



INDEPENDENT
MARKET
OPERATOR

Final Rule Change Report Correction of Minor, Typographical and Manifest Errors

RC_2013_07
Fast Track Rule Change Process

Date: 9 October 2013

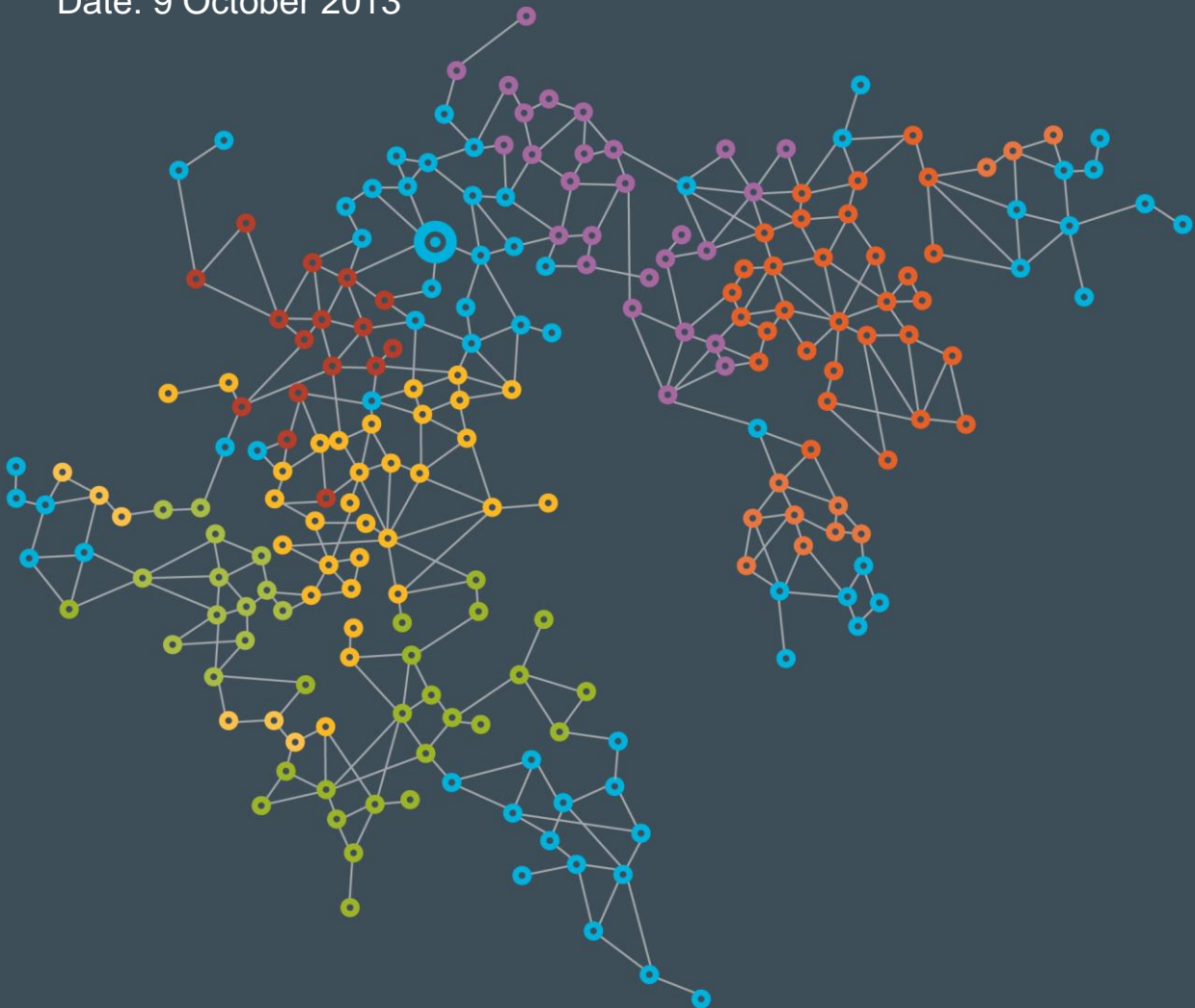


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Executive Summary

Proposed Amendments

The IMO proposed amendments to correct a number of minor, typographical and manifest errors identified in the Market Rules.

Consultation

The IMO formally submitted the Rule Change Proposal and issued a notice calling for submissions on 10 September 2013.

A request to be consulted was received from System Management on 20 September 2013 and their formal submission was received by the IMO on 2 October 2013.

The IMO also received submissions from Community Electricity and Perth Energy with regard to the Rule Change Proposal. Both submissions were supportive of the proposed Amending Rules with no suggested amendments made.

Assessment against Wholesale Market Objectives

The IMO has found the proposed amendments to, be consistent with the Wholesale Market Objectives and improve the overall integrity of the Market Rules.

All submitting parties noted that the proposed amendments were consistent with the Wholesale Market Objectives. System Management and Perth Energy also noted the proposal would better achieve objective (a).

Practicality and Cost of Implementation

Implementing the proposed amendments will not result in the IMO incurring any IT costs.

System Management noted that there may be some costs associated with system, procedure and process changes required to undertake the compliance monitoring under the addition of clause 7.10.2(c)(ii). However, these costs do not appear to be material.

The IMO's Decision

The IMO's decision is to accept the Rule Change Proposal with minor modifications after the submission period.

Next steps

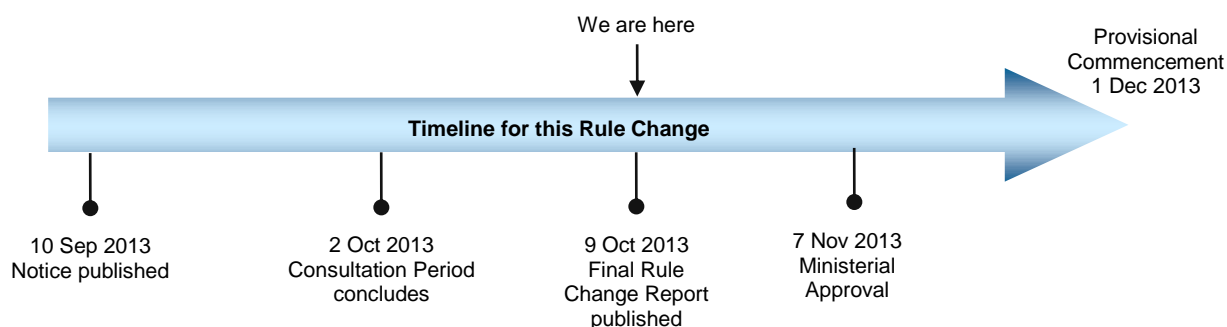
The Amending Rules will provisionally commence at **8.00 AM** on **01 December 2013**.

1. Rule Change Process and Timetable

On 10 September 2013, the IMO submitted a Rule Change Proposal regarding amendments to 90 clauses, the Table of Contents and the Glossary of the Wholesale Electricity Market Rules (Market Rules).

This proposal is being processed using the Fast Track Rule Change Process, described in section 2.6 of the Market Rules.

The key dates in processing this Rule Change Proposal are:



The IMO's final decision is to accept the Rule Change Proposal with minor amendments following the submission period. The detailed reasons for the IMO's decision are set out in section 5 of this report.

All documents related to this Rule Change Proposal can be found on the Market Web Site: www.imowa.com.au/RC_2013_07

2. Proposed Amendments

2.1. The Rule Change Proposal

The proposed amendments would correct a number of minor, grammatical and manifest errors identified in the Market Rules.

For full details of the Rule Change Proposal please refer to the Market Web Site: www.imowa.com.au/RC_2013_07.

2.2. The IMO's Initial Assessment of the Proposal

The IMO decided to proceed with the proposal on the basis that Rule Participants should be given an opportunity to provide submissions as part of the rule change process.

The IMO decided to process the Rule Change Proposal using the Fast Track Rule Change Process described in section 2.6 of the Market Rules, on the grounds that it satisfies the criteria in clauses 2.5.9(a) and (b) of the Market Rules.

Clauses 2.5.9 states:

The IMO may subject a Rule Change Proposal to the Fast Track Rule Change Process if, in its opinion, the Rule Change Proposal:

(a) is of a minor or procedural nature; or

(b) is required to correct a manifest error; or

(c) is urgently required and is essential for the safe, effective and reliable operation of the market or the SWIS.

The IMO considered that the amendments identified as manifest errors in the Market Rules satisfy the requirements of clause 2.5.9(b). The manifest errors consist of:

- clarification to clauses 2.13.6B(c) and 7.10.2 which provide guidance on instances where a Market Participant is not required to comply with clause 7.10.1;
- amendments to clause 4.13.11 to remove ambiguity on the reference to clause 4.13.10;
- amendments to clauses 4.23A.3(c) and 4.23A.4(c) to replace the word “*original*” to “*immediately prior*” to improve the drafting of each clause;
- amendment of the cross-referencing in clause 4.27.10(b); and
- amendment to the defined term; “Reserve Capacity Cycle” in clause 4.28C.2.

Additionally, the IMO considered that the remaining proposed changes consist of minor and typographical amendments that are minor and procedural in nature. The changes do not seek to amend the operation of the Market Rules. Accordingly the IMO considers that these elements of the proposal fulfill clause 2.5.9(a).

3. Consultation

3.1. The Market Advisory Committee

The MAC did not meet to discuss the proposed amendments.

3.2. Submissions received during the consultation period

The consultation period for this Rule Change Proposal was between 11 September 2013 and 2 October 2013.

The IMO received a request to be consulted from System Management on 20 September 2013. System Management provided a formal submission, which was received by the IMO on 2 October 2013.

The IMO received submissions from Community Electricity and Perth Energy with regards to the Rule Change Proposal. Both submissions were supportive of the proposed Amending Rules with no suggested amendments made.

A copy of all submissions in full received during the consultation period is available on the Market Web Site: http://www.imowa.com.au/RC_2013_07

3.3. The IMO’s response to submissions received during the consultation period

The IMO’s response to concerns raised in submissions is captured in Appendix 1.

3.4. Public Forums and Workshops

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

4. The IMO's Final 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.

The IMO's assessment is outlined in the following sections.

4.1. Additional Amendments to the Amending Rules

Following the consultation period the IMO has made minor amendments to the proposed Amending Rules. These amendments are captured in Appendix 2.

4.2. Wholesale Market Objectives

The IMO considered that the Market Rules as a whole, if amended, will be consistent with the Wholesale Market Objectives and will improve the overall integrity of the Market Rules.

All submitting parties noted that the proposed amendments are consistent with the Wholesale Market Objectives with System Management and Perth Energy noting the proposal would better achieve objective (a).

4.3. Practicality and Cost of Implementation

4.3.1. Cost:

The proposed amendments will not result in the IMO incurring any IT costs.

System Management noted that there may be some costs associated with system, procedure and process changes required to undertake the compliance monitoring under the addition of clause 7.10.2(c)(ii). However, these costs do not appear to be material.

4.3.2. Practicality:

The IMO has not identified any issues with the practicality of implementing the proposed changes.

System Management noted that it would require time to implement changes due to the additional obligation under clause 7.10.2(c)(ii). The IMO will work with System Management to progress any necessary changes in accordance with the obligation in the Market Rules in time for the provisional commencement date.

System Management also noted that it would require five months to make the necessary changes to the relevant PSOPs. The IMO notes that any changes are expected to be immaterial and should not prevent the proposed Amending Rules commencing in accordance with the provisional commencement date.

5. The IMO's Decision

The IMO's decision is to accept the Rule Change Proposal with minor modification after the consultation period.

5.1. Reasons for the IMO's Decision

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

- are consistent with the Wholesale Market Objectives;
- improve the integrity of the Market Rules;
- have the support of submissions received; and
- impose minimal cost on the market.

Additional detail outlining the analysis behind the IMO's decision is outlined in section 4 of this Final Rule Change Report.

6. Amending Rules

6.1. Commencement

The amendments to the Market Rules resulting from this Rule Change Proposal will provisionally commence at **8.00 AM** on **1 December 2013**.

6.2. Amending Rules

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

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1. INTRODUCTION

...

Settlement Calculations

- 9.6. STEM Settlement Calculations for a Trading Week
- 9.7. The Reserve Capacity Settlement Calculations for a Trading Month
- 9.8. The Balancing Settlement Calculations for a Trading Day
- 9.9. The Ancillary Service Settlement Calculations for a Trading Month
- 9.10. ~~The Commitment and Outage Compensation Settlement Calculations for a Trading Month~~
- 9.10A. ~~Non-Compliance Charge~~
- 9.11. The Reconciliation of Settlement Calculations for a Trading Month
- 9.12. [Blank]
- 9.13. The Market Participant Fee Settlement Calculations for a Trading Month
- 9.14. The Net Non-STEM Settlement Amount for a Trading Month
- 9.15. The Service Fee Settlement Amount for a Trading Month

...

- 1.10.3. On the Scheduling Day relating to the Trading Day that is also the Balancing Market Commencement Day set by the IMO under clause 7A.1.2, notwithstanding that the Pre-Amended Rules continue to apply, Rule Participants are not required to perform obligations under the following Pre-Amended Rules:

- (a) Resource Plan data under clauses 6.5, 6.5C, 6.11 and 7.4;
- (b) Balancing Data under clauses 6.5A and 6.11A;
- (c) the Dispatch Merit Order under clause 6.12;
- (d) Load Forecast and Ancillary Service Requirements under clause 7.2;
- (e) Outages under clause 7.3;
- (f) Dispatch Merit Orders and Fuel Declarations under clause 7.5;
- (g) Dispatch under clause 7.6;
- (h) Scheduling and Dispatch of ~~the Electricity Generation Corporation~~ Verve Energy under clause 7.6A; and
- (i) Dispatch Instructions under clauses 7.7 and 7.8,

but only to the extent that these obligations relate to the Trading Day that is also the Balancing Market Commencement Day or subsequent Trading Days.

...

- 2.2.2. The other functions of System Management in relation to the Wholesale Electricity~~Energy~~ Market are:

- (a) to procure adequate Ancillary Services where Verve Energy cannot meet the Ancillary Service Requirements;
- (b) to assist the IMO in the processing of applications for participation and for the registration, de-registration and transfer of facilities;
- (c) to develop Market Procedures, and amendments and replacements for them, where required by these Market Rules;

- (d) to release information required to be released by these Market Rules;
- (e) to monitor Rule Participants' compliance with Market Rules relating to dispatch and Power System Security and Power System Reliability; and
- (f) to carry out any other functions or responsibilities conferred, and perform any obligations imposed, on it under these Market Rules.

...

2.13.6B. System Management is not required to report an alleged breach by a Market Participant of clause 7.10.1 or clause 3.21 of the Market Rules to the IMO if:

- (a) the extent of the alleged breach is either within the Tolerance Range or the Facility Tolerance Range for that Facility; or
- (b) the alleged breach is limited to occurring within a single Trading Interval; or
- (c) ~~in the case of an alleged breach of clause 7.10.1, the alleged breach is outside the Tolerance Range or Facility Tolerance Range, as applicable, where:~~
 - i. ~~the Rule Participant has notified System Management of a Forced Outage in accordance with clause 3.21.4 that is applicable to the period of the alleged breach; and~~
 - ii. ~~the alleged breach relates to the Rule Participant generating at a level below its Resource Plan or the Dispatch Instruction applicable to the relevant Forced Outage period.~~

...

2.22.4. Where the Economic Regulation Authority does not make a determination by the date specified in clause 2.22.3(c), the Allowable Revenue and Forecast Capital Expenditure from the previous Review Period, or the budget determined by the Minister under clause 2.22.2, as applicable, will continue to apply until the Economic Regulation Authority makes a determination.

...

2.22.8A. The IMO must apply to the Economic Regulation Authority to approve the adjusted Forecast Capital Expenditure for the current Review Period if the budget proposal is likely to result in cCapital expenditure, over the relevant Review Period, being at least 10% greater than the Forecast Capital Expenditure approved by the Economic Regulation Authority.

...

2.22.12. The Economic Regulation Authority must take the following into account when determining the IMO's Allowable Revenue and approving Forecast Capital Expenditure

or a reassessment to the Allowable Revenue or Forecast Capital Expenditure in accordance with clauses 2.22.8, 2.22.8A, 2.22.14 and 2.22.15:

- (a) the Allowable Revenue must be sufficient to cover the forward looking costs of providing the services described in clause 2.22.1 and performing its functions and obligations under these Market Rules in accordance with the following principles:
 - i. recurring expenditure requirements and payments are recovered in the year of the expenditure;
 - ii. ~~cCapital eExpenditures are~~ to be recovered through the depreciation and amortisation of the assets acquired by the ~~cCapital eExpenditures~~ in a manner that is consistent with generally accepted accounting principles;

...

2.22.13. Subject to clauses 2.22.14 and 2.23.13, the IMO may declare a project to be a Declared Market Project if:

- (a) the project involves:
 - i. a major change to a function of the IMO or System Management under these Market Rules; or
 - ii. a major change to any of the computer software or systems that the IMO or System Management uses in the performance of any of its functions under these Market Rules; and
- (b) the IMO estimates that, for either the IMO or System Management the sum of:
 - i. the recurring expenditure associated with the change; and
 - ii. the ~~Forecast cCapital eExpenditure~~ required to implement the change would be greater than the sum of Allowable Revenue determined and Forecast Capital Expenditure approved by the Economic Regulation Authority for the current Review Period by more than 10%.

...

2.22.14. Before the IMO commences a Declared Market Project the IMO must obtain approval from the Economic Regulation Authority for an increase in the Allowable Revenue relevant to the Declared Market Project, including the period over which the incremental Allowable Revenue ~~and Forecast Capital Expenditure~~ will apply.

...

2.23.4. Where the Economic Regulation Authority does not make a determination by the date specified in clause 2.23.3(c), the Allowable Revenue and Forecast Capital Expenditure from the previous Review Period, or the budget determined by the Shareholding Minister

under clause 2.33.1, as applicable, will continue to apply until the Economic Regulation Authority makes a determination.

...

- 2.23.8A. System Management must apply to the Economic Regulation Authority to approve the adjusted Forecast Capital Expenditure for the current Review Period if the budget proposal is likely to result in ~~c~~Capital ~~e~~Expenditure, over the relevant Review Period, being at least 10% greater than the Forecast Capital Expenditure approved by the Economic Regulation Authority.

...

- 2.23.12. The Economic Regulation Authority must take the following into account when determining System Management's Allowable Revenue and approving Forecast Capital Expenditure or a reassessment to the Allowable Revenue or Forecast Capital Expenditure in accordance with clauses 2.23.8, 2.23.8A 2.23.13 and 2.23.14:

- (a) the Allowable Revenue must be sufficient to cover the forward looking costs of providing the services described in clause 2.23.1 and performing its functions and obligations under these Market Rules in accordance with the following principles:
- i. recurring expenditure requirements and payments are recovered in the year of the expenditure;
 - ii. ~~c~~Capital ~~e~~Expenditures ~~are~~is to be recovered through the depreciation and amortisation of the assets acquired by the ~~c~~Capital ~~e~~Expenditures in a manner that is consistent with generally accepted accounting principles;

...

- 2.23.13. Before System Management commences a Declared Market Project System Management must obtain approval from the Economic Regulation Authority for an increase in the Forecast Capital Expenditure relevant to the Declared Market Project, including the period over which the incremental Allowable Revenue ~~and Forecast Capital Expenditure~~ will apply.

...

- 2.29.4. Subject to clause 2.29.9, a Market Generator that owns, operates or controls a generation system:

- (a) must register that generation system as a Non-Scheduled Generator where the generation system has a rated capacity that equals or exceeds 0.005 MW and the generation system is an Intermittent Generator;

- (b) must register that generation system as a Scheduled Generator where the generation system has a rated capacity that equals or exceeds 10 MW and the generation system is not an Intermittent Generator;
- (c) subject to clause 2.29.6, may register that generation system as a Scheduled Generator where the generation system is not an Intermittent Generator and has a rated capacity that equals or exceeds 0.2 MW but which is less than 10 MW; and
- (d) must register that generation system as a Non-Scheduled Generator where the generation system has a rated capacity that equals or exceeds 0.005 MW and where the generation system is not otherwise required to be registered in accordance with clause 2.29.4(a) or (b) and where the option to register in accordance with clause 2.29.4(c), if applicable, is not exercised.

...

2.30A.2 Where an application is received in accordance with clause 2.30A.1, the IMO must exempt the Intermittent Generator from funding Spinning Reserve costs where the applicant demonstrates to the satisfaction of the IMO that the shut down of the facility is a gradual process not exceeding a maximum ramp down rate ~~equal to the installed capacity divided by 15MW/minute.~~ (MW/minute) equal to the Facility's installed MW capacity divided by 15.

...

2.30B.3. The IMO must require that a Market Customer, or applicant to become a Market Customer, applying to register an Intermittent Load provide in regard to the generation system referred to in clause 2.30B.2(a):

- (a) the maximum capacity in MW, excluding capacity for which Capacity Credits are held, that the generating system can be guaranteed to have available to supply Intermittent Load, when it is operated normally at an ambient temperature of 41°C;
- (aA) where clause 2.30B.11 applies, the connection point of the generation system;
- (b) at the option of the applicant:
 - i. the anticipated reduction, measured in MW, in the maximum capacity described in clause 2.30B.3(a) when the ambient temperature is 45°C;
 - ii. the method to be used to measure the ambient temperature at the site of the generating system for the purpose of determining Intermittent Load Refunds, where the method specified may be either:
 - 1. a publicly available daily maximum temperature at a location representative of the conditions at the site of the generating system as reported daily by a meteorological service; or

2. a daily maximum temperature measured at the site of the generator by the SCADA system operated by System Management,

...

- 2.31.6. In the case of an application for Facility registration, the IMO must notify an applicant within 15 Business Days from the date of notification of receipt of:
- (a) the dates on which any tests required by these Market Rules that must be conducted prior to a facility registration may be held;
 - (b) the date by when results of tests referred to in ~~paragraph clause 2.31.6(a)~~ must be made available to the IMO; and
 - (c) the date by when the IMO plans to accept or reject the application, being no later than 10 Business Days after the date in ~~paragraph clause 2.31.6(b)~~.

...

- 2.31.8. System Management must allow a facility holding an Arrangement for Access to operate for the purpose of tests required under the Arrangement for Access, provided that the carrying out of these tests ~~have~~has received approval from System Management.

...

- 2.31.15. A person who has an application ~~to deregister as for de-registration from being~~ a Market Generator or Market Customer, accepted by the IMO must cease trading as a Market Generator or Market Customer, as applicable, by the date and time for ceasing trade specified in clause 2.31.11(b)(i).

- 2.31.16. Where an application for de-registration from a Rule Participant class has been accepted by the IMO, participation in the Rule Participant class ceases from the end of the first Business Day in which the Rule Participant:
- (a) has de-registered all of its Facilities applicable to the class;
 - (b) has resolved and settled all outstanding disputes, investigations and enforcement actions;
 - (c) has paid all outstanding debts to the IMO; and
 - (d) has received final payment of all amounts owed to it by the IMO.

...

- 2.33.5. The Facility transfer form prescribed by IMO must require that an applicant for transfer of a Facility provide the following:
- (a) the relevant non-refundable Application Fee;
 - (b) the identity of the party making the application, where that party must be a Rule Participant or be in the process of applying to be a Rule Participant;

- (c) the name of the Rule Participant in respect of which the Facility is currently registered;
- (d) evidence that the Rule Participant identified in (c) consents to the transfer;
- (e) for each facility to be transferred:
 - i. the name of the Facility;
 - ii. the owner of the Facility;
 - iii. a proposed date for the transfer to take effect;
 - iv. evidence that any required Arrangement for Access is in place; and
 - v. details of operational control over that facility; and

...

2.34.2A. A Rule Participant must, as soon as practicable, seek to have its Standing Data revised, other than Standing Data described in clause 2.34.2B, if it becomes aware that its Standing Data is currently inaccurate or not in compliance with the requirements of these Market Rules, or will become inaccurate or will cease to be in compliance with the requirements of these Market Rules within the next five Business Days.

...

3.3.2. When the SWIS is in a Normal Operating State, System Management must:

- (a) not require a Registered Facility to be operated inconsistently with:
 - i. the Security Standards; or
 - ii. its Equipment Limits but only to the extent those limits are not inconsistent with the dispatch of Balancing Facilities that, but for the Equipment Limits, would be dispatched under clause 7.6.1C, for the Normal Operating State;
- (b) not utilise the overload capacity of Scheduled Generators (as indicated in Standing Data);
- (c) schedule and dispatch Ancillary Services in accordance with the Ancillary Service Requirements;
- (d) subject to clause 3.19, accept applications for the scheduling of outages unless System Management considers that these would endanger Power System Security or Power System Reliability; and
- (e) not take any actions that in its opinion would be reasonably likely to lead to a High-risk Operating State.

...

3.11.9. Where it intends to enter into an Ancillary Service Contract, System Management must:

- (a) seek to minimise the cost of meeting its obligations under clause 3.12.1; and

- (b) give consideration to using a competitive tender process, unless System Management considers that this would not meet the requirements of paragraph clause 3.11.9(a).

...

3.13.3C. For any year within a Review Period if System Management determines Cost_LR for the following Financial Year to be materially different than the costs provided under clause 3.13.3B, then the Economic Regulation Authority must determine the revised values for Cost_LR, taking into account the Wholesale Market Objectives and in accordance with the following:

- (a) by 30 November of the year prior to the start of the relevant Financial Year, System Management must submit an updated proposal for the Cost_LR parameter to the Economic Regulation Authority. Cost_LR must cover the costs for providing the Load Rejection Reserve Service and System Restart Service and Dispatch Support Service except those provided through clause 3.11.8B;
- (b) the Economic Regulation Authority may undertake a public consultation process and:
 - i) if a public consultation process is undertaken, the Economic Regulation Authority must publish an issues paper and issue an invitation for public submissions; and
 - ii) if a public consultation process is not undertaken, the Economic Regulation Authority must publish the reasons behind the decision.

...

3.16.9. By the 15th day of each month, System Management must provide to the IMO and the IMO must publish the following information developed as a result of its Medium Term PASA study for each week in the Medium Term Planning horizon described in clause 3.16.2:

- (a) peak load forecasts for the following scenarios:
 - i. mean;
 - ii. mean plus one standard deviation; and
 - iii. mean plus two standard deviations.
- (b) forecast total available generation capacity by constrained region;
- (c) System Management's reasonable forecast of the total available Demand Side Management capacity by week and by constrained region;
- (d) the amount equal to:
 - i. the load forecast referred to in clause 3.16.9(a)(iii); minus

- ii. the total forecast available generation capacity; minus
 - iii. System Management's reasonable forecast of the total available Demand Side Management capacity;
- (e) any weeks where there is expected to be a shortfall of capacity, including a shortfall of Ancillary Services or an inability to satisfy the Ready Reserve Standard;

...

3.17.9. System Management must ensure that the results of a Short Term PASA study which it provides to the IMO include for the Short Term PASA Planning Horizon:

- (a) peak load forecasts for the following scenarios:
 - i. mean;
 - ii. mean plus one standard deviation; and
 - iii. mean plus two standard deviations;
- (b) forecast total available generation capacity by six-hour period;
- (c) System Management's reasonable forecast of the total available Demand Side Management capacity by six-hour period;
- (d) by six-hour period, the amount equal to:
 - i. the load forecast referred to in clause 3.17.9(a)(iii); minus
 - ii. the total forecast available generation capacity; minus
 - iii. System Management's reasonable forecast of the total available Demand Side Management capacity;
- (e) any six-hour periods where a shortfall of capacity is forecast, including a shortfall of Ancillary Services or an inability to satisfy the Ready Reserve Standard;

...

3.18.2.

- (a) System Management must compile a list of all equipment on the SWIS that is required to be subject to outage scheduling by System Management. The list must also include equipment for which System Management requires notice of partial outages or de-ratings.
- (b) System Management must review the list described in ~~paragraph~~ clause 3.18.2(a) from time to time and may update the list.
- (c) The list described in ~~paragraph~~ clause 3.18.2(a) must include:
 - i. all transmission network Registered Facilities;
 - ii. all Registered Facilities holding Capacity Credits, except those to which clause 3.18.2A applies;

- iiA. all generation systems to which clause 2.30B.2(a) relates, except those to which clause 3.18.2A applies;
 - iii. all Registered Facilities subject to an Ancillary Services Contract; and
 - iv. any other equipment that System Management determines must be subject to outage scheduling to maintain Power System Security and Power System Reliability.
- (d) The list described in ~~paragraph~~ clause 3.18.2(a) may specify that a piece of equipment on the list is subject to outage scheduling by System Management only at certain times of the year.
 - (e) System Management must provide the list described in ~~paragraph~~ clause 3.18.2(a) and any updated list to the IMO. The IMO must publish any list provided by System Management.
 - (f) If a Market Participant's or Network Operator's Facility (or an item of equipment forming part of that Facility) is on the list described in ~~paragraph~~ clause 3.18.2(a), then the Market Participant or Network Operator, as applicable, must schedule outages for the equipment in accordance with this clause 3.18 and clauses 3.19, 3.20 and 3.21.

