



Recreation and the Celebration of Capacity

and the Celebration of

Date: 11 March 2011



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On 6 December 2010, the IMO submitted a Rule Change Proposal regarding amendments to clauses 4.1.8, 4.1.9, 4.1.10, 4.1.11, 4.1.12, 4.1.13, 4.1.14, 4.1.16, 4.1.17, 4.1.18, 4.1.20, 4.1.21, (new) 4.1.21A, 4.2.7, 4.4.1, 4.9.3, 4.9.5, 4.9.9, (new) 4.9.9A, 4.10.1, 4.10.2, 4.10.3, (new) 4.10.4, 4.11.1, 4.11.2, 4.11.3A, 4.11.5, (new) 4.11.10, 4.15.1, 4.20.1, (new) 4.20.5A, 4.27.10, 4.27.11A, 4.28C.1, 4.28C.2, 10.5.1 and the Glossary of the Wholesale Electricity Market Rules (Market Rules). Furthermore, the IMO noted that changes to clauses 4.13.10, 4.13.13 and 4.26.1 will also come into effect if the Rule Change Proposal: Required Level and Reserve Capacity Security (RC_2010_12) and this Rule Change Proposal are accepted.

This proposal is being processed using the Standard Rule Change Process, described in section 2.7 of the Market Rules. The standard process adheres to the following timelines:



CALL FOR COMMENTS ON DRAFT RULE CHANGE REPORT

The IMO invites interested stakeholders to make submissions on this Draft Rule Change Report. The submission period is 24 Business Days from the publication date of this report. Submissions must be delivered to the IMO by 5.00pm, **Monday, April 11, 2011**.

- Widening the requirement for the provision of environmental and transmission access approvals (Issue 5);
- Providing greater clarity regarding Intermittent and other Non-Scheduled Generators (Issue 6);
- Widening the definition of network constraints to be considered by the IMO when assigning Capacity Credits to a Facility with a Network Control Services Contract (Issue 7);
- Correcting erroneous references to Registered Facilities in clause 4.28C of the Market Rules (Issue 8);
- Removing the requirement for the IMO to provide each Market Participant with the calculations on which its determination of Certified Reserve Capacity are based, except when requested by the Market Participant (Issue 9);
- Requiring the IMO to publish the quantity of Certified Reserve Capacity assigned to each Facility at the same time that each Market Participant is notified of its Certified Reserve Capacity (Issue 10);
- Requiring Market Participants to provide the IMO with details of any changes to the information about the Facility provided in applications for Certified Reserve Capacity (Issue 10); and
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In summary, LGP, Perth Energy and Synergy all supported the proposed amendments, albeit noting some issues for further consideration by the IMO. Specifically:

- Perth Energy noted that it particularly welcomes the proposed increased flexibility in the Reserve Capacity Mechanism timeline; and
- LGP noted that the proposal incrementally improves and clarifies the certification process.

Alinta does not support the proposed amendments, stating a key concern that the proposal would allow the IMO to assign a lower (non zero) level of Certified Reserve Capacity after it has notified a Market Participant of the Certified Reserve Capacity to be assigned under clause 4.1.12 (as amended). Alinta also notes a number of other concerns with the detail of the proposal. A summary of these issues and the IMO's response to each issue is contained in section 4.2 of this report.

The assessment by submitting parties as to whether the proposal would better the Wholesale Market Objectives is summarised below:

Submitting Party	Assessment of Proposal's Impact on Wholesale Market Objectives
Alinta	Likely to be inconsistent with (a), (b) and (c)
LGP	Agrees with the IMO's assessments for each issue
Perth Energy	Betters (a) and (b)
Synergy	Betters (a), (b), (c) and (d).

Section	Issue	Comments/Concerns/Feedback	IMO Response
4.1.10	Alinta	<p>While the proposed Amending Rules will reduce the time between the release and publication of the Reserve Capacity Information Pack from 14 to 7 Business Days, it is unclear why there should be a delay in any event. Alinta suggests that further amendments be made so that the Reserve Capacity Information Pack is published on the Market Web Site by 5pm on the first Business Day falling on or following 17 June.</p>	<p>The IMO agrees that there is no need for a delay between the release and publication of the Reserve Capacity Information Pack. However, as these steps now fall on the same day the IMO considers that retaining both steps is an unnecessary duplication of work. Therefore the IMO has removed the step releasing the information pack (clause 4.1.9), retaining just the publication step - albeit with the new date of 17 June (clause 4.1.10). As a result of this, clause 4.7.1 has also been deleted.</p> <p>The additional amendments are presented in Appendix 3 of this report.</p>
4.9.3	Alinta	<p>Alinta notes that the stated intent of the proposed amendment to clause 4.9.3(c) is to require a Market Participant to pay a fee to the IMO where the IMO reassesses the assignment of Certified Reserve Capacity to the Facility under the new proposed clause 4.11.10 based on information provided to the IMO under the new proposed clause 4.10.4.</p> <p>However, Alinta considers that the proposed amendment to clause 4.9.3(c) would be ineffective because the Market Participant is not applying for a</p>	

