



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

the proposed amendments to the Market Rules;

the relevant references to the Market Rules and the proposed specific amendments to those clauses; and

the submitter's description of how the proposed amendments would allow the Market Rules to better address the Wholesale Market Objectives.

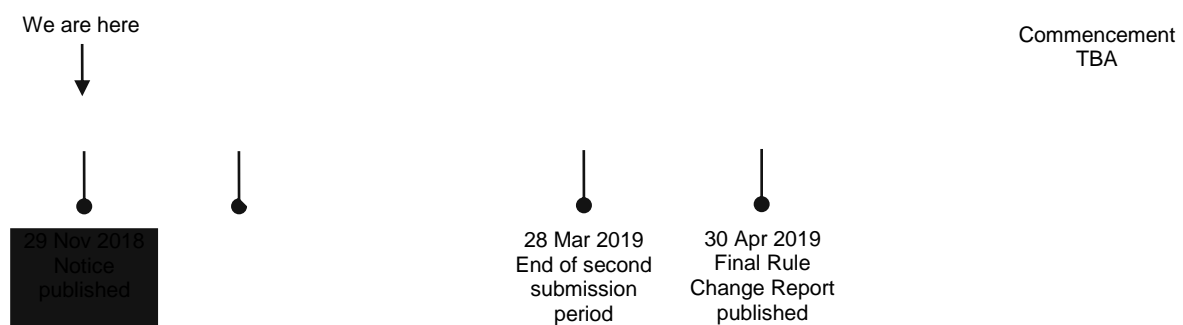
## Decision to progress the Rule Change Proposal

The Rule Change Panel has decided to progress this Rule Change Proposal on the basis of its preliminary assessment that the proposal is consistent with the Wholesale Market Objectives.

## Timeline

This Rule Change Proposal will be progressed using the Standard Rule Change Process, described in section 2.7 of the Market Rules.

The projected timeline for progressing this proposal is:



The Rule Change Panel has extended the first submission period beyond the usual 30 Business Days to account for the Christmas period.

## Call for Submissions

The Rule Change Panel invites interested stakeholders to make submissions on this Rule Change Proposal. The submission period is 40 Business Days from the Rule Change Notice publication date. Submissions must be delivered to the RCP Secretariat by **5:00 PM on Tuesday, 30 January 2018**.

The Rule Change Panel prefers to receive submissions by email, using the submission form available at: <https://www.erawa.com.au/rule-change-panel/make-a-rule-change-submission> sent to [support@rcpwa.com.au](mailto:support@rcpwa.com.au).

Submissions may also be sent to the Rule Change Panel by post, addressed to:

**Rule Change Panel**  
Attn: Executive Officer  
C/o Economic Regulation Authority  
PO Box 8469  
PERTH BC WA 6849

## Wholesale Electricity Market Rule Change Proposal

Rule Change Proposal ID: RC\_2018\_06  
Date received: 26 November 2018

**Change requested by:**

<b>Name:</b>	Zaeen Khan
<b>Phone:</b>	08 6551 4661
<b>Email:</b>	<a href="mailto:Zaeen.Khan@treasury.wa.gov.au">Zaeen.Khan@treasury.wa.gov.au</a>

**Organisation:**





## Appendix 2: Spinning Reserve Cost Allocation

This Appendix determines the value of  $SR\_Share(p,t)$  of the Spinning Reserve service payment costs in Trading Interval  $t$  to be borne by Market Participant  $p$ .

In this Appendix the relevant Market Participant  $p$  is the Market Participant to whom a facility is registered, with the exception that in the case of unregistered generation systems serving Intermittent Loads, the relevant Market Participant  $p$  is the Market Participant to whom the Intermittent Load is registered.

The calculations in this Appendix are based on data for a set of applicable facilities (indexed by  $f$ ) where this set comprises all Scheduled Generators and all Non-Scheduled Generators registered during Trading Interval  $t$ , except those Intermittent Generators exempted under clause 2.30A.2. This set also includes all unregistered generation systems serving Intermittent Loads.

Step 1tep( )6(()-3(ad)34())7( )-4(o)13(f)-4( )-4( )-4(o)13(f)-1s3(cep)3(t)- ch onable facilities (iTBT63(pp)3(l1 C

determined in accordance with Step 1. If two or more facilities have the same applicable capacity in Trading Interval t, these facilities are ranked in random order by AEMO.

STEP 3: For each facility f determine the Facility Spinning Reserve Share for Trading Interval t as:

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Where:

i is the ranking number of facility f determined in Step 2.

n is the total number of applicable facilities.

rank(f) is the rank of facility f as determined under Step 2.

MW(i) is the applicable capacity associated with facility f at rank i.

MW(i – 1) is the applicable capacity associated with the facility ranked immediately prior to facility ranked i. Where i=1, the value of MW(i – 1) is zero.

MW(n) is the applicable capacity associated with the facility at rank n.

Step 4: For each Trading Interval t, calculate the SR Share(p,t) value for each Market Participant as:

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Where:

F is the set of applicable facilities belonging to Market Participant p.

f is a member of the set in F.

FSRS(f,t) is the Facility Spinning Reserve Share for facility f in Trading Interval t calculated in Step 3.

The methodology makes use of the data in Table 1.

Block Number	Block Range (MW)	Block Size (MW)
1	>200	100
2	>125 and — 200	75
3	>65 and — 125	60
4	>45 and — 65	20

5	>10 and <45	35
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Table 1: Data for Determine Reserve\_Share(p,t)

For each Block, indicated by block number b, in Table 1, the Reserve Block Share is:

If  $\text{Sum}(f(i)) > 0$

$$\text{RBS}(b) = [\text{Block Size}(b) / \text{Sum}(i, \text{Block Size}(i))] / \text{Sum}(f(i), \text{TIS}(f))$$

If  $\text{Sum}(f(i)) = 0$

$$\text{RBS}(b) = 0$$

Where

Block Size(i) is the size of the Block with block number i listed in Table 1.

f(i) is the subset of applicable facilities that had applicable capacities for Trading Interval t lying within the block range of any Block with a block number value of b or less.

TIS(f) is 1 if the applicable facility f was synchronised to the SWIS during Trading Interval t, and is zero otherwise.

For each Block b in Table 1, the Reserve Generator Share is:

$$\text{RGS}(b) = \text{Sum}(i, \text{RBS}(i))$$

Where



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**4. Describe how the proposed rule change would allow the Market Rules to better**

- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.**

The Public Utilities Office does not consider the proposed changes will impact on this Market Objective.

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**5. Provide any identifiable costs and benefits of the change:**

Preliminary estimates from AEMO indicate that approximately \$250,000 will be incurred to implement the associated system changes.