3.18.2A.

- (a) Except where clause 3.18.2(c)(iv) applies, Registered Facilities with a Standing Data nameplate capacity of less than 10 MW and generation systems to which clause 2.30B.2(a) relates and which have a nameplate capacity of less than 10 MW are not required to schedule outages for that equipment in accordance with this clause 3.18 and clauses 3.19 and 3.20 other than as required by this clause 3.18.2A.
- (b) If clause 3.18.2A(a) applies to a Market Participant's Facility or generation system then that Market Participant must notify System Management of proposed Planned Outages of that Facility or generation system not less than 2 Business Days prior to their commencement and must specify the duration of the Planned Outage;
- (c) Where System Management is advised of a proposed Planned Outage in accordance with clause 3.18.2A(b) then System Management must record that outage as an approved Planned Outage.

3.18.3.

- (a) If a Market Participant's or Network Operator's Facility (or an item of equipment forming part of a Facility or an item of equipment which is a generation system to which clause 2.30B.2(a) relates) is on the list described in clause 3.18.2(a), then the Market Participant or Network Operator may request that the IMO reassess the inclusion of the Facility or item of equipment on the list in accordance with this clause 3.18.3.

- (b) Following a request by a Market Participant or Network Operator under ~~paragraph~~ clause 3.18.3(a), the IMO must consult with System Management and the Market Participant or Network Operator concerning whether the Facility or item of equipment should remain on the list.
- (c) The IMO may give a direction to System Management that a Facility or item of equipment should not remain on the list where it finds that:
 - i. System Management has not followed the Market Rules or the Power System Operation Procedure in compiling the list under clause 3.18.2; and
 - ii. if the Market Rules and the Power System Operation Procedure had been followed, then the Facility or item of equipment would not have been on the list.
- (d) Where the IMO gives a direction to System Management that the Facility or item of equipment does not need to remain on the list, System Management must remove the Facility or item from the list.

...

3.18.11. System Management must apply the following criteria when evaluating Outage Plans:

- (a) the capacity of the total generation and Demand Side Management Facilities remaining in service must be greater than the second deviation load forecast published in accordance with clause 3.16.9(a)(iii) or clause 3.17.9(a)(iii), as applicable;
- (aA) the total capacity of the generation Facilities remaining in service, and System Management's reasonable forecast of the total available Demand Side Management, must satisfy the Ready Reserve Standard described in clause 3.18.11A;
- (b) the transmission capacity remaining in service must be capable of allowing the dispatch of the capacity referred to in ~~paragraph~~ clause 3.18.11(a);
- (c) the Facilities remaining in service must be capable of meeting the applicable Ancillary Service Requirements;
- (d) the Facilities remaining in service must allow System Management to operate the power system within the Technical Envelope; and
- (e) notwithstanding the criteria set out in ~~paragraphs~~ clause 3.18.11(a) to (d), System Management may allow an outage to proceed if it considers that preventing the outage would pose a greater threat to Power System Security or Power System Reliability over the long term than allowing the outage.

3.18.11A. The Ready Reserve Standard requires that the available generation and demand-side capacity at any time satisfies the following principles:

- (a) Subject to clause 3.18.11A(c), the additional energy available within fifteen minutes must be sufficient to cover:
 - i. 30% of the total output, including Parasitic Load, of the generation unit synchronized to the SWIS with the highest total output at that time;
 - ii. plus the Minimum Frequency Keeping Capacity as defined in clause 3.10.1(a).
- (b) Subject to clause 3.18.11A(c), and in addition to the additional energy described in clause 3.18.11A(a), the additional energy available within four hours must be sufficient to cover:
 - i. 70% of the total output, including Parasitic Load, of the generation unit synchronized to the SWIS with the second highest total output at that time;
 - ii. less the Minimum Frequency Keeping Capacity as defined in clause 3.10.1(a).
- (c) System Management may relax the requirements in clause 3.18.11A(a) and (b) in the following circumstances:
 - i. where System Management expects that the load demand will be such that it exceeds the second standard deviation peak load forecast level, as described in clause 3.17.9(a), used in the most recently published Short Term PASA for that Trading Interval;
 - ii. during the four hours following an event that has caused System Management to call on additional energy maintained in accordance with clause 3.18.11A(a) or (b).

...

- 3.19.6. System Management must use the following criteria when considering approval of Scheduled Outages or Opportunistic Maintenance:
- (a) the capacity of the generation Facilities remaining in service, and System Management's reasonable forecast of the total available Demand Side Management, must be greater than the load forecast for the relevant time period;
 - (b) the Facilities remaining in service must be capable of meeting the Ancillary Service Requirements;
 - (c) the Facilities remaining in service must allow System Management to operate the power system within the Technical Envelope;
 - (d) where a group of outages when considered together, do not meet the criteria set out in ~~paragraphs~~ clause 3.19.6(a) to (c), then System Management should give priority:
 - i. to outages Scheduled in System Management's outage schedule more than one month ahead; then

- ii. to previously Scheduled Outages that have been deferred in accordance with clauses 3.19.4 or clause 3.19.5, but were originally scheduled in System Management's outage schedule more than one month ahead; then
 - iii. to outages scheduled in System Management's outage schedule less than one month ahead; then
 - iv. to previously Scheduled Outages that have been deferred in accordance with clauses 3.19.4 or 3.19.5, but were originally scheduled in System Management's outage schedule less than one month ahead; then
 - v. to Opportunistic Maintenance; and
- (e) notwithstanding the criteria set out in ~~paragraphs clause 3.19.6~~(a) to (d), System Management may allow a Scheduled Outage to proceed if it considers that rejecting it would pose a greater threat to Power System Security or Power System Reliability than accepting it.

...

- 4.1.4. The IMO must advertise a Request for Expressions of Interest in accordance with clause 4.2.4 by 5:00 PM on or before:
- (a) 15 October 2004, in the case of the first Reserve Capacity Cycle; and
 - (b) 31 January of Year 1, in the case of subsequent Reserve Capacity Cycles.
- 4.1.5. The IMO must allow potential Reserve Capacity providers to respond to the Request for Expressions of Interest in accordance with clause 4.2 until 5:00 PM ~~of~~ the first Business Day falling on or following:
- (a) 10 December 2004, in the case of the first Reserve Capacity Cycle; and
 - (b) 1 May of Year 1, in the case of subsequent Reserve Capacity Cycles.
- 4.1.6. The IMO must publish a summary of the responses to its Request for Expressions of Interest in accordance with clause 4.2.7 by 5:00 PM ~~of~~ the first Business Day falling on or following:
- (a) 23 December 2004, in the case of the first Reserve Capacity Cycle; and
 - (b) 15 May of Year 1, in the case of subsequent Reserve Capacity Cycles.
- 4.1.7. The IMO must accept lodgement of applications for certification of Reserve Capacity for the Reserve Capacity Cycle in accordance with clause 4.9.1 from 9:00 AM ~~of~~ the first Business Day falling on or following:
- (a) 4 January 2005, in the case of the first Reserve Capacity Cycle; and
 - (b) 1 May of Year 1, in the case of subsequent Reserve Capacity Cycles.

4.1.8. The IMO must publish a Statement of Opportunities Report produced in accordance with the Long Term PASA process described in clause 4.5.11 by 5:00 PM of the first Business Day falling on or following 17 June of Year 1 of the relevant Reserve Capacity Cycle.

...

4.1.10. The IMO must publish on the Market Web Site the Reserve Capacity Information Pack in accordance with clause 4.7.2 by 5:00 PM of the first Business Day falling on or following 17 June of Year 1 of the relevant Reserve Capacity Cycle.

4.1.11. The IMO must cease to accept lodgement of applications for certification of Reserve Capacity for the Reserve Capacity Cycle in accordance with clause 4.9.1 from 5:00 PM of the last Business Day falling on or before:

- (a) 20 July of Year 1 for Reserve Capacity Cycles up to and including 2010; and
- (b) 1 July of Year 1 for Reserve Capacity Cycles from 2011 onwards.

4.1.12. The IMO must notify each applicant for certification of Reserve Capacity of the Certified Reserve Capacity to be assigned by 5:00 PM of the last Business Day on, or before:

- (a) 5 August of Year 1 for Reserve Capacity Cycles up to and including 2010; and
- (b) 19 August of Year 1 for Reserve Capacity Cycles from 2011 onwards.

4.1.13. Each Market Participant must provide to the IMO any Reserve Capacity Security required in accordance with clause 4.13.1 not later than 5:00 PM of the last Business Day falling on or before:

- (a) for Reserve Capacity Cycles up to and including 2010:
 - i. 10 August of Year 1 of the relevant Reserve Capacity Cycle if any of the Facility's Certified Reserve Capacity is specified to be traded bilaterally in accordance with clause 4.14.1(c); or
 - ii. 29 August of Year 1 of the relevant Reserve Capacity Cycle if any of the Facility's Certified Reserve Capacity is specified to be offered into the Reserve Capacity Auction in accordance with clause 4.14.1(a) and where none of the Facility's Certified Reserve Capacity is specified to be traded bilaterally in accordance with clause 4.14.1(c);
- (b) for Reserve Capacity Cycles from 2011 onwards:
 - (i) 2 September of Year 1 of the relevant Reserve Capacity Cycle if any of the Facility's Certified Reserve Capacity is specified to be traded bilaterally in accordance with clause 4.14.1(c); or
 - (ii) 14 September of Year 1 of the relevant Reserve Capacity Cycle if any of the Facility's Certified Reserve Capacity is specified to be offered into the Reserve Capacity Auction in accordance with clause 4.14.1(a) and where

none of the Facility's Certified Reserve Capacity is specified to be traded bilaterally in accordance with clause 4.14.1(c).

- 4.1.14. Each Market Participant holding Certified Reserve Capacity for the Reserve Capacity Cycle must provide to the IMO notification in accordance with clause 4.14.1 as to how much of its Certified Reserve Capacity will be traded bilaterally and how much will be offered to the IMO in the Reserve Capacity Auction held in Year 1 of the relevant Reserve Capacity Cycle not later than 5:00 PM of the last Business Day falling on or before:
- (a) 9 September 2005, in the case of the first Reserve Capacity Cycle;
 - (b) 10 August of Year 1, in the case of subsequent Reserve Capacity Cycles up to and including 2010; and
 - (c) 2 September of Year 1, in the case of Reserve Capacity Cycles from 2011 onwards.

- 4.1.15. By 5:00 PM of the first Business Day following the notification deadline specified in clause 4.1.14, the IMO 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.

- 4.1.15A. The IMO must publish the Certified Reserve Capacity for each Facility in accordance with clause 4.9.9A by 5:00 PM of the first Business Day following the confirmation deadline specified in clause 4.1.15.

- 4.1.16. The IMO must publish the information required by clauses 4.15.1 and 4.15.2 pertaining to whether or not a Reserve Capacity Auction is required by 5:00 PM of the last Business Day falling on or before:

- (a) 16 September 2005, in the case of the first Reserve Capacity Cycle;
- (b) 18 August of Year 1, in the case of subsequent Reserve Capacity Cycles up to and including 2010; and
- (c) the first Business Day following the confirmation deadline specified in clause 4.1.15, in the case of Reserve Capacity Cycles from 2011 onwards.

If the Reserve Capacity Auction is cancelled, the IMO will assign Capacity Credits on the same day in accordance with clause 4.20.5A(a).

- 4.1.17. If a Reserve Capacity Auction proceeds, then the IMO must accept submission of Reserve Capacity Offers from Market Participants in accordance with clause 4.17.2:

- (a) from 9:00 AM of the first Business Day falling on or following:
 - i. 20 September 2005 of Year 1, in the case of the first Reserve Capacity Cycle;
 - ii. 20 August of Year 1, in the case of subsequent Reserve Capacity Cycles up to and including 2010; and

- iii. the second Business Day following the confirmation deadline specified in clause 4.1.15, in the case of Reserve Capacity Cycles from 2011 onwards.
 - (b) until 5:00 PM of n the last Business Day falling on or before:
 - i. 29 September 2005, in the case of the first Reserve Capacity Cycle;
 - ii. 29 August of Year 1, in the case of subsequent Reserve Capacity Cycles up to and including 2010; and
 - iii. 14 September of Year 1, in the case of Reserve Capacity Cycles from 2011 onwards.
- 4.1.18. If a Reserve Capacity Auction proceeds, then the IMO must:
- (a) run the Reserve Capacity Auction on the first Business Day falling on or following:
 - i. 3 October of 2005, in the case of the first Reserve Capacity Cycle;
 - ii. 1 September of Year 1, in the case of subsequent Reserve Capacity Cycles up to and including 2010; and
 - iii. 15 September of Year 1, in the case of Reserve Capacity Cycles from 2011 onwards; and
 - (b) publish the results in accordance with clause 4.19.5 by 5:00 PM of n that day.
- ...
- 4.1.20. Each Market Participant holding Certified Reserve Capacity which has been scheduled by the IMO in a Reserve Capacity Auction must provide to the IMO:
- (a) notification, in accordance with clause 4.20, of how many Capacity Credits each Facility will provide; and
 - (b) notification of any Long Term Special Price Arrangements to be accepted in accordance with clause 4.22,
- not later than 5:00 PM of n the last Business Day falling on or before 21 September of Year 1 of the relevant Reserve Capacity Cycle.
- 4.1.21. A Market Participant may apply to the IMO under clause 4.13.2A for a recalculation of the amount of Reserve Capacity Security required to be held by the IMO for a Facility in accordance with clause 4.13.2(b) after 5:00 PM of n the last Business Day falling on or before 24 September of Year 1 of a Reserve Capacity Cycle.
- 4.1.21A. Not later than 5:00 PM of n the last Business Day falling on or before 24 September of Year 1 of a Reserve Capacity Cycle, the IMO must, in the event that a Reserve Capacity Auction was required, assign Capacity Credits in accordance with clause 4.20.5A.

4.1.21B. If required under clause 4.20.8, the IMO must issue a Notice of Intention to Cancel Capacity Credits by 5:00 PM on 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.

...

4.1.23. Each Market Customer must provide to the IMO the information described in clause 4.28.8 by:

- (a) in the case of the first Reserve Capacity Cycle, 5:00 PM on the Business Day being 15 Business Days prior to the day on which the Initial Time occurs; and
- (b) in the case of a subsequent Reserve Capacity Cycle, 5:00 PM on the last Business Day falling on or before 20 August of Year 3 of that cycle.

4.1.24. The IMO must publish the initial Individual Reserve Capacity Requirement for each Market Customer in accordance with clause 4.28.7 by:

- (a) in the case of the first Reserve Capacity Cycle, 5:00 PM on the Business Day being 10 Business Days prior to the day on which the Initial Time occurs; and
- (b) in the case of a subsequent Reserve Capacity Cycle, by 5:00 PM on the last Business Day falling on or before 10 September of Year 3 of that cycle.

...

4.5.10. The IMO must use the information assembled to:

- (a) assess the extent to which the anticipated installed generation capacity and Demand Side Management capacity is capable of satisfying the Planning Criterion, identifying any capacity shortfalls in each Relevant Year in the Long Term PASA Study Horizon, for each of the following scenarios;
 - i. median peak demand assuming low demand growth;
 - ii. one in ten year peak demand assuming low demand growth;
 - iii. median peak demand assuming expected demand growth;
 - iv. one in ten year peak demand assuming expected demand growth;
 - v. median peak demand assuming high demand growth;
 - vi. one in ten year peak demand assuming high demand growth,where the low, expected, and high demand growth cases reflect demand changes stemming from different levels of economic growth, with these being temperature adjusted to produce the one in ten year peak demand cases.
- (b) forecast the Reserve Capacity Target and corresponding expected peak demand for each Capacity Year during the Long Term PASA Study Horizon, where:

- i. the Reserve Capacity Target for a Capacity Year is the capacity required to meet the Planning Criterion in that year under the scenario described in paragraph clause 4.5.10(a)(iv); and
 - ii. the expected peak demand in that year is the peak demand under the scenario described in paragraph clause 4.5.10(a)(iv);
 - (c) identify and assess any potential capacity shortfalls isolated to a sub-region of the SWIS resulting from expected restrictions on transmission capability or other factors;
 - (d) identify any potential transmission, generation or demand side capacity augmentation options to alleviate capacity shortfalls identified in paragraphs clause 4.5.10(a) and (c); and
 - (e) develop a two dimensional duration curve of the forecast minimum capacity requirements over the Capacity Year (“Availability Curve”) for each of the second and third Capacity Years of the Long Term PASA Study Horizon. The forecast minimum capacity requirement for each Trading Interval in the Capacity Year must be determined as the sum of:
 - i. the forecast demand (including transmission losses and allowing for Intermittent Loads) for that Trading Interval under the scenario described in clause 4.5.10(a)(iv); and
 - ii. the difference between the Reserve Capacity Target for the Capacity Year and the maximum of the quantities determined under clause 4.5.10(e)(i) for the Trading Intervals in the Capacity Year.
- 4.9.4. Applications for certification of Reserve Capacity must be made in the form prescribed by the IMO.
- 4.9.5. If the IMO assigns Certified Reserve Capacity to a Facility for a future Reserve Capacity Cycle under clause 4.11 (“Conditional Certified Reserve Capacity”):
- (a) the Conditional Certified Reserve Capacity is conditional upon the information included in the application for Certified Reserve Capacity remaining correct as at the date and time specified in clause 4.1.11 for that future Reserve Capacity Cycle;
 - (b) the Market Participant holding the Conditional Certified Reserve Capacity must, in accordance with clauses 4.9.1 and 4.9.3, re-lodge an application for Certified Reserve Capacity with the IMO between the date and time specified in clause 4.1.7 and the time specified in clause 4.1.11 for that future Reserve Capacity Cycle;
- ...
- 4.13.11. If a Market Participant that provides a Reserve Capacity Security in respect of a Facility fails to operate that Facility in accordance with clauses 4.13.10(a) and (b) before the end

of the relevant Capacity Year 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 as soon as practicable after the end of the relevant Capacity Year and in any event by 30 November of Year 4 of the relevant Capacity Cycle.

...

4.13.11A The payment obligation under clause 4.13.11 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~~ clause 4.13.11A(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.

...

4.14.1. Subject to clause 4.14.3, each Market Participant holding Certified Reserve Capacity for the current Reserve Capacity Cycle must, by the date and time specified in clause 4.1.14 provide the following information to the IMO for each Facility (expressed in MW to a precision of 0.001 MW):

- (a) the total amount of Reserve Capacity the Market Participant intends to make available in a Reserve Capacity Auction if held for the current Reserve Capacity Cycle, where the amount to be made available is not to include Reserve Capacity covered by a pre-existing Special Price Arrangement;
- (b) the total amount of Reserve Capacity covered by a pre-existing Special Price Arrangement that the Market Participant intends will not be traded bilaterally;
- (c) the total amount of Reserve Capacity the Market Participant intends will be traded bilaterally;
- (d) the total amount of Reserve Capacity that the Market Participant has decided will not now be made available to the market, where this amount cannot include Reserve Capacity covered by a pre-existing Special Price Arrangement,

where the sum of the values for clause 4.14.1(a), (b), (c) and (d) must equal the Certified Reserve Capacity of the Facility for the Reserve Capacity Cycle.

...

4.14.7. The IMO must review the information provided by Market Participants in accordance with clause 4.14.1 to ensure that the information provided is consistent with the Certified Reserve Capacity of each Facility and the requirements of this clause 4.14, and:

- (a) if the information is not consistent, then the IMO must endeavour to resolve the discrepancy with the Market Participant within one Business Day of receipt;
- (b) if the information is consistent, then the IMO must inform the Market Participant within one Business Day of receipt that the information is accepted; and
- (c) if the IMO cannot establish what a Market Participant's intentions are with respect to all or part of its Certified Reserve Capacity within the time allowed for resolving discrepancies by ~~paragraph~~ clause 4.14.7(a), then that Market Participant's:
 - i. Certified Reserve Capacity corresponding to pre-existing Long Term Special Price Arrangements cannot be traded bilaterally; and
 - ii. Certified Reserve Capacity not covered by pre-existing Long Term Special Price Arrangements will be treated as being unavailable to the market,

and the IMO must notify the Market Participant of this outcome within one Business Day of the deadline for resolving discrepancies specified in ~~paragraph~~ clause 4.14.7(a).

...

- 4.14.11 The IMO must develop a Market Procedure documenting the process the IMO and Rule Participants must follow for the ~~b~~Bilateral ~~t~~Trade ~~d~~Declaration and Reserve Capacity Auction. The IMO and Rule Participants must comply with that documented Market Procedure.

...

- 4.19.3. If Reserve Capacity Offers exist from two or more Facilities that cannot simultaneously be scheduled (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 must:
- (a) not accept any Reserve Capacity Offer from any such Facility unless the IMO has either accepted a non-zero value for that Facility under clause 4.14.6 or has not accepted a non-zero value for any Facility under clause 4.14.6; and
 - (b) Subject to ~~paragraph~~ clause 4.19.3(a), apply the methodology set out in Appendix 3 for each permutation of such Facilities. The Reserve Capacity Auction result will be:
 - i. if no result meets the Reserve Capacity Requirement, then the result that minimises the shortfall;
 - ii. if one or more results meets the Reserve Capacity Requirement, then, of those results, the result which produces the least value for the sum over all Reserve Capacity Offers of the offer price multiplied by the quantity of capacity scheduled from that Reserve Capacity Offer.

...

4.20.1. If the IMO holds a Reserve Capacity Auction in any year, each Market Participant that has a Reserve Capacity Offer scheduled under clause 4.19.4 must, by the date and time specified in clause 4.1.20, notify the IMO of:

- (a) the total number of Capacity Credits that it will provide from each of its Facilities during the Capacity Year commencing on 1 October of Year 3 of the Reserve Capacity Cycle. The information provided must be consistent with the requirements of ~~paragraph~~ clause 4.20.1(c) and (e); and
- (b) the number of those Capacity Credits the Market Participant anticipates will be acquired by the IMO. The information provided must be consistent with the requirements of ~~paragraph~~ clause 4.20.1(d) and (e);

...

4.21.1.

- (a) The IMO is to grant Short Term Special Price Arrangements to a Market Participant in respect of any Capacity Credits acquired by the IMO as a result of a Reserve Capacity Auction where the offer price in the Reserve Capacity Offer for the Certified Reserve Capacity relating to those Capacity Credits exceeded the Reserve Capacity Auction Price.
- (b) The Special Reserve Capacity Price for Capacity Credits covered by the Short Term Special Price Arrangement is to equal the offer price in the Reserve Capacity Offer for the Certified Reserve Capacity relating to those Capacity Credits.
- (c) The level of coverage of the Short Term Special Price Arrangement is to equal the quantity of Capacity Credits associated with a Reserve Capacity Offer to which ~~paragraph~~ clause 4.21.1(a) relates (where if the IMO reduces the Capacity Credits associated with this Facility in any Trading Month then the average of the number of Capacity Credits of this Facility on each Trading Day during that Trading Month is to apply), less the quantity of Capacity Credits associated with the same Reserve Capacity Offer which are to be covered by Long Term Special Price Arrangements in accordance with clauses 4.22.1 and 4.22.4.
- (d) The term of a Short Term Special Price Arrangement is the period that the Reserve Capacity Obligations in respect of the Capacity Credits apply as specified in clause 4.1.26 and clause 4.1.30 for the Reserve Capacity Cycle relating to the Reserve Capacity Auction.

...

4.23A.2. In performing the allocations described in clause 4.23A.1, the IMO must:

- (a) ensure that the total Certified Reserve Capacity, Capacity Credits and Reserve Capacity Obligation Quantities of the Registered Facilities equal, respectively, the Certified Reserve Capacity, Capacity Credits and Reserve Capacity Obligation

Quantities that were associated with Western Power Corporation's generation systems in accordance with clauses 4.11, 4.12, and 4.20;

- (b) where facilities will not be registered as being ~~Electricity Generation Corporation~~Verve Energy facilities as at Energy Market Commencement, allocate Certified Reserve Capacity, Capacity Credits and Reserve Capacity Obligation Quantities to the Market Participant to whom those facilities are to be registered; and
- (c) consult with Western Power Corporation or ~~the Electricity Generation Corporation~~Verve Energy (as applicable) and give consideration to Western Power Corporation or ~~the Electricity Generation Corporation~~Verve Energy (as applicable) preferences as to how clause 4.23A.1 should be implemented.

...

4.23A.3. If at any time a Market Participant holds Capacity Credits with respect to a facility (the "**primary facility**") that must be registered as more than one Registered Facility, either as a result of Facility aggregation not being approved by System Management or being revoked, then the IMO may re-allocate the Certified Reserve Capacity, Capacity Credits and Reserve Capacity Obligation Quantities of the primary facility between the primary facility and the Registered Facilities subject to the conditions that:

- (a) the Registered Facilities were documented in the original application for Certified Reserve Capacity as contributing to the capacity covered by those Capacity Credits;
- (b) the IMO must not allocate more Certified Reserve Capacity, Capacity Credits or Reserve Capacity Obligation Quantity to a Registered Facility than that Registered Facility can provide based on information provided in the original application for Certified Reserve Capacity for the primary facility;
- (c) after the re-allocation the total Certified Reserve Capacity, the total number of Capacity Credits and the total Reserve Capacity Obligation Quantities, respectively, of the primary facility and the Registered Facilities must equal the Certified Reserve Capacity, the number of Capacity Credits, and the Reserve Capacity Obligation Quantity immediately prior to the re-allocation~~originally held by the primary facility~~; and
- (d) the IMO must consult with the applicable Market Participant and give consideration to its preferences in the re-allocations to the extent allowed by clause 4.23A.3(a), (b) and (c).

...

4.23A.4. If at any time a Market Participant holds Capacity Credits with respect to Registered Facilities, for which the IMO has approved aggregation as a single aggregated facility in accordance with clause 2.30.7, then the IMO may re-allocate the Certified Reserve Capacity, Capacity Credits and Reserve Capacity Obligation Quantities of the Registered Facilities to the aggregated facility subject to the conditions that:

- (a) the information submitted with the application for aggregation must demonstrate that the aggregated facility can at all times meet the sum of the full Reserve Capacity Obligation Quantities of the Registered Facilities;
- (b) the IMO must allocate to the aggregated facility the Certified Reserve Capacity, Capacity Credits and Reserve Capacity Obligation Quantity it can provide based on information provided in the original application for Certified Reserve Capacity for the Registered Facilities;
- (c) after the re-allocation the Certified Reserve Capacity, the number of Capacity Credits and the Reserve Capacity Obligation Quantities of the aggregated facility must equal the sum of the Certified Reserve Capacities, the total number of Capacity Credits, and the sum of the Reserve Capacity Obligation Quantities originally immediately prior to the aggregation held by the Registered Facilities; and
- (d) the Capacity Credits and the Reserve Capacity Obligation Quantities of the aggregated facility must at all times be capable of being disaggregated in accordance with clause 4.23A.3.

...

4.24.2. If the IMO decides to seek to acquire supplementary capacity and:

- (a) the expected start date of the shortfall is at least 12 weeks from the date the IMO becomes aware of the shortfall, then it must call for tenders from potential suppliers of supplementary capacity in an invitation to tender;
- (b) ~~paragraph clause 4.24.2(a)~~ does not apply, then it must either:
 - i. call for tenders from potential suppliers of supplementary capacity in an invitation to tender; or
 - ii. negotiate directly with potential suppliers of supplementary capacity.

...

4.25.4E. Where the Capacity Credits associated with a Demand Side Programme are reduced in accordance with clause 4.25.4C the Market Participant must pay a refund of an amount equal to all Reserve Capacity Payments associated with the reduced Capacity Credits for the relevant Reserve Capacity Year to the IMO calculated in accordance with the provisions of clause 4.26.

...

4.25.5. In the event that the number of Capacity Credits held by a Market Participant ~~is~~are reduced during a Capacity Year in accordance with clause 4.25.4, then that Market Participant may request once prior to the end of that Capacity Year ~~during the remaining Reserve Capacity Cycle~~ that the IMO require System Management to perform a single re-test to be conducted during the seven days following that request.

...

- 4.27.10. Market Participants holding Capacity Credits for Facilities that are yet to commence operation must file a report on progress with the IMO:
- (a) at least once every three months from the date the Capacity Credit are confirmed under clause 4.20.5A; and
 - (b) at least once every month between the start of the calendar year in which the date referred to in clause 4.10.1(c)(iii)(7) falls and the date the IMO notifies the Market Participant, under clause ~~4.13.10A(b)~~4.13.14, that the need to maintain the Reserve Capacity Security for the Facility has ceased.

...

