

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

**IMO AMENDING RULES RC\_2008\_30 MADE ON 16 JANUARY 2009**

**These Amending Rules commence at 08.00am on 16 February 2009**

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

**4.13. Reserve Capacity Security**

- 4.13.1. Where the IMO assigns Certified Reserve Capacity to a Facility (which for the purposes of this clause 4.13 includes part of a Facility and a Demand Side Programme) that is yet to be commissioned, the relevant Market Participant must ensure that the IMO holds the benefit of a Reserve Capacity Security in an amount not less than the amount determined under clause 4.13.2 by the date and time specified in clause 4.1.13 for the Reserve Capacity Cycle to which the Certified Reserve Capacity relates.
- 4.13.10. ~~Unless clause 4.13.11 applies, A Market Participant is no longer required to ensure that the IMO holds the benefit of a Reserve Capacity Security after:~~
- ~~the IMO must notify any Market Participant that has provided the IMO with a Reserve Capacity Security for a Facility that the need to maintain that Reserve Capacity Security has ceased, and must refund any Reserve Capacity Security which is in the form of a cash deposit (plus interest earned on that cash deposit) no later than five Business Days following:~~
- (a) ~~the time and date specified in clause 4.1.21, in the case of a Reserve Capacity Security relating to a Facility that provides no Capacity Credits (as notified by the relevant Market Participant under clause 4.20) the time and date specified in clause 4.1.21;~~
- (b) ~~in respect the case of a new Facility that satisfies 100% of its Reserve Capacity Obligation Quantity for the Facility (as determined under clause 4.12.4 and before any adjustment made under clause 4.12.6) in at least one Trading Interval when the Reserve Capacity Obligation Quantity exceeds 0 MW occurring between the date from which Reserve Capacity Obligations apply in accordance with clause 4.1.26 and the day from which Reserve Capacity Obligations cease to apply in accordance with clause 4.1.30 in respect of the Reserve Capacity Cycle, the later of:~~
- i. the date from which Reserve Capacity Obligations apply in accordance with clause 4.1.26 in respect of the Reserve Capacity Cycle;

- ii. the first day on which a new Facility first satisfies its Reserve Capacity Obligations under clause 4.12.1(a) or (b) (as applicable) in respect of the Reserve Capacity Cycle.
  - (c) in ~~respect~~the case of a new Facility to which none of (a), (b), or clause 4.13.11 relate, the day from which Reserve Capacity Obligations cease to apply in accordance with clause 4.1.30 in respect of the Reserve Capacity Cycle.
- 4.13.10A Where a Market Participant considers that clause 4.13.10 applies to it in relation to a Facility, the Market Participant may request the IMO to release the relevant Reserve Capacity Security. Within 10 Business Days after receiving such a request the IMO must:
- (a) determine whether the need to maintain the Reserve Capacity Security has ceased;
  - (b) notify the Market Participant of its determination; and
  - (c) if the Reserve Capacity Security is a cash deposit that is no longer required to be held, refund the cash deposit (plus interest earned).
- ~~4.13.11. If a Market Participant provides a Reserve Capacity Security in respect of a Facility under this clause 4.13, and the relevant Facility does not operate at a level (expressed in MWh) that is at least 90% of one-half of the Reserve Capacity Obligation Quantity for the Facility (expressed in MW), in at least one Trading Interval when the Reserve Capacity Obligation Quantity exceeds 0 MW occurring between the date from which Reserve Capacity Obligations apply in accordance with clause 4.1.26 and the day from which Reserve Capacity Obligations cease to apply in accordance with clause 4.1.30 in respect of the Reserve Capacity Cycle, then the Market Participant must pay to the IMO, as compensation to the market, an amount equal to the Reserve Capacity Security amount, which obligation may be satisfied by the IMO drawing upon the Reserve Capacity Security, and applying the amount claimed (after meeting the IMO's costs associated with doing so) so as to:~~
- ~~(a) firstly, offset the cost of funding Supplementary Capacity Contracts for any capacity shortage stemming entirely or in part from the Facility not being available; and~~
  - ~~(b) secondly, once all costs to which paragraph (a) refers are covered, make a rebate payment to Market Customers in proportion to their Individual Reserve Capacity Requirements during the Trading Month in accordance with Chapter 9.~~
- 4.13.11. If a Market Participant that provides a Reserve Capacity Security in respect of a Facility under this clause 4.13 operates the Facility:

- (a) at a level (expressed in MWh) that is at least 90% of one-half of the Reserve Capacity Obligation Quantity for the Facility (as determined under clause 4.12.4 and before any adjustment made under clause 4.12.6, expressed in MW) in at least one Trading Interval when the Reserve Capacity Obligation Quantity exceeds 0 MW; and
- (b) the Trading Interval falls between the date from which Reserve Capacity Obligations apply in accordance with clause 4.1.26 and the day from which Reserve Capacity Obligations cease to apply in accordance with clause 4.1.30 in respect of the Reserve Capacity Cycle,

then the IMO will return the Reserve Capacity Security to the Market Participant within 20 Business Days after the end of the relevant Capacity Year.

4.13.11A If a Market Participant fails to operate a Facility in accordance with clause 4.13.11, then the Market Participant must pay to the IMO, as compensation to the market, an amount equal to the Reserve Capacity Security amount for that Facility.

4.13.11B The payment obligation under clause 4.13.11A may be satisfied by the IMO drawing upon the Reserve Capacity Security for the Facility, and applying the amount claimed (after meeting the IMO's costs associated with doing so) so as to:

- (a) firstly, offset the cost of funding Supplementary Capacity Contracts for any capacity shortage stemming entirely or in part from the Facility not being available; and
- (b) secondly, once all costs to which paragraph (a) refers are covered, make a rebate payment to Market Customers in proportion to their Individual Reserve Capacity Requirements during the Trading Month in accordance with Chapter 9.