

EXTRACT OF TRANSITIONAL PROVISIONS FOR DEFERRAL OF THE 2021 AND 2022 RESERVE CAPACITY CYCLES (v0.4)

Explanatory Note

The commencement of the 2021 Reserve Capacity Cycle and the 2022 Reserve Capacity Cycle are to be deferred. This means that the activities that are required to take place during Year 1 of each Reserve Capacity Cycle will also be deferred from the dates and times prescribed in Chapter 4.

The new dates and times for the relevant activities are not yet finalised. Accordingly, new proposed sections [1.AA] and [1.BB] establish the following framework to enable the dates and times to be set in due course:

- AEMO will determine and publish a timetable containing the modified dates and times for each of the key events in Year 1 of the 2021 and 2022 Reserve Capacity Cycles;
- the timetables must be published no later than 1 March 2021;
- AEMO may subsequently revise the dates and times for one or more key events;
- AEMO must set the dates and times in the timetable, and make any subsequent amendments, in accordance with the principles specified in the framework;
- all Year 1 activities are to be completed no later than:
 - for the 2021 Reserve Capacity Cycle, 30 June 2022; and
 - for the 2022 Reserve Capacity Cycle, 31 December 2022; and
- if AEMO wishes to extend the time and date by when all Year 1 activities are to be completed, AEMO is required to consult on the proposed changes.

The new Network Access Quantity framework will apply from the 2022 Reserve Capacity Cycle.

We note the transitional rules use the terms 'Market Rules' and 'Market Web Site' instead of 'WEM Rules' and 'WEM Website'. This is because these transitional rules are intended to commence prior to 1 February 2021, when the latter terms are introduced into the WEM Rules. Accordingly, the Ministerial Instrument for the Reserve Capacity Mechanism Amending Rules will contain amending rules that will amend the redundant terms in these transitional rules to the new terms that will apply from 1 February 2021.

[1.AA.] Specific Transitional Provisions – Deferral of Key Events for Year 1 of the 2021 Reserve Capacity Cycle

[1.AA.1.] Notwithstanding clause 4.1.1C, for the 2021 Reserve Capacity Cycle, AEMO has the power to modify and extend the dates and times for key events that are scheduled to occur in Year 1 of that Reserve Capacity Cycle only in accordance with this section [1.AA].

[1.AA.2.] By 5:00 PM on 1 March 2021, AEMO must determine and publish a timetable setting out the modified or extended dates and times for each of the key events specified in clause [1.AA.6] for the 2021 Reserve Capacity Cycle. The modified or extended dates or times take effect from the date that the timetable is published.

[1.AA.3.] Subject to clause [1.AA.7], AEMO may further modify or extend the dates or times for any one or more of the key events specified in clause [1.AA.6] by publishing an updated timetable on the Market Web Site. Any such further modified or extended dates and times take effect from the date that the updated timetable is published.

[1.AA.4.] In determining the modified or extended dates and times under clauses [1.AA.2] or [1.AA.3], AEMO must:

- (a) seek to preserve investment certainty for Market Participants and other interested stakeholders by allowing a reasonable time for decisions to be made relative to the modified or extended timelines; and
- (b) minimise the overlap of:
 - i. key events in Year 1 of the 2021 Reserve Capacity Cycle;
 - ii. key events in Year 1 of the 2022 Reserve Capacity Cycle; and
 - iii. commencement of the new fully co-optimised energy and Essential System Service markets on the New WEM Commencement Day.

[1.AA.5.] In determining the modified or extended dates and times under clauses [1.AA.2] and [1.AA.3], AEMO may consult with Market Participants and other interested stakeholders prior to setting or amending, as applicable, the modified or extended dates and times.

[1.AA.6.] Notwithstanding any other provision of these Market Rules, the operation of the following clauses is amended in respect of the 2021 Reserve Capacity Cycle as follows:

- (a) clause 4.1.4 is amended so that AEMO must advertise a Request for Expressions of Interest in accordance with clause 4.2.4 by the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (b) clause 4.1.5 is amended so that the potential Reserve Capacity providers may respond to the Request for Expressions of Interest in accordance with section 4.2 by the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (c) clause 4.1.6 is amended so that AEMO must publish a summary of the responses to its Request for Expressions of Interest in accordance with clause 4.2.7 by the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (d) clause 4.1.7 is amended so that AEMO must accept lodgement of applications for certification of Reserve Capacity in accordance with clause 4.9.1 from the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (e) clause 4.1.8 is amended so that AEMO must publish a Statement of Opportunities Report produced in accordance with the Long Term PASA process described in clause 4.5.11 by the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (f) clause 4.1.10 is amended so that AEMO must publish on the Market Web Site the Reserve Capacity Information Pack in accordance with clause 4.7.2 by the

