Reserve Capacity Mechanism Review

De-risking of the transformation process

Ensuring the reserve capacity mechanism encourages new capacity

Proposal F:

Set IRCR for flexible capacity based on the three days with the highest four-hour upwards ramp at any time during the year.

Require AEMO to publish the forecast ramp so that consumers can monitor and respond to the cost signal.

DSP CRC

Proposal G:

Where a DSP has:

{ šZ • u ••}] š >} • šZ š]š Z]v šZ ‰Œ À]}µ• Ç ŒU ••]Pv Z

Loads less the minimum load requirement of the Associated Loads; and

{]((Œ vš ••}] š >} • (Œ}u šZ ‰Œ À]}µ• Ç ŒU ••]Pv Z • }

Market Participant.

Proposal H:

Remove Consumption Deviation Applications (CDAs) from the assessment of DSP CRC.

Proposal I:

Allow sites with collocated load and generation or storage to be Associated Loads of a DSP.

Proposal J:

Adopt a dynamic baseline to measure DSP dispatch performance against.

Continue to assess the detailed dynamic baseline methodology.

Consider reducing the number of hours that DSPs can be dispatched.

Testing

Proposal K:

Require facilities holding flexible capacity credits to be tested for start, stop, restart, and minimum running times; ramp capability; and minimum stable loading level.

Allow facilities to pass flexible capacity tests by observation.

Capacity refunds for both peak capacity and flexible capacity will be paid from a single pool of capacity payments.
Capacity refunds for flexible capacity will be capped at a set portion of total capacity revenues.

Proposal Q:

Calculate a dynamic refund multiplier for flexible capacity based on a comparison of the actual ramp requirement in the interval and the ramp rate used to set the flexible capacity Reserve Capacity Requirement (RCR).
Apply the greater of the peak and flexible multipliers to refunds for facilities supplying both capacity products.
Require AEMO to publish the projected load ramp rate alongside the load forecast.

Proposal R:

Amend the Maximum Facility Refund for DSPs to include the DSM Reserve Capacity Security.
DSPs which voluntarily surrender Capacity Credits during the Capacity Year will forfeit their DSM Reserve Capacity Security in proportion to the amount of the reduction.

Proposal S:

Distribute collected capacity refunds to participants, responsible for loads, rather than other capacity providers.

The EUE Target in the Planning Criterion
Proposal T: