

Wholesale Electricity Market Rule Change Proposal Form

Change Proposal No: RC_2009_10
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Change requested by

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The IMO proposes that the criteria for being assigned ECRC will be in line with the criteria for being assigned CRC. These criteria are more stringent than for Conditional Certification. In particular, the proposed new criteria and conditions for applying for ECRC are:

- ECRC applications are limited up to 1 January of year 1 of the Reserve Capacity Cycle in which the new facility will first enter service. From 1 January of year 1 of the Reserve Capacity Cycle for which the application relates, the facility has to enter the normal certification cycle [outlined in proposed new clause 4.28C.2];
- The facility must be deemed to be committed by the IMO in order to apply for ECRC [outlined in proposed new clause 4.28C.1 (c)];
- The Market Participant must declare its intention to trade all assigned capacity bilaterally [outlined in proposed new clauses 4.28C.4 and 4.28C.6];
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- (c) in the case of an application for conditional certification for a future Reserve Capacity Cycle, or subsequent applications for Early Certified Reserve Capacity for a Facility for the same Reserve Capacity Cycle, an Application Fee to cover the cost of processing the application.

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4.11.1. Subject to clause 4.11.7, the IMO must apply the following principles in assigning a quantity of Certified Reserve Capacity to a Facility for the Reserve Capacity Cycle to which the application relates:

...

- (c) the IMO must not assign Certified Reserve Capacity to a Facility for a Reserve Capacity Cycle if:
 - i. that Facility is not operational or is not scheduled to commence operation for the first time so as to meet its Reserve Capacity Obligations by 30 November of Year 3 of that Reserve Capacity Cycle; ~~or~~
 - ii. that Facility will cease operation permanently, and hence cease to meet Reserve Capacity Obligations, from a time earlier than 1 August of Year 4 of that Reserve Capacity Cycle; or
 - iii. that Facility already has Capacity Credits assigned to it under Clause 4.28C for the Reserve Capacity Cycle.

...

4.12.6. Subject to clause 4.12.7, any initial Reserve Capacity Obligation Quantity set in accordance with clauses 4.12.4, 4.12.5, ~~or~~ 4.28B.4, or 4.28C.4

(cA) Capacity Credits assigned under clause 4.28C;

- (d) the total amount of Certified Reserve Capacity that would have been made available in the Reserve Capacity Auction had one been held; and
- (e) the total amount of Certified Reserve Capacity covered by pre-existing Special Price Arrangements;

4.15.2. If the Reserve Capacity Auction for a Reserve Capacity Cycle is not cancelled in accordance with clause 4.15.1, then, by the date and time specified in clause 4.1.16, the IMO must publish a notice specifying:

(a) that the Reserve Capacity Auction will be held;

(b) the Reserve Capacity Auction Requirement, where this equals the Reserve Capacity Requirement less the total amount of Certified Reserve Capacity which:

- i. ~~the IMO has notified Market Participants can be traded bilaterally under clause 4.14.9; or~~ Reserve Capacity Requirement; less
- ii. the total amount of Certified Reserve Capacity which the IMO has notified Market Participants can be traded bilaterally under clause 4.14.9 or is covered by a pre-existing Special Price Arrangement; and less
- iii. the amount of Capacity Credits assigned under clause 4.28C for the relevant Reserve Capacity Cycle; and

(c) ...

4.28C. Early Certification of Reserve Capacity



4.28C.11. The IMO must set the Reserve Capacity Obligations, including the Initial Reserve Capacity Obligation Quantity, for the Facility in accordance with clause 4.12 as if set as part of an application for Certified Reserve Capacity made in accordance with clause 4.11.

4.28C.12. The Reserve Capacity Security provided by the Market Participant under Clause 4.28C.4 (b) must, by the time and date in clause 4.1.13 (a), in year 1 of the first Reserve Capacity Cycle in which the Facility will commence operation be recalculated in accordance with 4.28C.9, and the difference paid to the IMO or refunded to the Market Participant as applicable,

4.28C.13. If the IMO approves the granting of Capacity Credits to the Facility under this clause 4.28C then the Capacity Credits and the Reserve Capacity Obligations associated with that Facility will apply from the commencement of the Trading Day commencing on the start date until the end of the Trading Day ending on the end date where:

(a) the start date is 1 October of year 3 of the capacity cycle the application relates to under clause 4.28C.2 ; and



with the exception that [b] (6).

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4. Describe how the proposed Market Rule change would allow the Market Rules to better address the Wholesale Market Objectives:

The proposed changes will allow the Market Rules to better address market ob31968(u)1.31968(n)12.1957(