- date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (g) clause 4.1.11 is amended so that AEMO must cease to accept lodgement of applications for certification of Reserve Capacity in accordance with clause 4.9.1 from the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (h) clause 4.1.12 is amended so that AEMO must notify each applicant for certification of Reserve Capacity of the Certified Reserve Capacity to be assigned by the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (i) clause 4.1.13 is amended so that each Market Participant must provide to AEMO any Reserve Capacity Security required in accordance with clause 4.13.1 and any DSM Reserve Capacity Security required in accordance with clause 4.13A.1 not later than the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (j) clause 4.1.14 is amended so that each Market Participant holding Certified Reserve Capacity for the Reserve Capacity Cycle must provide to AEMO notification in accordance with clause 4.14.1 as to how its Certified Reserve Capacity will be dealt with not later than the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (k) clause 4.1.15 is amended so that AEMO must confirm to each Market Participant in accordance with clause 4.14.9 the amount of Certified Reserve Capacity that can be traded bilaterally from its Facilities by the date and time specified in the timetable published by AEMO clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (l) clause 4.1.15A is amended so that AEMO must publish the Certified Reserve Capacity for each Facility in accordance with clause 4.9.9A by the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (m) clause 4.1.16A is amended so that AEMO must:
- i. assign Capacity Credits in accordance with clause 4.20.5A(a) as set out in clause 4.1.16A(a); and
 - ii. determine in accordance with clause 4.20.5A(aA) whether the Reserve Capacity Requirement has been met or exceeded with the Capacity Credits assigned for Year 3 as set out in clause 4.1.16A(b),
- by the date and time specified in the timetable published by AEMO under clause [1.AA.2], and as may be updated by AEMO in accordance with clause [1.AA.3], provided that, subject to clause [1.AA.7], the date is not later than 30 June 2022;

- (n) clause 4.1.18A is amended so that AEMO must publish the summary of information described in clause 4.20.5AA by the date and time specified in the timetable (which must be the same date and time as specified in the timetable for performance of the obligations under clause 4.1.16A) published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (o) clause 4.1.19 is amended so that AEMO must commence the review of the Benchmark Reserve Capacity Price as required by clause 4.16.3 and complete the review in accordance with clause 4.1.19 by the date and time specified in the timetable (which must be the same date and time as specified in the timetable for performance of the obligations under clause 4.1.4) published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3];
- (p) clause 4.1.21 is amended so that a Market Participant may apply to AEMO under clause 4.13.2A for a recalculation of the amount of Reserve Capacity Security required to be held by AEMO for a Facility in accordance with clause 4.13.2(b) or under clause 4.13A.8 for a recalculation of the amount of DSM Reserve Capacity Security required to be held by AEMO for a Demand Side Programme in accordance with clauses 4.13A.1 or 4.13A.4, as applicable, by the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3]; and
- (q) clause 4.1.21A is amended so that each relevant Market Participant must notify AEMO of the number of Capacity Credits that are to be associated with each component of their Facility for the Capacity Year in accordance with clause 4.20.16 by the date and time specified in the timetable published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3].

[1.AA.7.] If AEMO wishes to modify or extend the date for completion of the key events referred to in clause [1.AA.6(m)] to a date after 30 June 2022, then AEMO must, without limiting its obligations under clause 2.21.6:

- (a) consult with Market Participants and other interested stakeholders on the proposed modified or extended date;
- (b) call for submissions; and
- (c) publish on the Market Web Site:
 - i. AEMO's decision on the modified or extended date;
 - ii. any submissions received; and
 - iii. an updated timetable in accordance with clause [1.AA.3].

[1.AA.8.] Notwithstanding the time and date specified in clause 4.1.4, for the 2021 Reserve Capacity Cycle, AEMO is not required to advertise a Request for Expression of Interest in accordance with section 4.2 for that Reserve Capacity Cycle until the time and date specified in the timetable to be published by AEMO under clause [1.AA.2] and as may be updated by AEMO in accordance with clause [1.AA.3].

