ELECTRICITY INDUSTRY ACT 2004 ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY MARKET) REGULATIONS 2004 Wholesale Electricity Market Rules

IMO AMENDING RULES RC_2011_14 MADE ON 5 June 2012 These Amending Rules commence at 08.00am on 6 June 2012

The following clauses are amended (deleted wording, new wording):

- 4.5.12. An Availability Curve for a Capacity Year is to contain the following information:
 - (a) the forecast capacity, in MW, required for more than 24 hours per year, 48 hours per year, and 72 hours per year—and 96 hours per year;
 - (b) the minimum capacity required to be provided by generation capacity if Power System Security and Power System Reliability is to be maintained. This minimum capacity is to be set at a level such that if:
 - i all Demand Side Management capacity (excluding Interruptible Load used to provide Spinning Reserve to the extent that it is anticipated to provide Certified Reserve Capacity), were activated during the Capacity Year so as to minimise the peak demand during that year; and
 - the Planning Criterion and the criteria for evaluating Outage Plans set out in clause 3.18.11 were to be applied to the load scenario defined by provide Certified Reserve Capacity, the anticipated installed generating capacity, the anticipated Interruptible Load capacity available as Spinning Reserve and, to the extent that further generation capacity would be required, an appropriate mix of generation capacity to make up that shortfall; and
 - (c) the capacity associated with each Availability Class where:
 - the capacity quantity associated with Availability Class 4 is the Reserve Capacity Target for the Capacity Year less the greater of the quantity specified under paragraph

| _ | <u>claus</u> | <u>se 4.5.12</u> (b) | and the | quantity | specified |
|----------------------------|----------------|----------------------|----------|----------|-----------|
| under paragraph | clause 4.5.12(| a) as being | required | for more | than 48 |

- 4.5.12(b) and the quantity specified under paragraph clause 4.5.12(a) as being required for more than 72 48 hours per year; less
- 2. the capacity quantity associated with Availability Class 4;
- iii. the capacity quantity associated with Availability Class 2 is:
 - the Reserve Capacity Target for the Capacity Year less the greater of the quantity specified under paragraph clause
 4.5.12(b) and the quantity specified under paragraph clause
 4.5.12(a) as being required for more than 96 72 hours per year; less
 - 2. the total sum of the capacity quantity quantities associated with each of Availability Class 3 or and Availability Class 4;
- iv. the capacity quantity associated with Availability Class 1 is:
 - 1. the Reserve Capacity Target for the Capacity Year; less
 - the total sum of the capacity quantity quantities associated with each of Availability Class 2, Availability Class 3 or and Availability Class 4;

Appendix 3: Reserve Capacity Auction & Trade Methodology

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The parameter "a" denotes the active Availability Class where "a" can have a value of {1, 2, 3, 4}. Availability Class 1 has the highest availability requirement, followed by Availability Class 2, Availability Class 3 and then Availability Class 4. All Certified Reserve Capacity is assigned an Availability Class. For the purpose of identifying which capacity can be applied to satisfying capacity requirements the minimum availability of each Availability Class is set to the maximum availability of the next Availability Class. However the algorithms in this appendix allow capacity from an Availability Class with higher availability to be used in place of capacity from an Availability Class with lower availability. For example, any capacity accepted from Availability Class 1 that is in excess of the capacity requirement for Availability Class 1 will be available to meet the capacity requirement for Availability Class 2. The following table indicates the required availability of capacity offered for each Availability Class:

Availability Class Minimum Hours of Maximum Hours of

| (i.e. value of "a") | Availability Per Year | Availability Per Year |
|---------------------|-----------------------|-----------------------|
| 4 | 96 | All |
| 2 | 72 | 96 |
| 3 | 48 | 72 |
| 4 | 24 | 48 |

All Certified Reserve Capacity associated with Interruptible Loads, Demand Side Programmes or Dispatchable Loads is explicitly