Section	Facility	Comments/Concerns/Revised	Market Response
			<p>with the undeveloped (or de-rated) portion of a Facility while only being paid for approximately 50% (this being the time from 1 October to the end of the Hot Season when Capacity Credits are reduced through Reserve Capacity testing). However, noting this, the financial outcomes could be vary depending on when the IMO chooses to test a Facility i.e. the IMO can test at any time between 1 October and 31 March.</p> <p>The IMO considers that the proposed changes fix the anomalous refund outcomes which occur when a facility is most likely destined to fail a Reserve Capacity test during – or at the very latest by the end of - the Hot Season.</p> <p>In assessing the proposed amendment to allow it to assign a lower level of Certified Reserve Capacity after it has notified a Market Participant of the Certified Reserve Capacity to be assigned under clause 4.1.12. the IMO has had to balance the pros and cons of ascertaining the “true” level of capacity available in the market (in a timely manner) versus the underlying premise of the RCM being a firm mechanism.</p> <p>On balance, the IMO considers that the ability to assign Capacity Credits based on the most up to date and correct information, reflecting the actual capabilities of Facilities will enhance the certainty regarding the amount of Reserve Capacity available in the SWIS and retains the link to the physical basis of Capacity Credits. This will enable the IMO to address any potential shortfall issues in a timely and efficient manner.</p> <p>The IMO also notes that risks associated with non delivery of Capacity Credits assigned at the time of bilateral trade declarations or the Reserve Capacity Auction, such as the loss of Reserve Capacity Security, will still be borne by the project developer.</p>
4.11.1	Alinta	In part, RC_2010_14 would amend clause 4.11.1(a) so that in addition to the IMO’s reasonable expectation as to the amount of capacity likely to be available, the Certified Reserve Capacity for a Facility for a Reserve Capacity Cycle is not to	<p>The IMO has amended 4.11.1(a) to clarify that this applies to a Scheduled Generator, not a Facility and has also removed “and be able to be dispatched by System Management”.</p> <p>The additional amendments are presented in Appendix 3 of this report.</p>

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Section	Title	Consequences	Mitigation
		<p>Reserve Capacity to be assigned under (the amended) clause 4.1.12.</p> <p>The likely effect of the proposed new clause 4.11.10 is to undermine the strong financial incentives that currently exist in the Market Rules for project developers to ensure that capacity is made available to the market ahead of the summer period when demand reaches system peaks. If capacity expected to be available is not delivered, there is a risk that the security and reliability of the power system over the summer period may be adversely affected.</p>	<p>The IMO acknowledges that there is a complex trade off between retaining the financial incentives for project developers to ensure that capacity is made available to the market ahead of the summer period and certainty regarding the true level of capacity available in the market (in a timely manner). The IMO notes that there are existing mechanisms (within the Capacity Year) to ascertain the true levels of capacity available, for example:</p> <ul style="list-style-type: none"> • following a Reserve Capacity test (clause 4.25.4); or • as a result of an application from a Market Participant to reduce its Capacity Credits (clause 4.25.4A). <p>The financial outcome with respect to refunds will depend on the application of other mechanisms that may reduce Capacity Credits (particularly Reserve Capacity Testing). Specifically:</p> <ul style="list-style-type: none"> • If reduction exists due to testing, the financial outcome will vary significantly based on the timing of the reduction due to failed tests – which is at the discretion of the IMO. <ul style="list-style-type: none"> ○ If facility is tested towards February/March, its refunds in relation to the undelivered capacity will be higher than the capacity payments (assuming payment at market price) to the point where the Capacity Credits are reduced following a failed test. ○ If facility is tested earlier, its capacity payments up to the point of Capacity Credit reduction due to a failed test will exceed the refunds paid to that point. <p>The IMO notes that the Reserve Capacity Mechanism is designed to be a firm mechanism, however there is currently the potential for Market Participants to not disclose important information and change key aspects of a Facility after being certified with no recourse. For example, a proponent could replace a diesel generator with a wind farm after its initial</p>