[1.AA.9.] For the 2021 Reserve Capacity Cycle, any clause that refers to a clause amended in accordance with clause [1.AA.6], is to be read in the context of the operation of this section [1.AA] and the clause as amended.

[1.AA.10.] Nothing in this section [1.AA] shall affect the operation of Chapter 4 insofar as the clauses of Chapter 4 apply to a Reserve Capacity Cycle other than the 2021 Reserve Capacity Cycle.

[1.BB.] Specific Transitional Provisions – Deferral of Key Events for Year 1 of the 2022 Reserve Capacity Cycle

[1.BB.1.] Notwithstanding clause 4.1.1C, for the 2022 Reserve Capacity Cycle, AEMO has the power to modify and extend the dates and times for key events that are scheduled to occur in Year 1 of that Reserve Capacity Cycle only in accordance with this section [1.BB].

[1.BB.2.] By 5:00 PM on 1 March 2021, AEMO must determine and publish a timetable setting out the modified or extended dates and times for each of the key events specified in clause [1.BB.6] for the 2022 Reserve Capacity Cycle. The modified or extended dates or times take effect from the date that the timetable is published.

[1.BB.3.] Subject to clause [1.BB.7], AEMO may further modify or extend the dates or times for any one or more of the key events specified in clause [1.BB.6] by publishing an updated timetable on the Market Web Site. Any such further modified or extended dates and times take effect from the date that the updated timetable is published.

[1.BB.4.] In determining the modified or extended dates and times under clause [1.BB.2] or [1.BB.3], AEMO must:

- (a) seek to preserve investment certainty for Market Participants and other interested stakeholders by allowing a reasonable time for decisions to be made relative to the modified or extended timelines; and
- (b) minimise the overlap of:
 - i. key events in Year 1 of the 2021 Reserve Capacity Cycle;
 - ii. key events in Year 1 of the 2022 Reserve Capacity Cycle; and
 - iii. commencement of the new fully co-optimised energy and Essential System Service markets on the New WEM Commencement Day.

[1.BB.5.] In determining the modified or extended dates and times under clauses [1.BB.2] and [1.BB.3], AEMO may consult with Market Participants and other interested stakeholders prior to setting or amending, as applicable, the modified or extended dates and times.

[1.BB.6.] Notwithstanding any other provision of these Market Rules the operation of the following clauses is amended in respect of the 2022 Reserve Capacity Cycle as follows:

- (a) clause 4.1.4 is amended so that AEMO must advertise a Request for Expressions of Interest in accordance with clause 4.2.4 by the date and time

specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];

- (b) clause 4.1.5 is amended so that the potential Reserve Capacity providers may respond to the Request for Expressions of Interest in accordance with section 4.2 by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (c) clause 4.1.6 is amended so that AEMO must publish a summary of the responses to its Request for Expressions of Interest in accordance with clause 4.2.7 by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (d) clause 4.1.7 is amended so that AEMO must accept lodgement of applications for certification of Reserve Capacity in accordance with clause 4.9.1 from the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (e) clause 4.1.8 is amended so that AEMO must publish a Statement of Opportunities Report produced in accordance with the Long Term PASA process described in clause 4.5.11 by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (f) clause 4.1.10 is amended so that AEMO must publish on the Market Web Site the Reserve Capacity Information Pack in accordance with clause 4.7.2 by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (g) clause 4.1.11 is amended so that AEMO must cease to accept lodgement of applications for certification of Reserve Capacity in accordance with clause 4.9.1 from the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (h) clause 4.1.12 is amended so that AEMO must notify each applicant for certification of Reserve Capacity of the Certified Reserve Capacity to be assigned by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (i) clause 4.1.13 is amended so that each Market Participant must provide to AEMO any Reserve Capacity Security required in accordance with clause 4.13.1 and any DSM Reserve Capacity Security required in accordance with clause 4.13A.1 not later than the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (j) clause 4.1.14 is amended so that each Market Participant holding Certified Reserve Capacity for the Reserve Capacity Cycle must provide to AEMO notification in accordance with clause 4.14.1 as to how its Certified Reserve Capacity will be dealt with not later than the date and time specified in the

- timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (k) clause 4.1.15 is amended so that AEMO must confirm to each Market Participant in accordance with clause 4.14.9 the amount of Certified Reserve Capacity that can be traded bilaterally from its Facilities by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (l) clause 4.1.15A is amended so that AEMO must publish the Certified Reserve Capacity for each Facility in accordance with clause 4.9.9A by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (m) clause 4.1.16A is amended so that AEMO must:
- i. assign Capacity Credits in accordance with clause 4.20.5A(a) as set out in clause 4.1.16A(a);
 - ii. determine in accordance with clause 4.20.5A(aA) whether the Reserve Capacity Requirement has been met or exceeded with the Capacity Credits assigned for Year 3 as set out in clause 4.1.16A(b);
 - iii. notify each Market Participant of the Network Access Quantity determined for each of its Facilities in accordance with clause 4.15.10; and
 - iv. publish the information required to be published under clause 4.5.15, by the date and time specified in the timetable published by AEMO under clause [1.BB.2], and as may be updated by AEMO in accordance with clause [1.BB.3], provided that, subject to clause [1.BB.7], the date is not later than 31 December 2022;
- (n) clause 4.1.18A is amended so that AEMO must publish the summary of information described in clause 4.20.5AA by the date and time specified in the timetable (which must be the same date and time as specified in the timetable for performance of the obligations under clause 4.1.16A) published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (o) clause 4.1.19 is amended so that AEMO must commence the review of the Benchmark Reserve Capacity Price as required by clause 4.16.3 and complete the review in accordance with clause 4.1.19 by the date and time specified in the timetable (which must be the same date and time as specified in the timetable for performance of the obligations under clause 4.1.4) published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (p) clause 4.1.21 is amended so that a Market Participant may apply to AEMO under clause 4.13.2A for a recalculation of the amount of Reserve Capacity Security required to be held by AEMO for a Facility in accordance with clause 4.13.2(b) or under clause 4.13A.8 for a recalculation of the amount of DSM Reserve Capacity Security required to be held by AEMO for a Demand Side Programme in accordance with clauses 4.13A.1 or 4.13A.4, as applicable, by

the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];

- (q) clause 4.1.21A is amended so that each relevant Market Participant must notify AEMO of the number of Capacity Credits that are to be associated with each component of their Facility for the Capacity Year in accordance with clause 4.20.16 by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (r) clause 4.4B.2 is amended so that AEMO must provide the following information to each relevant Network Operator by the date and time specified in the timetable published by AEMO clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3]:

 - i. details of each Facility specified in an Expression of Interest submitted under clause 4.2.6 for the Reserve Capacity Cycle, including the information in clauses 4.4.1; and
 - ii. details of each Facility for which AEMO has received a notice under clause 4.4A.1 where the intention is for the Facility to cease operation permanently by 1 October of Year 3 of the Reserve Capacity Cycle;
- (s) clause 4.4B.3 is amended so that each Network Operator must, in respect of its Network, provide its reasonable estimate of the configuration at peak demand, and associated Thermal Network Limits of its Network in accordance with that clause by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3];
- (t) clause 4.4B.4 is amended so that each Network Operator must provide the information specified in that clause in respect of its Network to AEMO in the form of RCM Limit Advice to AEMO by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3]; and
- (u) clause 4.4B.5 is amended so that AEMO must publish the following information in the Constraints Library for the 2022 Reserve Capacity Cycle by the date and time specified in the timetable published by AEMO under clause [1.BB.2] and as may be updated by AEMO in accordance with clause [1.BB.3]:

 - i. the information provided by each Network Operator under clause 4.4B.4; and
 - ii. the Preliminary RCM Constraint Equations.

[1.BB.7.] If AEMO wishes to modify or extend the date for completion of the key events referred to in clause [1.BB.6(m)] to a date after 31 December 2022, then AEMO must, without limiting its obligations under clause 2.21.6:

- (a) consult with Market Participants and other interested stakeholders on the proposed modified or extended date;
- (b) call for submissions; and
- (c) publish on the Market Web Site:

- i. AEMO's decision on the modified or extended date;
- ii. any submissions received; and
- iii. an updated timetable in accordance with clause [1.BB.3].

[1.BB.8.] For the 2022 Reserve Capacity Cycle, any clause that refers to a clause amended in accordance with clause [1.BB.6], is to be read in the context of the operation of this section [1.BB] and the clause as amended.

[1.BB.9.] Nothing in this section [1.BB] shall affect the operation of Chapter 4 insofar as the clauses of Chapter 4 apply to a Reserve Capacity Cycle other than the 2022 Reserve Capacity Cycle.