- 4.28.1. The IMO must separate the total costs of Capacity Credits acquired by it for a Trading Month, including Capacity Credits covered by Special Price Arrangements, into the following two sets:
- (a) the cost of acquiring enough Capacity Credits to ensure, to the extent possible given the number of Capacity Credits the IMO has acquired, that the Reserve Capacity Requirement applicable to that Trading Month is just covered after allowing for Capacity Credits traded bilaterally in that Trading Month (so that if the IMO has not acquired adequate Capacity Credits to cover the required quantity then no cost is to be associated with the shortfall); and
 - (b) the cost of other Capacity Credits acquired but not allocated to the set referred to in ~~paragraph clause 4.28.1(a)~~ (where this cost will be zero if there is no surplus of Capacity Credits relative to the Reserve Capacity Requirement);

determined on the basis that the Capacity Credits acquired by the IMO are allocated to the set referred to in ~~paragraph clause 4.28.1(a)~~ in order of decreasing cost per Capacity Credit until the capacity requirements referred to in ~~paragraph clause 4.28.1(a)~~ are met, with the remaining Capacity Credits acquired by the IMO being allocated to the set referred to in ~~paragraph clause 4.28.1(b)~~.

...

- 4.28C.2. A Market Participant with a Facility that meets the criteria in clause 4.28C.1 may apply to the IMO, at any time before 1 January of Year 1 of the Reserve Capacity Cycle to which the application relates, for certification of Capacity and Capacity Credits for that Facility (**“Early Certified Reserve Capacity”**).

...

- 6.3A.4. By 9:30 AM on the Scheduling Day the IMO must have updated its calculations of the quantities specified in clause 6.3A.3-(a) to (e), and must release to each Market Participant those updated parameters applicable to that Market Participant.

...

- 6.6.10. The IMO must assess an application made under clause 6.6.9 and inform the Market Participant whether or not the application is approved. The IMO must approve the application only where the Market Participant provides evidence satisfactory to the IMO that:
- (a) the Market Participant has an arrangement with a user of fuel (“**Fuel User**”) to release a quantity of fuel for use in a Scheduled Generator which is not Liquid Fuel capable and is registered by the Market Participant;
 - (b) the use of fuel released under the arrangement would result in the Fuel User using Liquid Fuel in a Facility or other equipment; and
 - (c) as a consequence of ~~paragraphs~~ clause 6.6.10(a) and (b), the short run marginal cost of generating electricity using the Scheduled Generator using fuel released under the arrangement would be above the Maximum STEM Price.

...

7.10.2. A Market Participant is not required to comply with clause 7.10.1 if:

- (a) such compliance would endanger the safety of any person, damage equipment or breach any applicable law; or
- (b) the Facility was physically unable to maintain the ramp rate specified in the Dispatch Instruction but:
 - i. the actual output of the Facility did not, at any time the Dispatch Instruction applied, vary from the output specified in the Dispatch Instruction by more than the applicable Tolerance Range or Facility Tolerance Range; and
 - ii. the average output over a Trading Interval of the Facility was equal to the output specified in the Dispatch Instruction; or
- (c) both of the following apply:
 - i. the Market Participant has notified System Management, in accordance with clause 3.21.4, that its Registered Facility has been affected by a Forced Outage or Consequential Outage; and
 - ii. the quantity of the Forced Outage or Consequential Outage notified is consistent with the extent to which the Market Participant did not comply with the most recently issued Dispatch Instruction, Operating Instruction or Dispatch Order applicable to its Registered Facility for the Trading Interval.

...

7A.3.10. The IMO must calculate the Pricing BMO, subject to clause 7A.3.13, using the Provisional Pricing BMO determined under clause 7A.3.8(a), as revised under clause 7A.3.9, to determine the Balancing Price, being the Loss Factor Adjusted Price corresponding to the point where the Relevant Dispatch Quantity plus 1 MW intersects

the Pricing BMO. Where there is no change to the Provisional Balancing Price determined under clause 7A.3.8(b), that price is deemed to be the Balancing Price.

...

7B.1.5. System Management may update the forecast LFAS Quantity provided under clause 7B.1.4 for a Trading Interval in the Balancing Horizon at any time until 60 minutes before the LFAS Gate Closure for that Trading Interval. System Management may update the forecast LFAS Quantity more than once, for any Trading Interval in the Balancing Horizon for which LFAS Gate Closure, plus 60 minutes, has not occurred, update the forecast LFAS Quantity provided under clause 7B.1.4.

...

9.5.2. A Capacity Credit Allocation Submission may allocate part of a Capacity Credit provided that the number of Capacity Credits allocated is specified to a precision of 0.005~~1~~ MW.

...

9.10. ~~The Commitment and Outage Compensation Settlement Calculations for a Trading Month~~

9.10.1. The Outage Compensation settlement amount for Market Participant p for Trading Month m is:

...

~~9.10A. Non-Compliance Charge~~

...

9.16.1. The settlement cycle timeline for the STEM is:

- (a) On the first Business Day commencing after the end of a Trading Week, the IMO must issue to each Market Participant participating in the STEM:
 - i. a STEM Settlement Statement for each of the Trading Days in the Trading Week; and
 - ii. an Invoice for the STEM Settlement Statements described in ~~paragraph clause 9.16.1(a)(i);~~ clause 9.16.1(a)(i);
- (b) The STEM Settlement Date is the date upon which transactions covered by a STEM Settlement Statement are settled and is the second Business Day following the date of the Invoice described in ~~paragraph clause 9.16.1(a)(ii) in~~ relation to the STEM Settlement Statement is issued;
- (c) The STEM Settlement Disagreement Deadline is 5pm on the twentieth Business Day following the date the Invoice described in ~~paragraph clause 9.16.1(a)(ii) in~~ relation to the STEM Settlement Statement is issued. A Market Participant has

until this time to lodge a Notice of Disagreement with the IMO pertaining to any amount included in the relevant STEM Settlement Statement.

- 9.16.2. For all Financial Years other than the first Financial Year of energy market operations, the settlement cycle timeline for settlement of other amounts payable under these Market Rules for all Trading Days within a Financial Year must be published by the IMO at least one calendar month prior to the commencement of that Financial Year. For the first Financial Year of energy market operation, the settlement cycle timeline must be published one calendar month prior to Energy Market Commencement. This settlement cycle timeline must include for each settlement cycle:
- (a) The Interval Meter Deadline, being the Business Day by which Meter Data Submissions for a Trading Month must be provided to the IMO. This date must be the first Business Day of the second month following the month in which the Trading Month commenced.
 - (b) The Capacity Credit Allocation Submission timeline, including:
 - i. the earliest date and time at which Capacity Credit Allocation Submissions for a Trading Month can be made, where this is to be a Business Day after the end of the Trading Month to which the Capacity Credit Allocation Submission relates but not less than 10 Business Days prior to the Non-STEM Settlement Statement Date;
 - ii. the latest date and time at which Capacity Credit Allocation Submissions for a Trading Month can be made to the IMO, where this is to be not less than five Business Days prior to the Non-STEM Settlement Statement Date;
 - iii. the time and date by which the IMO must contact any Market Participant identified under clause 9.4.9 where this is to be not less than four Business Days prior to the Non-STEM Settlement Statement Date;
 - iv. the time and date by which a Market Participant must respond to any request made by the IMO in accordance with clause 9.4.10 where this is to be not less than two Business Days prior to the Non-STEM Settlement Statement Date; and
 - v. the time and date by which the IMO will notify Market Participants from which the IMO has accepted Capacity Credit Allocation Submissions where this is to be not less than two Business Days prior to the Non-STEM Settlement Statement, but later than the time specified in clause 9.16.2(b)(iv).
 - (c) The Non-STEM Settlement Statement Date, being the Business Day by which Non-STEM Settlement Statements for a Trading Month must be issued by the IMO. This date must be not less than three Business Days and not more than five Business Days after the Interval Meter Deadline defined in clause 9.16.2(a).

- (d) The Invoicing Date being the Business Day by which the IMO must issue Invoices for Non-STEM Settlement Statements for a Trading Month. This date must be the sixth Business Day of the second month following the month in which the Trading Month being settled commenced.

...

9.16.4. The following dates for each Adjustment Process to be undertaken during a Financial Year must be published by the IMO at least one calendar month prior to the commencement of that Financial Year or, only in the case of the first Financial Year of energy market operation, one calendar month prior to Energy Market Commencement:

- (a) the commencement date for the settlement adjustment process,
- (b) the date by which adjusted STEM Settlement Statements and Non-STEM Settlement Statements will be released, where this must be not less than 20 Business Days after the date set for the purposes of ~~paragraph clause 9.16.4(a)~~;
- (c) the date by which Invoices reflecting the adjusted STEM Settlement Statements and Non-STEM Settlement Statements will be released, where this must be not less than two Business Days after the date set for the purposes of ~~paragraph clause 9.16.4(b)~~;
- (d) the settlement date for the Invoices described in ~~paragraph clause 9.16.4(c)~~, where this must be not less than two Business Days after the date set for the purposes of ~~paragraph clause 9.16.4(c)~~; and
- (e) subject to clause 9.19.7, the deadline for Notices of Disagreement pertaining to an adjusted Settlement Statement, where this must be not more than 20 Business Days after the adjusted Settlement Statement is released.

...

9.19.3. An adjusted Settlement Statement must include details of the adjustment to be paid by or to the Market Participant, being:

- (a) the adjustment which will need to be paid by or to the Market Participant to put the Market Participant in the position it would have been in at the time payment was made in respect of the original Settlement Statement if the adjusted Settlement Statement had been issued as the original Settlement Statement (but taking into account any adjustments previously made under this clause 9.19); plus
- (b) interest on the amount referred to in ~~paragraph clause 9.19.3(a)~~ calculated in accordance with clause 9.1.3.

...

