for the Capacity Year in which the relevant Trading Month falls;
- (c) (c) PCC is the number of Peak Capacity Credits held by Market Participants for the relevant Trading Month.

## 7. Appendix 5A deleted

7.1 Delete Appendix 5A in its entirety.

8. **Appendix 9 amended**

8.1 Delete the words 'the 12 Peak SWIS Trading Intervals' and replace them with 'all Peak IRCR Intervals' in Step B.4.1 of Appendix 9.

## **Schedule 7**

### **1. Section 4.11 amended**

- 1.1 Insert the words ' or a component of a Facility which is registered as or is expected to be registered as a Non-Scheduled Facility' after 'Non-Scheduled Facility' in clause 4.11.4(a)(i).
- 1.2 Insert the words ' or component' after 'AEMO reasonably expects the Facility' in clause 4.11.4(a)(ii).
- 1.3 Insert the words ' or component of a Facility which is registered as or is expected to be registered as a Non-Scheduled Facility' after 'Non-Scheduled Facility' in clause 4.11.4(b)(i).

### **2. Appendix 3 amended**

- 2.1 Delete the first sub-bullet point, which commences with 'in order of Capability Class' under the bullet point which starts with "prioritisation order" in Appendix 3 and replace it with the following new sub-bullet point:
  - in order of Capability Class, with Facilities in Capability Class 1 being selected first, then Facilities in Capability Class 3, and then Facilities in Capability Class 2. If a Facility comprises Facility Technology Types with different Capability Classes, then the Capability Class of the Facility is the Capability Class of the Facility Technology Type with the highest Peak Certified Reserve Capacity within the Facility; then