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Section	Title	Content	Market Response
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developers proposing new Facilities of Market Customers generally. This is because it would facilitate project developers changing the capacity to be made available by a proposed Facility due to changes in commercial and technical circumstances following the IMO's notification of the Certified Reserve Capacity to be assigned under clause 4.1.12 and provided by Market Participants under clause 4.20.1(a)

merchant plant, as:

- Market Customers pay less capacity payment (either through a reduction of the Shared Reserve Capacity Cost (clause 4.28.4 (a)) or

Section	Table	Content	Metadata
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adjusting the Reserve Capacity Price in response to all of these situations rather than simply if there is a reduction in a Facility's Capacity Credits to zero.

The IMO considers that consistency of treatment should be ensured with regard to potential changes to the Reserve Capacity Price, unless there is a clear rationale to treat the circumstances for a change in the number of Capacity Credits differently. As such any adjustment of the Reserve Capacity Price should take into account the following incidences:

Reduction in Capacity Credits:

- following a Reserve Capacity test (clause 4.25.4);
- as a result of an application from a Market Participant to reduce its Capacity Credits (clause 4.25.4A);
- as a result of the IMO's decision under any proposed Amending Rules resulting from PRC_2010_28 (i.e. for a Facility that the IMO considers will not be available for the entire Capacity Year); or
- as a result of a reassessment by the IMO under proposed clause 4.11.10.

Increase in Capacity Credits²:

- following early entry of a generator (clauses 4.1.26 and 4.11.1); or
- following entry of a new small generator (clause 4.28B).

The IMO considers that adjusting the price for capacity under the current market design would be unlikely to result in a better allocation of resources as a Market Generator could not make a timely response to the price signals provided by the updated capacity price. Further, the IMO considers that the likely costs associated with developing a mechanism in the WEM to allow to Market Participants to respond to price changes,

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Section	Table	Content Change	Mention
			<p>the proposed new clause 4.9.9A from the proposed amendments; as a result, the proposed amendments to clause 10.5.1 have been revoked.</p> <p>The additional amendments are presented in Appendix 3 of this report.</p> <p>The IMO notes that this should be considered as part of the Reserve Capacity Mechanism review.</p>



4.3 Public Forums and Workshops

No public forums or workshops were held in relation to this Rule Change Proposal.

4.4 Additional Amendments to the Amending Rules

Following the closure of the first consultation period, the IMO made additional changes to the proposed Amending Rules to:

- remove the release of the Reserve Capacity Information Pack step, retaining just the publication of the Reserve Capacity Information Pack step (clauses 4.1.9, 4.1.10 and 4.7.1);
- Include a minor and typographical amendment to clause 4.1.17;
- revoke the proposed amendment to clause 4.9.3(c), and instead propose a new clause 4.11.11. The new clause 4.11.11 will require a Market Participant to pay a fee to the IMO where the IMO reassesses the assignment of Certified Reserve Capacity to the Facility under the new proposed clause 4.11.10 based on information provided to the IMO under the new proposed clause 4.10.4. As a result, consequential amendments have been made to clauses 2.24.1 and 2.24.2 and a new defined term “Reassessment Fee” has been added to the glossary;
- Removed new clause 4.9.9A (publication of Certified Reserve Capacity by facility) due to the potential that access to such information could lead to a Market Participant attempting to force a Reserve Capacity Auction. The subsequent amendments to clause 10.5.1 have also been removed;
- update clause 4.10.4 to refer to Facilities that have yet to commence operation and Facilities that are undergoing significant maintenance rather than all Facilities;
- amend clause 4.11.1(a) to clarify that this applies to Scheduled Generator, not a Facility and remove the words “and be able to be dispatched by System Management”;
- include greater clarity on why the IMO would reject an expert report (clause 4.11.3A(c));
- clarify the progress report process by:
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Clause 2.4.2 outlines that the IMO “*must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives*”. Additionally, clause 2.4.3 states, when deciding whether to make Amending Rules, the IMO must have regard to the following:

- any applicable policy direction from the Minister regarding the development of the market;
- the practicality and cost of implementing the proposal;
- the views expressed in submissions and by the MAC; and
- any technical studies that the IMO considers necessary to assist in assessing the Rule Change Proposal.

