



**Independent Market Operator**

**Final Rule Change Report  
Title: Capacity Credit Cancellation**

**RC\_2010\_28**

**Standard Rule Change Process**

**Date: 13 March 2012**

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## EXECUTIVE SUMMARY

### ***Proposed Amendments***

The IMO's Rule Change Proposal seeks to amend the Wholesale Electricity Market Rules to allow the IMO, where it becomes aware that a new Facility will be unable to deliver any capacity to the market for an entire Capacity Year, to cancel the Capacity Credits associated with the Facility for that Capacity Year.

### ***Consultation***

- The proposal was first discussed by the Market Advisory Committee (MAC) at its October 2010 meeting. The MAC supported the proposal in principle but requested that the IMO undertake some additional analysis on the ability to draw down on Reserve Capacity Security prior to the end of the relevant Capacity Year and on potential adjustments to the capacity price as a result of reducing a Facility's Capacity Credits to zero.
- The proposal was again discussed by the MAC at its February 2011 meeting. The IMO presented the outcomes of its additional analysis, which did not result in any changes to the proposed amendments. The proposal was supported by the majority of MAC members, although two members raised concerns about the proposal and agreed to email the details of these concerns to the IMO. The IMO made some further amendments to the drafting in response to the feedback provided by the two members.
- The IMO formally submitted the Rule Change Proposal and called for submissions on 1 March 2011.
- First round submissions were received from Alinta, Landfill Gas & Power (LGP) and Synergy. LGP and Synergy supported the Rule Change Proposal. Alinta expressed concerns that the proposed solution may be difficult to implement in practice and may create further risks around the processes the IMO undertakes to certify Facilities.
- A second round submission was received from LGP supporting the proposed amendments. No issues were raised in this submission.

### ***Assessment against Wholesale Market Objectives***

The IMO has found the proposed amendments to promote Wholesale Market Objective (a) and to be consistent with the remaining Wholesale Market Objectives.

### ***Practicality and Cost of Implementation***

The proposed amendments will require minor changes to the IMO's internal procedures. Minor additional costs will be incurred to prepare and process a Notice of Intention to Cancel Capacity Credits. All the additional costs identified fall within the IMO's normal operating budget. No changes to any other Rule Participant's costs have been identified.

Changes would be required to the Electricity Industry (Wholesale Electricity Market) Regulations 2004, to enable a Market Participant to appeal a decision by the IMO to cancel the Capacity Credits for one of its Facilities. The IMO considers that given the impacts on Market Participants the proposed amendments should not commence until these changes have been made.



### ***The IMO's Decision***

The IMO's decision is to accept the Rule Change Proposal as modified following the first and second submission period.

### ***Next steps***

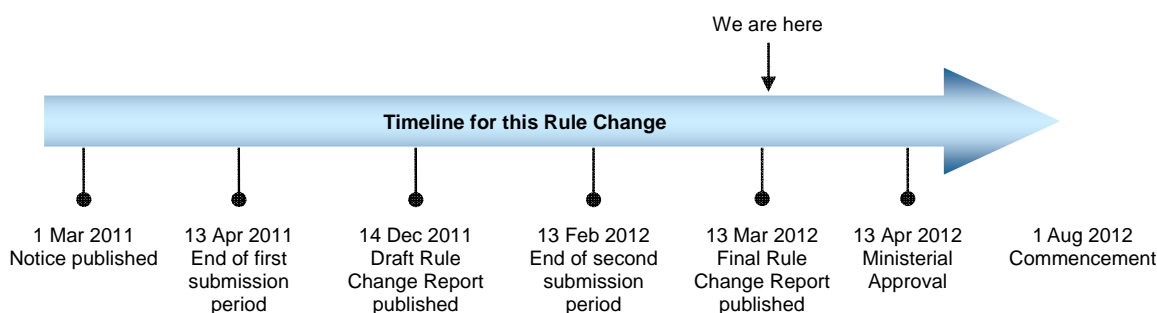
The Amending Rules resulting from this Rule Change Proposal will commence at 8:00 AM on 1 August 2012 following the relevant changes to the Electricity Industry (Wholesale Electricity Market) Regulations 2004 .



## 1. RULE CHANGE PROCESS AND TIMETABLE

On 1 March 2011, the Independent Market Operator (IMO) submitted a Rule Change Proposal regarding amendments to clauses 2.17.1, 4.12.6, 4.25.12, 4.27.10, 4.27.10A, 10.5.1 and the Glossary, and new clauses 4.1.21A, 4.13.1A, 4.20.8, 4.20.9, 4.20.10, 4.20.11, 4.20.12, 4.20.13 and 4.20.14 of the Wholesale Electricity Market Rules (Market Rules).

This proposal is being processed using the Standard Rule Change Process, described in section 2.7 of the Market Rules. In accordance with clause 2.5.10 of the Market Rules the IMO decided to extend the timeframes for the preparation of the Draft Rule Change Report and the second submission period. Further details of the extensions are available on the IMO website. The key dates in processing this Rule Change Proposal, as amended in the extension notices, are:



Please note that the IMO will consider extending the commencement date if appropriate amendments of the Electricity Industry (Wholesale Electricity Market) Regulations 2004 (Regulations) have not been completed by 1 Aug 2012.

## 2. PROPOSED AMENDMENTS

### 2.1 The Rule Change Proposal

In its Rule Change Proposal, the IMO noted that over the previous twelve months the Wholesale Electricity Market (WEM) had experienced, for the first time, settlement default due to the failure of one Market Participant to pay invoices. The Market Participant in question was awarded Certified Reserve Capacity and Capacity Credits for the development, construction and commissioning of a new Facility. However, the Market Participant did not build its proposed Facility and, consequently, failed to provide Reserve Capacity to the WEM.

In this instance, the issues associated with this Facility were known in advance by the IMO and there was no possibility of the capacity being delivered to the market within the Capacity Year.

The IMO noted that this situation resulted in some Market Participants being short-paid every month in the Non-STEM settlement process for the Capacity Year. These short-pay arrangements could have continued into later Capacity Years for which Capacity Credits were awarded to the Market Participant.



The IMO proposed to amend the Market Rules so that under conditions like these, in which a new Facility is expected to be unable to deliver any capacity to the WEM for an entire Capacity Year, the IMO will be able to cancel the Capacity Credits associated with the Facility for that Capacity Year.

For full details of the Rule Change Proposal please refer to the IMO Website: [http://www.imowa.com.au/RC\\_2010\\_28](http://www.imowa.com.au/RC_2010_28)

## 2.2 The IMO's Initial Assessment of the Proposal

The IMO decided to proceed with the proposal on the basis of its preliminary assessment, which indicated that the proposal was consistent with the Wholesale Market Objectives.

## 3. CONSULTATION

### 3.1 The Market Advisory Committee

The MAC discussed the proposal at the 13 October 2010 and 9 February 2011 meetings. An overview of the discussion at the MAC meetings is presented below. Further details are available in the MAC meeting minutes available on the IMO website: <http://www.imowa.com.au/market-advisory-committee>

#### October 2010 MAC meeting

The MAC supported the proposal in principle but requested that the IMO undertake some additional analysis on:

- an ability to draw down on Reserve Capacity Security prior to the end of the Capacity Year and diverting this to a Supplementary Reserve Capacity (SRC) fund; and
- potential adjustments to the capacity price as a result of reducing a Market Participant's Capacity Credits to zero

The MAC requested that the IMO incorporate the results of the analyses into the proposal before presenting it back to the MAC for further discussion.

#### February 2011 MAC meeting

During the February 2011 meeting Ms Fiona Edmonds presented the outcomes of the additional analysis requested by the MAC at the October 2010 meeting.

**Issue 1:** Ms Edmonds clarified that the risk to the market of an SRC event being incurred can last for up to three Reserve Capacity Cycles, under the current arrangements, and that any monies drawn down by the IMO would not be paid out until this risk had lapsed or an SRC event had occurred.

Ms Edmonds contended that there is no clear rationale to distinguish between monies that would be distributed to the SRC fund following:

- a reduction in a Facility's Capacity Credits to zero; or
- the Facility's failure to meet the 90 percent test by the end of the Capacity Year.



As such, Ms Edmonds considered that this concept should not be included in PRC\_2010\_28. Ms Edmonds recommended that the ability to draw down on security earlier in the case where a Facility's Capacity Credits have been reduced to zero should be further considered in conjunction with the development of an SRC fund by the Rules Development Implementation Working Group (RDIWG).

**Issue 2:** Ms Edmonds noted that there are a number of different situations under which the total number of Capacity Credits assigned in the market would change. (Ms Edmonds clarified that Forced Outages would impact on the amount of capacity available but not the number of Capacity Credits in the market.) Ms Edmonds noted the IMO's view that it is appropriate to consider the concept of adjusting the Reserve Capacity Price in response to all of these situations where there is an amendment to the number of Capacity Credits in the market, rather than only considering a reduction in a Facility's Capacity Credits to zero.

Ms Edmonds also noted that the cover paper contained a worked example of the financial impact of adjusting the capacity price to reflect a change in assigned Capacity Credits. In the example, the reduction of the Capacity Credits of a 40 MW Facility to zero for the 2010/11 Capacity Year resulted in a capacity price increase of approximately 1 percent. Ms Edmonds noted that generally Market Participants would have no ability to respond to these price signals. As such there appears to be little justification for introducing price adjustments, particularly given the associated implementation costs.

Ms Edmonds concluded that the IMO's recommendation was not to consider potential adjustments to the capacity price further at the stage.

In response to a question from Mr Sutherland, the Chair reiterated that the intent of the proposal was not to cancel Capacity Credits except when it was clear that no capacity would be provided for the entire upcoming Capacity Year. Mr MacLean considered that while this intent was stated explicitly in the paper, the drafting of the proposed new clause 4.20.8 was ambiguous about which Capacity Year was under consideration. Mr MacLean offered to send the IMO further details of the issue and his proposed solution.

Mr Dykstra noted that he had some concerns regarding the proposed amendments. Mr Dykstra agreed to email his comments to the IMO.

The Chair queried whether MAC members had any other issues apart from those already raised. Members indicated that they had no further issues with the proposal, other than those already raised. The IMO agreed to update PRC\_2010\_28 to reflect the feedback provided by MAC members and formally submit the proposal into the rule change process.

### **3.2 Submissions received during the first submission period**

The first submission period for this Rule Change Proposal was between 2 March 2011 and 13 April 2011.

The IMO received submissions from Alinta, Landfill Gas & Power (LGP) and Synergy during the first submission period. A copy of the full text of all submissions is available on the IMO website.

LGP supported the Rule Change Proposal, considering that it would remove the considerable administrative disruption and cost caused to the market by the non-performance of a new capacity provider.



Synergy also supported the proposal. Synergy noted that the rule change will also enable a Market Participant to appeal the IMO's decision to cancel its Capacity Credits to the Electricity Review Board (ERB). Synergy considered that the proposed amendments should not commence until after the Electricity (Wholesale Electricity Market) Regulations 2004 (Regulations) have been appropriately changed or a Market Participant will be unable to appeal a decision by the IMO to cancel its Capacity Credits.

Alinta agreed that the short-pay arrangements that can emerge in the situations under consideration are an inconvenience to other Market Participants. However, Alinta was not convinced that RC\_2010\_28 is an appropriate solution to the inconvenience that occurs in the settlement process. Alinta expressed concern that the proposal may be difficult to implement in practice and created further risks around the current processes the IMO undertakes to certify Facilities. Alinta requested that the IMO provide further guidance to the market as to the costs and benefits of RC\_2010\_28 in order to assess the relative impacts of the proposed solution.

The assessment by submitting parties as to whether the proposal would better the Wholesale Market Objectives is summarised below:

Submitter	Wholesale Market Objective Assessment
Alinta	Does not believe that RC_2010_28 in its current form impacts materially on better achieving the Wholesale Market Objectives
LGP	Consistent
Synergy	Better addresses (a) and (d)

A copy of all submissions in full received during the first submission period is available on the following IMO Web Page: [http://www.imowa.com.au/RC\\_2010\\_28](http://www.imowa.com.au/RC_2010_28)

### 3.3 The IMO's response to submissions received during the first submission period

In response to Synergy's submission, the IMO agreed that due to the potential impacts on Market Participants in this case the proposed amendments should be aligned with appropriate amendments in the Regulations. To reflect this, the IMO incorporated an allowance for the process of amending the Regulations in the commencement date.

In response to Alinta's concerns, the IMO noted that the proposed amendments would only be applied if there was a high degree of certainty that the relevant Facility would not be able to provide capacity for the full Capacity Year. The IMO also noted that the proposed amendments could reduce the administrative and financial overheads that can affect Market Participants if a new Facility fails to provide its expected capacity. The IMO provided a detailed assessment of costs and benefits associated with the proposed amendments in the Draft Rule Change Report.

The IMO's response to submissions received during the first submission period are detailed in Appendix 1 of the Draft Rule Change Report available on the following IMO Web Page: [http://www.imowa.com.au/RC\\_2010\\_28](http://www.imowa.com.au/RC_2010_28)





### 3.4 Submissions received during the second submission period

Following publication of the Draft Rule Change Report on the IMO Web Page, the second submission period was between 15 Dec 2011 and 13 Feb 2012.

The IMO received a submission from Landfill Gas & Power supporting the decision to implement the proposed amendments. No issues were raised in this submission.

A copy of LGP's submission is available on the following IMO Web Page: [http://www.imowa.com.au/RC\\_2010\\_28](http://www.imowa.com.au/RC_2010_28)

### 3.5 Public Forums and Workshops

No public forums or workshops were held in relation to this Rule Change Proposal.

## 4. THE IMO'S DRAFT ASSESSMENT

The IMO's draft assessment, against clauses 2.4.2 and 2.4.3 of the Market Rules, and analysis of the Rule Change Proposal can be viewed in the Draft Rule Change Report on the IMO's website: [http://www.imowa.com.au/RC\\_2010\\_28](http://www.imowa.com.au/RC_2010_28)

## 5. THE IMO'S PROPOSED DECISION

The IMO's proposed decision was to accept the Rule Change Proposal as modified by the amendments outlined in section 5.1 and specified in Appendix 2 of the Draft Rule Change report.

The IMO made its proposed decision on the basis that the Amending Rules:

- will allow the Market Rules to better address Wholesale Market Objective (a);
- are consistent with the remaining Wholesale Market Objectives;
- have the support of the majority of MAC members; and
- have the support of two of the three submissions received during the first submission period.

## 6. THE IMO'S ASSESSMENT

In preparing its Final Rule Change Report, the IMO must assess the Rule Change Proposal in light of clauses 2.4.2 and 2.4.3 of the Market Rules.

Clause 2.4.2 outlines that the IMO *"must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives"*. Additionally, clause 2.4.3 states, when deciding whether to make Amending Rules, the IMO must have regard to the following:

- any applicable policy direction from the Minister regarding the development of the market;
- the practicality and cost of implementing the proposal;

- the views expressed in submissions and by the MAC; and
- any technical studies that the IMO considers necessary to assist in assessing the Rule Change Proposal.

The IMO notes that there has not been any applicable policy direction from the Minister in respect of this Rule Change nor has it commissioned a technical review in respect of this Rule Change Proposal. A summary of the views expressed in submissions and by the MAC is available in section 3 of this Final Rule Change Report.

The IMO's assessment of the Rule Change Proposal is outlined in the following sub-sections.

## 6.1 Additional Amendments to the Amending Rules

Following the second public submission period the IMO has made some additional changes to the proposed Amending Rules to:

- reflect the amendments to the Market Rules resulting from:
  - the Rule Change Proposal: Competitive Balancing and Load Following Market (RC\_2011\_10); and
  - the Rule Change Proposal: Calculation of the Capacity Value of Intermittent Generation – Methodology 1 (IMO) (RC\_2010\_25); and
- incorporate a number of minor and typographical amendments to improve the overall integrity of the Amending Rules.

The changes the IMO made to the Amending Rules presented in the Draft Rule Change Report are outlined in detail in Appendix 1 of this Final Rule Change Report.

## 6.2 Wholesale Market Objectives

The IMO considers that the Market Rules as a whole, if amended as presented in section 8.2 will not only be consistent with the Wholesale Market Objectives but also allow the Market Rules to better Wholesale Market Objective (a).

The IMO's assessment is presented below:

- (a) *to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West Interconnected System:*

The IMO considers that the proposed amendments would provide greater clarity on the availability of capacity at an earlier stage in the Reserve Capacity Cycle. This in turn would allow the IMO and other participants to make better decisions to address any potential capacity shortfall, which would better address Wholesale Market Objective (a).

The proposed amendments would also avoid the need to raise and administer Default Levies if a Market Participant fails, not only to provide any capacity, but to pay any Capacity Cost Refunds. Currently the levies are required each month for as long as the Market Participant continues to hold Capacity Credits (typically at least two years). The IMO considers that in these situations the timely cancellation of the Capacity Credits is a more efficient approach, as it avoids:



- the administrative cost to the IMO of managing the Default Levy process (currently around 1 person hour per Trading Month);
- the additional administrative cost to each Market Participant due to the increased complexity of the settlements process (note that every Market Participant that generates or consumes energy is required to contribute to a Default Levy);
- the temporary unavailability of Default Levy funds to the contributing Market Participants; and
- losses to Default Levy contributors if the total amount recovered by the IMO through withholding capacity payments does not equal the amount needed to repay the Default Levy contributions plus interest (for example, the total amount outstanding over the 2010/11 Capacity Year was around \$6,000).

While not large, the IMO considers these costs to be undesirable, particularly when compared with the low additional cost associated with the implementation of the proposed amendments.

The IMO considers that the proposed amendments are consistent with the remaining Wholesale Market Objectives.

### **6.3 Practicality and Cost of Implementation**

#### **Cost:**

The proposed amendments will require minor changes to the IMO's internal procedures. The update costs fall within the IMO's normal operating budget. No changes are required to the IMO's IT systems.

Most of the investigation and analysis involved in the preparation of a Notice of Intention to Cancel Capacity Credits is already undertaken by the IMO, through its assessment of applications for certification of Reserve Capacity and its review of the progress reports provided by Market Participants under clause 4.27.10. As noted previously, the IMO only proposes to seek the cancellation of Capacity Credits in cases where there is clear evidence of the inability of a Facility to provide any capacity. The IMO considers that the administrative workload associated with these notices would be minimal, particularly when compared with the ongoing costs associated with the creation, administration and settlement of Payment Defaults over multiple Capacity Years. Overall, the additional costs are expected to fall within the IMO's normal operating budget.

The proposed amendments do not require changes to any of System Management's systems or procedures. In addition there have been no identified changes to other Rule Participants' costs.

#### **Practicality:**

Changes would be required to the Regulations to enable a Market Participant to appeal a decision by the IMO to cancel the Capacity Credits for one of its Facilities. The IMO considers that given the impacts on Market Participants the proposed amendments should not commence until these changes have been made. The IMO considers that in this case it is appropriate for the commencement date for the Rule Change Proposal to be on the first day of the calendar month following the changes to the Regulations being made.



## 7. THE IMO'S DECISION

Based on the matters set out in this report, the IMO's decision is to accept the Rule Change Proposal as modified following the first and second submission periods.

### 7.1 Reasons for the IMO's Decision

The IMO has made its decision on the basis that the Amending Rules

- will allow the Market Rules to better address Wholesale Market Objective (a);
- are consistent with the remaining Wholesale Market Objectives;
- have the support of the majority of MAC members; and
- are supported by the majority of the submissions received during both submission periods

Additional detail outlining the analysis behind the IMO's decision is outlined in section 6 of this Final Rule Change Report.

## 8. AMENDING RULES

### 8.1 Commencement

Commencement of the Amending Rules resulting from this Rule Change Proposal will be at 8:00 AM on 1 Aug 2012 following inclusion of the Reviewable Decision in the Electricity Industry (Wholesale Electricity Market) Regulations 2004. The IMO will consider an extension to this date if the appropriate amendments to the Regulations have not been completed by 1Aug.

### 8.2 Amending Rules

The IMO has decided to implement the following Amending Rules (~~deleted text~~, added text):

2.17.1. Decisions by the IMO made under the following clauses are Reviewable Decisions:

...

(sA) clause 4.20.11;

...

4.1.21B. If required under clause 4.20.8, the IMO must issue a Notice of Intention to Cancel Capacity Credits by 5PM of the last Business Day falling on or before 15 August of Year 3 of the relevant Reserve Capacity Cycle, where the notice relates to the Capacity Year that commences on 1 October of Year 3 of that Reserve Capacity Cycle.

4.12.6. Subject to clause 4.12.7, any initial Reserve Capacity Obligation Quantity set in accordance with clauses 4.12.4, 4.12.5, 4.28B.4, or 4.28C.4 is to be reduced once the Reserve Capacity Obligations take effect, as follows:



- (a) if the aggregate MW equivalent to the quantity of Capacity Credits (as modified from time to time under the Market Rules) for a Facility is less than the Certified Reserve Capacity for that Facility at any time (for example as a result of the application of clause 4.20.1, clause 4.20.14, clause 4.25.4 or clause 4.25.6), then the IMO must reduce the Reserve Capacity Obligation Quantity to reflect the amount by which the aggregate Capacity Credits fall short of the Certified Reserve Capacity;

...

4.13.1B<sub>2</sub> The obligation under clause 4.13.1 to provide Reserve Capacity Security does not apply where the Market Participant has provided Reserve Capacity Security in relation to the same Facility for a previous Reserve Capacity Cycle, unless:

- (a) the Facility is an existing Facility undergoing significant maintenance or being upgraded; or
- (b) the IMO cancelled the Capacity Credits assigned to the Facility for that previous Reserve Capacity Cycle in accordance with clause 4.20.14.

4.20.8. If, by the date and time specified in clause 4.1.21B, the IMO becomes aware that no capacity associated with the Capacity Credits assigned to a new Facility that is yet to enter service will be made available to the market for an entire Capacity Year, it must issue a Notice of Intention to Cancel Capacity Credits to the Market Participant for that Facility for that Capacity Year.

4.20.9. A Notice of Intention to Cancel Capacity Credits issued to a Market Participant by the IMO, in accordance with clause 4.20.8, must include:

- (a) the details of the Facility to which the Notice of Intention to Cancel Capacity Credits applies;
- (b) details of the evidence considered by the IMO in determining that no capacity associated with the Capacity Credits assigned to the Facility will be made available to the market for the entire Capacity Year; and
- (c) the Capacity Year for which the cancellation of Capacity Credits assigned to the Facility will apply.

4.20.10. Within 10 Business Days of being issued a Notice of Intention to Cancel Capacity Credits in accordance with clause 4.20.8, the Market Participant may make a submission to the IMO detailing any reasons it considers should be taken into account by the IMO in making a final determination to cancel the Capacity Credits assigned to the Facility for the Capacity Year.

4.20.11. Where the IMO has issued a Notice of Intention to Cancel Capacity Credits in accordance with clause 4.20.8, the IMO must, within 20 Business Days of issuing the



Notice of Intention to Cancel Capacity Credits, decide whether it will cancel the Capacity Credits assigned to the Facility for the Capacity Year.

4.20.12. Where the IMO makes a decision to cancel the Capacity Credits assigned to a Facility for a Capacity Year in accordance with clause 4.20.11, it must notify the Market Participant of its decision within 5 Business Days, including:

- (a) the details of the Facility;
- (b) a response to all issues raised by the Market Participant in any submission made in accordance with clause 4.20.10;
- (c) details of the evidence considered by the IMO in determining that no capacity associated with the Capacity Credits assigned to the Facility will be made available to the market for the entire Capacity Year; and
- (d) the Capacity Year for which the cancellation of Capacity Credits assigned to the Facility will apply.

4.20.13. Within 10 Business Days of making a decision, in accordance with clause 4.20.11, to cancel the Capacity Credits assigned to a Facility the IMO must publish on the Market Web Site the information specified in clauses 4.20.12(a), 4.20.12(c) and 4.20.12(d).

4.20.14. Where the IMO has made a decision to cancel the Capacity Credits assigned to a Facility in accordance with clause 4.20.11, the IMO must cancel the Capacity Credits assigned to the Facility for the Capacity Year specified in clause 4.20.12(d).

4.20.15. Where the IMO has made a decision not to cancel the Capacity Credits assigned to a Facility for a Capacity Year in accordance with clause 4.20.11, it must notify the Market Participant of its decision within 5 Business Days.

10.5.1<sup>1</sup>. The IMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public and the IMO must make each item of information available from the Market Web-Site after that item of information becomes available to the IMO:

...

- (f) the following Reserve Capacity information (if applicable):
  - i. Requests for Expressions of Interest described in clause 4.2.3 for the previous five Reserve Capacity Cycles;
  - ii. the summary of Requests for Expressions of Interest described in clause 4.2.7 for the previous five Reserve Capacity Cycles;
  - iii. the Reserve Capacity Information Pack published in accordance with clause 4.7.2 for the previous five Reserve Capacity Cycles;

<sup>1</sup> Note that the IMO has reflected the amendments resulting from RC\_2010\_28 based on the 1 January 2012 version of the Amending Rules and including the Amending Rules that will result from RC\_2011\_10.

- iiiA. for each Market Participant that was assigned Certified Reserve Capacity, the level of Certified Reserve Capacity assigned to each Facility for each Reserve Capacity Cycle;
- iv. for each Market Participant holding Capacity Credits, the Capacity Credits provided by each Facility for each Reserve Capacity Cycle;
- v. the identity of each Market Participant from which the IMO procured Capacity Credits in the most recent Reserve Capacity Auction, and the total amount procured, where this information is to be published by January 7th of the year following the Reserve Capacity Auction;
- vi. for each Special Price Arrangement for each Registered Facility:
  - 1. the amount of Reserve Capacity covered;
  - 2. the term of the Special Price Arrangement; and
  - 3. the Special Reserve Capacity Price applicable to the Special Price Arrangement,
 where this information is to be current as at, and published on, January 7th of each year;
- vii. all Reserve Capacity Offer quantities and prices, including details of the bidder and facility, for a Reserve Capacity Auction, where this information is to be published by January 7th of the year following the Reserve Capacity Auction;
- viii. reports summarising the outcomes of Reserve Capacity Tests and reasons for delays in those tests, as required by clause 4.25.11; and
- ix. ~~T~~the following annually calculated and monthly adjusted ratios:
  - 1. NTDL\_Ratio as calculated in accordance with Appendix 5, STEP 8;
  - 2. TDL\_Ratio as calculated in accordance with Appendix 5, STEP 8; and
  - 3. Total\_Ratio as calculated in accordance with Appendix 5, STEP 10; ~~and~~
- x. ~~T~~the following information identified for a Reserve Capacity Cycle under the Relevant Level Methodology:
  - 1. the Existing Facility Load for Scheduled Generation for each Trading Interval in the five year period determined under step 1(a) of the Relevant Level Methodology; and
  - 2. the 12 Trading Intervals occurring on separate Trading Days with the highest Existing Facility Load for Scheduled Generation for each 12 month period in the five year period; and



xi. for a Facility that has had its Capacity Credits cancelled for the Capacity Year, the information specified in clause 4.20.12(a), 4.20.12(c) and 4.20.12(d).

