



Rule Change Notice: Specific Transition Provisions for the 2015 Reserve Capacity Cycle (RC_2015_05)

This notice is given under clause 2.5.7 of the Wholesale Electricity Market Rules (Market Rules).

Submitter: Kate Ryan, IMO

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The Rule Change Proposal

On 13 March 2015, the IMO received a Ministerial Direction to defer most aspects¹ of the 2015 Reserve Capacity Cycle by 12 months in accordance with clause 4.1.32 of the Market Rules. The 2015 Reserve Capacity Cycle relates to the procurement of capacity for the 2017/18 Capacity Year.

As was the case with the deferral of the 2014 Electricity Statement of Opportunities (ESOO), as a result of the deferral of the 2015 ESOO by 12 months, the IMO proposes to introduce transitional provisions in the Market Rules to:

undertake the annual Long Term PASA and calculate the Reserve Capacity Requirement for the 2015 Reserve Capacity Cycle in 2016; and

use the ESOO for the 2014 Reserve Capacity Cycle (published in 2015) for the preliminary Reserve Capacity Requirement in the Request for Expressions of Interest for the 2016 Reserve Capacity Cycle,

for the purpose of satisfying its obligations with respect to the 2015 Reserve Capacity Cycle under the Market Rules.

The proposed Amending Rules in this Rule Change Proposal are equivalent to the Amending Rules in the Rule Change Proposal: Specific Transition Provisions for the 2014 Reserve Capacity Cycle (RC_2014_04)² as further amended by the Rule Change Proposal: Documentation of the Long Term PASA for the 2014 Reserve Capacity Cycle (RC_2015_04)³.

Appendix 1 contains the Rule Change Proposal and gives complete information about:

the proposed amendments to the Market Rules;

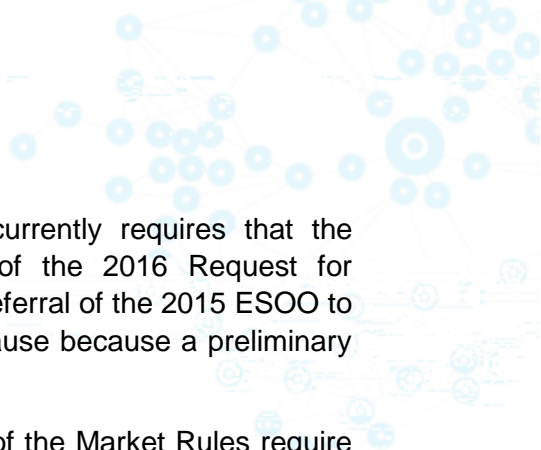




Rule Change Proposal: RC_2015_05

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Reserve Capacity Cycle. Compliance with these clauses currently requires that the 2015 ESOO be published prior to the publication date of the 2016 Request for Expression of Interest, being by 31 January 2016. With the deferral of the 2015 ESOO to 17 June 2016, the IMO will be unable to comply with this clause because a preliminary RCR will not be available by 31 January 2016.

2. Clause 4.5.1 and the definition of LT PASA in the Glossary of the Market Rules require the IMO to conduct the LT PASA annually. Deferral of the 2015 ESOO means that the annual LT PASA for the LT PASA Study Horizon commencing in Year 1 of the 2015 Reserve Capacity Cycle will not be completed within the 2015 calendar year, resulting in the IMO not complying with clause 4.5.1 of the Market Rules.

Proposed Amendments

To address these issues, the IMO proposes to introduce new transitional rules which will allow the IMO to:

- € undertake the 2015 LT PASA and the RCR determination in 2016; and
- € use the ESOO for

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1.13. Specific Transition Provisions for the 2015 Reserve Capacity Cycle

1.13.1. For the purposes of clause 4.5.1, the Long Term PASA for the 2015 Reserve