The IMO notes that there has not been any applicable policy direction from the Minister or any technical studies commissioned in respect of this Rule Change Proposal.

The IMO’s assessment is outlined in the following sections.

5.1 Wholesale Market Objectives

The IMO considers that the Market Rules as a whole, if amended, will be consistent with the Wholesale Market Objectives.

Wholesale Market Objective	Consistent
(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system	Yes
(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors	Yes
(c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions	Yes
(d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system	Yes
(e) to encourage the taking of measures to manage the amount of electricity used and when it is used	Yes

Further, the IMO considers that the Market Rules if amended would not only be consistent with the Wholesale Market Objectives but also allow the Market Rules to better address Wholesale Market Objectives (a), (b) and (c). This is summarised for each issue addressed by the IMO:

	Issue	Wholesale Market Objective Addressed
1	Reserve Capacity Mechanism Timelines	Consistent with (a), (b), (c), (d) and (e)
2	Requirement for compliant application to be submitted for Certified Reserve Capacity	Better (a): The IMO considers that by ensuring certification of facilities is based on a correct

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remove a current discrimination against peaking plant.

Additionally, the IMO considers that clarifying that Non-Scheduled Generators, that are unable to increase output when instructed by System Management, can not be certified



compress even with the additional resources. The Chair noted that Market Participants would also find themselves rushed by the current process;

- There was a comment that the MAC has no visibility

consideration. Alinta did not support the proposal, noting a number of issues (outlined in section 4.2). The IMO's response to the issues raised in submissions is contained in 4.2 of this report.

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The IMO's draft decision is to accept the amendment of clauses 2.24.1, 2.24.2, 4.1.8, 4.1.9, 4.1.10, 4.1.11, 4.1.12, 4.1.13, 4.1.14, 4.1.16, 4.1.17, 4.1.18, 4.1.20, 4.1.21, (new) 4.1.21A, 4.1.26, 4.2.7, 4.4.1, 4.7.1, 4.9.5, 4.9.9,

~~Facility's Certified Reserve Capacity is specified to be traded bilaterally in accordance with clause 4.14.1(c).~~

- (i) 2 September of Year 1 of the relevant Reserve Capacity Cycle if any of the Facility's Certified Reserve Capacity is specified to be traded bilaterally in accordance with clause 4.14.1(c); or
- (ii) 14 September of Year 1 of the relevant Reserve Capacity Cycle if any of the Facility's Certified Reserve Capacity is specified to be offered into the Reserve Capacity Auction in accordance with clause 4.14.1(a) and where none of the Facility's Certified Reserve Capacity is specified to be traded bilaterally in accordance with clause 4.14.1(c).

4.1.14. Each Market Participant holding Certified Reserve Capacity for the Reserve Capacity Cycle must provide to the IMO notification in accordance with clause 4.14.1 as to how much of its Certified Reserve Capacity will be traded bilaterally and how much will be offered to the IMO in the Reserve Capacity Auction held in Year 1 of the relevant Reserve Capacity Cycle not later than 5 PM of the last Business Day falling on or before:

- (a) 9 September 2005, in the case of the first Reserve Capacity Cycle; ~~and~~
- (b) 10 August of Year 1, in the case of subsequent Reserve Capacity Cycles up to and including 2010; and
- (c) 2 September of Year 1, in the case of Reserve Capacity Cycles from 2011 onwards.

4.1.16. The IMO must publish the information required by clauses 4.15.1 and 4.15.2 pertaining to whether or not a Reserve Capacity Auction is required by 5 PM of the last Business Day falling on or before:

- (a) 16 September 2005, in the case of the first Reserve Capacity Cycle; ~~and~~
- (b) 18 August of Year 1, in the case of subsequent Reserve Capacity Cycles up to and including 2010; and
- (c) the first Business Day following the confirmation deadline specified in

- ii. 20 August of Year 1, in the case of subsequent Reserve Capacity Cycles up to and including 2010; and

4.2.7. By the date and time specified in clause 4.1.6, the IMO must publish the following information:

Conditional Certified Reserve Capacity was assigned and is correct, then the IMO must confirm:

- i. the Certified Reserve Capacity;
- ii. the Reserve Capacity Obligations Quantity; and
- iii. the Reserve Capacity Security levels,