...

## **Chapter 11: Glossary**

**Notice of Intention to Cancel Capacity Credits:** A notice issued by the IMO under clause 4.20.8 and containing the information required under clause 4.20.9.



## APPENDIX 1: FURTHER AMENDMENTS TO THE PROPOSED AMENDING RULES

The IMO has made some amendments to the Amending Rules following the second submission period. These changes are as follows (~~deleted text~~, added text):

2.17.1. Decisions by the IMO made under the following clauses are Reviewable Decisions:

...

(~~kAsA~~) clause 4.20.11;

...

4.20.13. Within 10 Business Days of making a decision, in accordance with clause 4.20.11, to cancel the Capacity Credits assigned to a Facility the IMO must publish on the Market Web Site the information specified in clauses 4.20.12(a), 4.20.12(c) and 4.20.12(d).

10.5.1. The IMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public and the IMO must make each item of information available from the Market Web-Site after that item of information becomes available to the IMO:

...

(f) the following Reserve Capacity information (if applicable):

- i. Requests for Expressions of Interest described in clause 4.2.3 for the previous five Reserve Capacity Cycles;
- ii. the summary of Requests for Expressions of Interest described in clause 4.2.7 for the previous five Reserve Capacity Cycles;
- iii. the Reserve Capacity Information Pack published in accordance with clause 4.7.2 for the previous five Reserve Capacity Cycles;
- iiiA. for each Market Participant that was assigned Certified Reserve Capacity, the level of Certified Reserve Capacity assigned to each to Facility for each Reserve Capacity Cycle;
- iv. for each Market Participant holding Capacity Credits, the Capacity Credits provided by each Facility for each Reserve Capacity Cycle;
- v. the identity of each Market Participant from which the IMO procured Capacity Credits in the most recent Reserve Capacity Auction, and the total amount procured, where this information is to be published by January 7th of the year following the Reserve Capacity Auction;
- vi. for each Special Price Arrangement for each Registered Facility:
  1. the amount of Reserve Capacity covered;
  2. the term of the Special Price Arrangement; and

3. the Special Reserve Capacity Price applicable to the Special Price Arrangement,

where this information is to be current as at, and published on, January 7th of each year;

- vii. all Reserve Capacity Offer quantities and prices, including details of the bidder and facility, for a Reserve Capacity Auction, where this information is to be published by January 7th of the year following the Reserve Capacity Auction;
- viii. reports summarising the outcomes of Reserve Capacity Tests and reasons for delays in those tests, as required by clause 4.25.11; and
- ix. ~~T~~the following annually calculated and monthly adjusted ratios:
  1. NTDL\_Ratio as calculated in accordance with Appendix 5, STEP 8;
  2. TDL\_Ratio as calculated in accordance with Appendix 5, STEP 8; and
  3. Total\_Ratio as calculated in accordance with Appendix 5, STEP 10; ~~and~~
- x. ~~T~~the following information identified for a Reserve Capacity Cycle under the Relevant Level Methodology:
  1. the Existing Facility Load for Scheduled Generation for each Trading Interval in the five year period determined under step 1(a) of the Relevant Level Methodology; and
  2. the 12 Trading Intervals occurring on separate Trading Days with the highest Existing Facility Load for Scheduled Generation for each 12 month period in the five year period; and
- xi. for a Facility that has had its Capacity Credits cancelled for the Capacity Year, the information specified in clause 4.20.12(a), clause 4.20.12(c) and 4.20.12(d).

...

