

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

IMO AMENDING RULES RC_2009_07 MADE ON 17 July 2009
These Amending Rules commence at 08.00am on 1 November 2009

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

- 4.2.7. By the date and time specified in clause 4.1.6, the IMO must publish the following information:
- (a) the number of Expression of Interests received;
 - (b) based on the Expression of Interests, the additional Reserve Capacity potentially available, categorised as:
 - i. capacity associated with Facilities that are ~~under construction~~ committed; and
 - ii. capacity associated with Facilities that are not yet committed yet to commence being constructed, where this capacity is to be further categorised between new Facilities for which:
 - 1. an offer by the relevant Network Operator to enter into an Arrangement for Access ("**Access Offer**") has been made and all necessary Environmental Approvals granted;
 - 2. applications for both Access Offers and Environmental Approvals have been made and one or both are being processed;
 - 3. no Access Offer has been applied for or some or all Environmental Approvals have not been applied for;
- ...
- 4.14.6. If two or more Facilities cannot simultaneously exist (for example, because more than one Market Participant is proposing to build a Facility that will be located at the same site,) then the IMO cannot accept a non-zero value provided in accordance with clause 4.14.1(c) in respect of more than one of these Facilities and must reject all but one Facility based on the following criteria:
- (a) Facilities that are operational or are ~~under construction~~ committed will be accepted ahead of other Facilities; then
 - (b) if more than one Facility remains, then Facilities that can demonstrate having secured financing will be accepted ahead of other Facilities; then
 - (c) if more than one Facility remains, then Facilities with the greatest quantity of Certified Reserve Capacity will be accepted ahead of Facilities with lower Certified Reserve Capacity; then

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Appendix 3: Reserve Capacity Auction & Trade Methodology

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The algorithm is as follows:

Step 1: Start with a = 1

Step 2: Let the set of active offers comprise all offers from Availability Class “a”.

Step 2A: In the case of bilateral trade offers, accept offers from operating facilities and committed facilities ~~under construction~~ and remove them from the set of active offers.

Step 3: Accept offers from the set of active offers in order of

- In the case of testing bilateral schedules, decreasing availability.
- In the case of the reserve capacity auction, increasing price

until the capacity requirements of Availability Class “a” are fully covered or until there are no offers left unaccepted in the set of active offers.

Where two or more offers are tied with respect to the selection criteria such that accepting all but one of them would result in the total capacity selected exceeding the total capacity requirement of the Availability Class then the tied offers are to be accepted according to the following rules until the tie is resolved.

- In the case of the reserve capacity auction, offers from operating facilities and committed facilities ~~under construction~~ are to be accepted ahead of facilities that are not yet committed yet to commence construction; then
- Offers are to be accepted in decreasing order of capacity offered; then
- Offers for capacity that was included in an Expression of Interest are to be accepted ahead of capacity that was not; then
- Offers are to be accepted in the order of the time the offers were received, with the earlier offer being taken first; and then
- Offers are to be accepted in the order the capacity secured Certified Reserve Capacity;

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Step 11: End.

In the case of the auction only:

- While leaving the Reserve Capacity Price unchanged, the IMO must exchange one or more offers not accepted for one or more offers accepted in the auction if

- the total capacity scheduled in the auction exceeds the Reserve Capacity Auction Requirement by more than 100 MW;
- the Reserve Capacity Price exceeds zero,
- the exchange produces the maximum possible reduction in the total value of offers accepted;
- the exchange does not create an overall Reserve Capacity shortfall where none existed;
- in the event that a capacity shortfall exists in one or more Availability Classes, the exchange will not shift a shortfall from an Availability Class with low availability to an Availability Class with high availability; and
- this would not result in an existing facility, or a committed facility ~~under construction~~ being excluded.