- (a) subject to clause 4.11.2, the Certified Reserve Capacity for a Facility Scheduled Generator for a Reserve Capacity Cycle is not to exceed the IMO's reasonable expectation as to the amount of capacity likely to be available ~~from that Facility~~, after netting off capacity required to serve Intermittent Loads, embedded loads and Parasitic Loads, ~~at daily peak demand times for~~ Peak Trading Intervals on Business Days in the period from the:

- (b) where the Facility is a generation system (other than an Intermittent Generator), the Certified Reserve Capacity must not exceed the sum of the capacities specified in clauses 4.10.1(e)(ii) and 4.10.1(e)(iii), and must not exceed the unconstrained level of network access as provided in 4.10.1(bA);

- ...
- (d) ~~[Blank] the IMO must assign Certified Reserve Capacity for Intermittent Generators that are already operating equal to the Relevant Level determined in accordance with clause 4.11.3A but subject to (b), (c), (f), (g), (h) and (i).~~

- (e) ~~[Blank] the IMO must assign Certified Reserve Capacity to an Intermittent Generator that is yet to commence operation based on:~~
 - i. ~~the Certified Reserve Capacity estimate contained in any report provided by the applicant in accordance with clause 4.10.3, where:~~
 - 1. ~~the report was produced by an expert accredited by the IMO in accordance with clause 4.11.6; and~~
 - 2. ~~the estimate reflects what the expert considers the Certified Reserve Capacity of the Facility would have been for the purposes of clause 4.11.2(b) had a history of performance been available.~~

- ...
- (g) in respect of a Facility that will be subject to a Network Control Service contract, the IMO must not assign Certified Reserve Capacity in excess of the capacity that the IMO believes that Facility can usefully contribute given its location and any transmission-network constraints that are likely to occur;

- ...

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under clause 4.19.4 must, by the date and time specified in clause 4.1.20, notify the IMO of:

- (a) the total number of Capacity Credits that it will provide from each of its Facility Facilities will provide during the Capacity Year commencing on 1 October of Year 3 of the Reserve Capacity Cycle. The information provided must be consistent with the requirements of paragraph (c) and (e); and
- (b) the number of those Capacity Credits the Market Participant anticipates will be acquired by the IMO. has acquired as a result of the Reserve Capacity Auction, subject to The information provided must be consistent with the requirements of paragraph (d) and (ee);

...

- (d) the total number of Capacity Credits which the Market Participant anticipates will be acquired by the IMO from the Market Participant must be consistent with
 - i. the quantity of Certified Reserve Capacity held by that Market Participant and scheduled by the IMO in the Reserve Capacity Auction, as published in accordance with clause 4.19.5(b);
 - ii. the quantity of Certified Reserve Capacity held by the Market Participant which remains the subject of pre-existing Long Term

reject a change to the Key Project Dates not approve that nomination if, in System Management's advises that in its opinion, the Facility, or part of the Facility, is unlikely to have completed all Commissioning Tests by the nominated date specified in the report. If the IMO does not reject a change to the Key Project Dates, the IMO must revise the date referred to in clause 4.10.1(c)(iii)(7) in accordance with the report.

4.27.11C If, in accordance with clause 4.27.11BA, the IMO rejects does not approve a change to the Key Project Dates one or more of the nominated dates provided in accordance with clause 4.27.11 4.27.10(b) or 4.27.11D the IMO must, within ten business days from the date a report is

ii. from 1 October 2008, 85% of the Maximum Reserve C

Intervals in the relevant month.



In addition, the Market Rules do not explicitly indicate the time at which Capacity Credits are assigned to Facilities. It can be implied from clauses 4.1.20 and 4.1.21 of the Market Rules that this allocation occurs at some time between 20 December and 23 December after Market Participants confirm how many Capacity Credits each Facility will provide. This mechanism allows a Participant to transfer Capacity Credits from a Facility that has been cleared in the Reserve Capacity Auction to another that was not cleared. This could happen sooner after the auction results are published. The IMO proposes that this mechanism, which is currently required under all circumstances, should not be required when the Reserve Capacity Auction is cancelled.

Proposed Solution

The IMO proposes that:

- the Market Rules be updated (clauses 4.1.16, (new) 4.1.21A, 4.15.1, 4.20.1, 4.20.5A and 4.27.10) to explicitly state that Capacity Credits are assigned either:
 - at the time that the Reserve Capacity Auction is cancelled; or
 - after Market Participants have confirmed the number of Capacity Credits that each Facility will provide.
- some of the Reserve Capacity Cycle dates be modified as shown in the table below.

	Event	Current date	Proposed date	Clause
1	IMO publishes the Statement of Opportunities and releases the Reserve Capacity Information Pack	1 July	17 June	4.1.8 and 4.1.9
2	IMO publishes Reserve Capacity	15 July	24 June	4.1.10
3	IMO ceases to accept lodgement of applications for certification of Reserve Capacity	20 July	1 July	4.1.11
4	IMO notifies applicants of Certified Reserve Capacity	5 August	19 August	4.1.12
5	Participants provide Reserve Capacity Security for capacity to be traded bilaterally	10 August	2 September	4.1.13

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Proposed Solution

The IMO proposes to:

- stipulate that the methodology described in clause

- The Market Rules state that the IMO “must” use the expert report provided for the Facility, even when the information contained in the expert report is potentially invalid.
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Issue 9: Provision of calculations on which the IMO's assessment is based

The IMO is currently required to provide each Market Participant with the “calculations upon which the IMO's determinations are based” when advising the Participant of the amount of Certified Reserve Capacity being assigned to each Facility (clause 4.9.9(e)). Given the large number of Facilities, this is an onerous requirement for the IMO.

Proposed Solution

The IMO proposes to amend the Market Rules to state that the IMO must provide these calculations when requested to do so by a Market Participant (clause 4.9.9(e)).

Issue 10: Publication of Certified Reserve Capacity information by Facility

The IMO is currently permitted to publish Capacity Credit information by Facility. One Market Participant has suggested that the IMO could similarly publish the quantity of Certified Reserve Capacity assigned to each Facility prior to the Bilateral Trade Declaration process.

The publication of such information could assist Participants in assessing whether to withdraw some Certified Reserve Capacity in an over-supply scenario. Such a result could reduce the number of Capacity Credits awarded through market forces and thus lower the total cost of capacity in the market. There may be a risk that the publication of this data could encourage Participants to force a Reserve Capacity Auction, and potentially a higher Reserve Capacity Price, if the level of Certified Reserve Capacity matches, or fails to reach, the Reserve Capacity Requirement.

Proposed Solution

The IMO proposes to publish ~~the~~491.7867(o)1.3TJ 262.11968()-352.811(C)4.17943(a)1.31968(p)1.31



Issue 12: Repeated rejection of progress reports by IMO

Once Capacity Credits are assigned to a new Facility for the first time, the Market Participants must provide 3-monthly progress reports from the date that the assignment of Capacity Credits is confirmed until the start of the calendar year in which the Facility was initially scheduled to commence operation. The Market Participant must then provide monthly progress reports until the project commences operation. The progress report may include a revised nomination for the date that Facility is scheduled to be able to fully meet its Reserve Capacity Obligations.

Clause 4.27.11A of the Market

The IMO proposes the following amendments to the Market Rules in its Rule Change Proposal (~~deleted text~~, added text):

The following changes will amend the Reserve Capacity Cycle timeline and clarify the timing of the assignment of Capacity Credits to Facilities, as proposed in the discussion of Issue 1.

- 4.1.8. The IMO must publish a Statement of Opportunities Report produced in accordance with the Long Term PASA process described in clause 4.5.11 by 5 PM of the first Business Day falling on or following 17 June ~~4 July~~ of Year 1 of the relevant Reserve Capacity Cycle.
- 4.1.9. The IMO must release the Reserve Capacity Information Pack in accordance with clause 4.7.1 by 5 PM of the first Business Day falling on or following 17 June ~~4 July~~ of Year 1 of the relevant Reserve Capacity Cycle.
- 4.1.10. The IMO must publish on the Market Web Site the Reserve Capacity Information Pack in accordance with clause 4.7.2 by 5 PM of the first Business Day falling on or following 24 June ~~15 July~~ of Year 1 of the relevant Reserve Capacity Cycle.
- 4.1.11. The IMO must cease to accept lodgement of applications for certification of Reserve Capacity for the Reserve Capacity Cycle in accordance with clause 4.9.1 from 5 PM of the last Business Day falling on or before:
 - (a) 20 July of Year 1 of the Reserve Capacity Cycle for Reserve Capacity Cycles up to and including 2010; and
 - (b) 1 July of Year 1 for Reserve Capacity Cycles from 2011 onwards.
- 4.1.12. The IMO must notify each applicant for certification of Reserve Capacity of the Certified Reserve Capacity to be assigned by 5 PM of the last Business Day on, or before;:
 - (a) 5 August of Year 1 of the Reserve Capacity Cycle for Reserve Capacity Cycles up to and including 2010; and

(i) 10 August of Year 1 of the relevant Reserve Capacity Cycle if any

(b) notification of any Long Term Special Price Arr

Generator being assigned in accordance with clause 4.11.2(b)~~4.11.1(d)~~
~~or 4.11.1(e)~~; and

...

The following change will reduce the burden on the IMO in relation to the provision of calculations upon which the determination of Certif

(e) [Blank]

- (a) the total number of Capacity Credits that it will provide from each of its Facility/Facilities will provide during the Capacity Year commencing on 1 October of Year 3 of the Reserve Capacity Cycle. The information provided must be consistent with the requirements of paragraph (c) and (e); and
- (b) the number of those Capacity Credits the Market Participant anticipates will be acquired by the IMO. has acquired as a result of the Reserve Capacity Auction, subject to The information provided must be consistent with the requirements of paragraph (d) and (ee);
- ...
- (d) the total number of Capacity Credits which the Market Participant

The IMO must publish the Capacity Credits assigned, by Facility, by the date and time specified in clause 4.1.21A; and

- (c) not cancelled under clause 4.15.1 and the IMO receives no notification under clause 4.20.1 from a Market Participant, the IMO must not assign Capacity Credits to that Market Participant.

(f) the following Reserve Capacity information (if applicable):

...

iiiA. for each Market Participant that was assigned Certified Reserve Capacity, the level of Certified Reserve Capacity assigned to each Facility for each Reserve Capacity Cycle;

...

The following changes will change the phrase "Access Contract" to "Access Proposals"

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- ii. 20 August of Year 1, in the case of subsequent Reserve Capacity Cycles up to and including 2010; and
 - iii. the second Business Day following the confirmation deadline specified in clause 4.1.15, in the case of Reserve Capacity Cycles from 2011 onwards.
- (b) until 5 PM of the last Business Day falling on or before:
- i. 29 September 2005, in the case of the first Reserve Capacity Cycle; and
 - ii. 29 August of Year 1, in the case of subsequent Reserve Capacity Cycles up to and including 2010; and
 - iii. 14 September of Year 1, in the case of Reserve Capacity Cycles from 2011 onwards.

Clause 4.1.26(b) ii and (c) ii has been updated to refer to clause 4.27.11B (rather than 4.27.11D) to reflect the amendments to these clauses (outlined later in this section).

The amended clause 4.27.11B provides for a revision of the dates referred to in clause 4.10.1(c)(iii)(7) (if notified in a progress report), whereas the amended clause 4.27.11D outlines a requirement for a participant to provide additional information to a progress report or further progress reports (if required).

4.1.26. Reserve Capacity Obligations apply:

...

- (b) for subsequent Reserve Capacity Cycles up to and including 2009:
 - i. from the Trading Day commencing on 1 October of Year 3, for Facilities that were commissioned as at the scheduled time of the Reserve Capacity Auction for the Reserve Capacity Cycle as specified in clause 4.1.18(a) or for Facilities which have provided Capacity Credits in one or both of the two previous Reserve Capacity Cycles;
 - ii. from the Trading Day commencing on the scheduled date of commissioning, as specified in accordance with clause 4.10.1(c)(iii)(7), or as revised in accordance with clause 4.27.11A or clause 4.27.11B, for Facilities commissioned between 1 August of Year 3 and 30 November of Year 3; and
 - iii. from the Trading Day commencing on 30 November of Year 3, for new generating systems undertaking Commissioning Tests after 30 November of Year 3; and
- (c) for subsequent Reserve Capacity Cycles from 2010 onwards:
 - i. from the Trading Day commencing on 1 October of Year 3, for Facilities that were commissioned as at the scheduled time of the Reserve Capacity Auction for the Reserve Capacity Cycle as specified in clause 4.1.18(a) or for Facilities which have

- provided Capacity Credits in one or both of the two previous Reserve Capacity Cycles;
- ii. from the Trading Day commencing on the scheduled date of commissioning, as specified in accordance with clause 4.10.1(c)(iii)(7), or as revised in accordance with clause 4.27.11A or clause 4.27.11BD, for Facilities commissioned between 1 June of Year 3 and 1 October of Year 3; and
 - iii. from the Trading Day commencing on 1 October of Year 3, for new generating systems undertaking Commissioning Tests after 1 October of Year 3.

The IMO has deleted clause 4.7.1 from the Market Rules as a result of the amendments to clauses 4.1.9 and 4.1.10 (removing the release of the Reserve Capacity Information Pack step and retaining the publication of the Reserve Capacity Information Pack step).

- 4.7.1. ~~By the time and date specified in clause 4.1.9, the IMO must release the Reserve Capacity Information Pack for a Reserve Capacity Cycle to those who provided Expressions of Interest to the IMO in accordance with clause 4.2.6 for that Reserve Capacity Cycle. [BLANK]~~

The IMO has removed the proposed amendment from clause 4.9.3(c) (as outlined in its original Rule Change Proposal) and has instead proposed a new clause 4.11.11 (outlined later in this section). The new clause 4.11.11 will require a Market Participant to pay a fee to the IMO where the IMO reassesses the assignment of Certified Reserve Capacity to the Facility under the new proposed clause 4.11.10 based on information provided to the IMO under the new proposed clause 4.10.4.

- 4.9.3. A Market Participant applying for certification of Reserve Capacity must provide to the IMO:
- ...
- (c) in the case of an application for conditional certification for a future Reserve Capacity Cycle, ~~a reassessment of the assignment of~~ Certified Reserve Capacity under clause 4.11.10

Clause 4.10.1(c) has been updated to refer to the new defined term “Key Project Dates”. The “Key Project Dates” are those submitted with an application for certification of Reserve Capacity (this clause) or in the progress reports provided under clauses 4.27.10 and 4.27.11D.

4.10.1. The information to be submitted with an application for certification of Reserve Capacity must pertain to the Reserve Capacity Cycle to which the certification relates, must be supported by documented evidence and must include, where applicable, the following information:

- (a) the identity of the Facility;
- (b) the Reserve Capacity Cycle to which the application relates;
- (bA) with the exception of applications for Conditional Certified Reserve Capacity:
 - i. evidence of an Arrangement for Access or evidence that the Market Participant has accepted an Access Proposal from the relevant Network Operator made in respect of the Facility and that the Facility will be entitled to have access from a specified date occurring prior to the date specified in clause 4.10.1(c)(iii)(7), including the level of unconstrained access and details of any constraints that may apply;
 - ii. evidence that any necessary Environmental Approvals have been granted or evidence supporting the Market Participant’s expectation that any necessary Environmental Approvals will be granted in time to have the Facility meet its Reserve Capacity Obligations by the date specified in clause 4.10.1(c)(iii)(7);
- (c) if the Facility, or part of the facility, is yet to enter service:
 - i. [Blank]
 - ii. [Blank]
 - iii. the Key Project Dates ~~key project dates~~ occurring after the date the request is submitted to the IMO, including, as applicable, but not limited to:
 - ...
- (dA) a description of the main components of the Facility;
- ...

The IMO has amended clause 4.10.4 so that it only applies to a new Facility that has yet to commence operation or a Facility that is undergoing significant maintenance. The IMO has also reworded the clause for ease of understanding.

4.10.4. If a Market Participants becomes aware of any changes to the details provided to the IMO in accordance with clause 4.10 for a Facility yet to commence operation or a Facility that is undergoing significant maintenance, then the Market Participant must advise the IMO if any of the revised details as soon as

practicable.

4.27.10A. [Blank]-

- ii. the Reserve Capacity Requirement for the Reserve Capacity Cycle divided by the total number of Capacity Credits assigned by the IMO in accordance with clause 4.20.5A for the Reserve Capacity Cycle.

The following change will remove the IMO publication of the level of Certified Reserve Capacity assigned to each Facility, as originally proposed in the discussion of Issue 10. This is because of the potential that a Market Participant could use this information to force a Reserve Capacity Auction.

10.5.1 The IMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public and the IMO must make each item of information available from the Market Web-Site after that item of information becomes available to the IMO:

...

- (f) the following Reserve Capacity information (if applicable):

...

- ~~iiiA. for each Market Participant that was assigned Certified Reserve Capacity, the level of Certified Reserve Capacity assigned to each Facility for each Reserve Capacity Cycle;~~

...

Glossary:

~~ey~~ ~~o~~ ~~ec~~ ~~de~~ Means the dates most recently provided to the IMO under clause 4.10.1(c)(iii) or in reports provided under clauses 4.27.10 or 4.27.11D.

~~e~~ ~~e~~ ~~en~~ ~~ee~~ A fee determined by the IMO under clause 2.24.2.