9.20.5. If a Notice of Disagreement relates to information provided to the IMO by a Metering Data Agent or System Management then as soon as practicable, but not later than five

Business Days after the IMO confirms receipt of the Notice of Disagreement, the IMO must;

- (a) notify the Metering Data Agent or System Management (as applicable) of any item of information provided by them to which the Notice of Disagreement relates;
- (b) notify the Metering Data Agent or System Management (as applicable) of the time and date by which the IMO requires a response, where the date is to be no later than 60 days after the date on which the IMO confirmed receipt of the Notice of Disagreement; and
- (c) require the Metering Data Agent or System Management (as applicable) to investigate the accuracy of the item and to provide a response by the time specified under ~~paragraph~~ clause 9.20.5(b):
 - i. reporting on the actions taken to investigate the accuracy of the item; and
 - ii. if applicable, a revised value for the item that the Metering Data Agent or System Management (as applicable) considers to be in compliance with these Market Rules and accurate.

...

9.23.3. If a Rule Participant becomes aware that a Ssuspension Eevent has occurred in relation to it, then the Rule Participant must promptly notify the IMO, giving full details of the event.

...

9.23.6. Where the IMO has given a Cure Notice to a Market Participant in respect of a Ssuspension Eevent described in any of clauses 9.23.1(c) to (m), the IMO may extend the deadline for remedying the Ssuspension Eevent for such period as the IMO considers appropriate if the IMO considers that:

- (a) the Market Participant will be able to remedy the Ssuspension Eevent before the end of the extended deadline; and
- (b) the Market Participant is not capable of doing so within the 24 hours following the issuance of the Cure Notice.

9.23.7. If a Market Participant does not remedy a Ssuspension Eevent before the deadline specified in clause 9.23.4(a) (as extended, if applicable, under clause 9.23.5 or 9.23.6), then the IMO may issue a Suspension Notice to the relevant Market Participant in which case clause 2.32 applies.

...

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:

...

- (v) summary information pertaining to the account maintained by the IMO for market settlement for the preceding 24 calendar months, including;
 - i. the end of month balance;
 - ii. the total income received for transactions in each of the Reserve Capacity Mechanism, the STEM, Balancing, Market Fees, System Operation Fees, Regulator Fees and a single value for all other income;
 - iii. the total outgoings paid for transactions in each of the Reserve Capacity Mechanism (excluding Supplementary Capacity Contracts), Supplementary Capacity Contracts, the STEM, Balancing and a single value for all other expenses; -and
 - iv. Service Fee Settlement Amount paid to the IMO, System Management and the Economic Regulation Authority;
- (vBA) reports providing the MWh of non-compliance of ~~the Electricity Generation Corporation~~ Verve Energy by Trading Interval, as specified by System Management in accordance with clause 7.13.1A(a), for each Trading Month which has been settled;
- ~~(vD) reports providing the MWh quantities of energy dispatched under Network Control Service Contracts by Facility and Trading Interval, as specified by System Management in accordance with clause 7.13.1(dB), for each Trading Month which has been settled;~~

...

11 Glossary

...

~~**Capital Expenditure:** With respect to the IMO, the total Capital Expenditure that the IMO incurs as a result of a capital asset, capital project or capital upgrade of an existing asset for the Review Period. With respect to System Management, the total Capital Expenditure that System Management incurs as a result of a capital asset, capital project or capital upgrade of an existing asset for the Review Period.~~

...

~~**Facility Forced Outage Refund:** Has the meaning given in clause 4.26.1A.~~

...

Forecast Capital Expenditure: With respect to the IMO, the predicted sum of Capital Expenditure required for a Review Period as approved by the Economic Regulation Authority in accordance with clause 2.22.12. With respect to System Management, the predicted sum of

cCapital eExpenditure required for a Review Period as approved by the Economic Regulation Authority in accordance with clause 2.23.12.

Appendix 1. Responses to submissions received during the consultation period

	Submitter	Comment/Change Requested	IMO's Response
1.	System Management	System Management would like the IMO to consider submitting these types of rule changes in smaller packages on a more frequent basis i.e. half yearly or alternatively progressing them using the Standard Rule Change process.	<p>The IMO agrees with System Management. This Rule Change Proposal is the first of the IMO's scheduled, six monthly corrections of minor, typographical and manifest errors.</p> <p>As this is the first Rule Change Proposal of this nature for 18 months, the size of the proposal is larger than expected proposals in future.</p>
2.	System Management	<p>It is not clear from the Market Rules who is responsible for monitoring a Facility's Outage quantity against the associated dispatch non-compliance under clause 7.10.2(c)(ii) of the Market Rules. System Management would like the IMO to consider where this obligation should lie.</p> <p>If the IMO specifies that System Management is required to monitor Market Rule 7.10.2(c)(ii), it is likely that System Management will need to incur costs to accommodate system, procedure and process changes to meet this obligation.</p>	<p>Clause 7.10.2 refers to a Market Participant's compliance with clause 7.10.1 of the Market Rules. Therefore, breaches under clause 7.10.2 are the responsibility of System Management.</p> <p>The IMO notes System Management's concern regarding costs to monitor such an obligation and will work with System Management to alleviate any concerns.</p>
3.	System Management	<p>The definition of Forced Outages in Market Rule 3.21.1 and Consequential Outages in Market Rule 3.21.2 states that these outages do not meet System Management's scheduled outage approval criteria. Further notification of a Forced Outage or a Consequential Outage by a Market Participant to System Management of the outage must be made as soon as practicable after the fact.</p> <p>System Management suggests the IMO amend Market</p>	<p>The IMO notes the issue identified by System Management.</p> <p>While clause 3.18.2(f) refers to a Market Participant or Network Operator's requirement to 'schedule outages', the clause does not refer to the defined term 'Scheduled Outages'.</p> <p>The IMO is currently developing a Rule Change</p>

	Submitter	Comment/Change Requested	IMO's Response
		Rule 3.18.2(f) to remove the reference to Market Rule 3.21 to clarify that Forced Outages and Consequential Outages are not considered Scheduled Outages.	Proposal (being developed from CP_2013_04) that is expected to contain amendments to clause 3.18.2 of the Market Rules. System Management's suggestion will be considered as part of that proposal.
4.	System Management	<p>The IMO's intention of Market Rule 3.3.2(a)(ii) is not clear from the proposed wording. System Management suggests the IMO review the wording in light of current practice. System Management is currently required to dispatch balancing facilities in accordance with the quantities that appear in the Balancing Merit Order taking into account Ramp Rate Limits included a Market Participant's Facility Balancing Submission (Market Rule 7.6.1C(a)). These Ramp Rate Limits may differ to the Facility's Standing Data Ramp Rate Limit. The proposed wording appears overly difficult to interpret and it is not clear whether it aligns with the requirements of Market Rule 7.6.1C.</p> <p>The wording proposed in Market Rule 3.3.2(a)(ii) is identical to Market Rule 3.2.5(a) and the latter clause may also benefit from a review.</p>	<p>The proposed amendment to clause 3.3.2(a)(ii) is designed to be consistent with the existing clause 3.2.5(a) of the Market Rules.</p> <p>Clause 3.3.2(a) has been specifically amended to include a reference to clause 7.6.1C, which ensures that a Market Participant is not dispatched below a Standing Data limitation despite any outcomes arising from the Balancing Merit Order.</p> <p>The IMO believes the proposed Amending Rule is appropriately drafted and explicit in its obligation on System Management, consistent with its current practice.</p>
5.	System Management	System Management notes the term 'Year X' used through Market Rule 4.1 and clause 4.28C.2 is capitalised. However, it is not classified as a defined term in Chapter 11 Glossary. If the IMO intends for this term to be defined, System Management suggests including the definition of 'Year X' (Market Rule 4.1.3) in the Chapter 11 Glossary.	<p>The IMO notes System Management's proposed amendment.</p> <p>This suggestion will be added to the IMO's log of minor, typographical and manifest errors to be assessed as part of the next Rule Change Proposal of this nature.</p>

	Submitter	Comment/Change Requested	IMO's Response
6.	System Management	<p>The IMO removed the capitalisation of the term 'Verification Test'. System Management notes the term 'Verification Test' is specifically defined in Chapter 11 as 'Means a test conducted under clause 4.25A.'</p> <p>System Management suggests the capitalisation of the term 'Verification Test' remains in clause 4.25A.</p>	<p>The IMO notes System Management's proposed amendment.</p> <p>This amendment has been removed from the Rule Change Proposal and added to the IMO's log of minor, typographical and manifest errors to be assessed as part of the next Rule Change Proposal of this nature.</p>
7.	System Management	<p>The second sentence of this clause 7B.1.5 '...System Management may update the forecast LFAS Quantity more than once...' is superfluous as the first sentence of the Market Rule allows System Management to update the forecast at any time which implies that it can do so more than once. System Management suggests the IMO consider removing the second sentence of this Market Rule.</p>	<p>The IMO notes System Management's proposed amendment.</p> <p>This suggestion will be added to the IMO's log of minor, typographical and manifest errors to be assessed as part of the next Rule Change Proposal of this nature.</p>

Appendix 2. 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):

- 4.25A.1. In each Reserve Capacity Year each Market Customer must undertake a Verification Test during the period specified in clause 4.10.1(f)(vi) for each Demand Side Programme registered to the Market Customer. Each test must be conducted in accordance with the Reserve Capacity Procedure and be carried out:
 - (a) within 20 Business Days of registration, as notified by the IMO under clause 2.31.6, of the Demand Side Programme, if applicable; or
 - (b) between 1 October and 30 November.
- 4.25A.2. To undertake a Verification Test a Market Customer must activate the Demand Side Programme and provide evidence satisfactory to the IMO of the Trading Intervals during which the Verification Test was conducted.
- 4.25A.3. A Demand Side Programme will be deemed to have failed the Verification Test unless a reduction in demand equal to at least 10% of the Capacity Credits, when measured against the Demand Side Programme's Relevant Demand determined under clause 4.26.2CA, is identified from the Demand Side Programme Load associated with that Demand Side Programme.
- 4.25A.4. Where a Demand Side Programme fails a Verification Test the IMO must reduce the Capacity Credits assigned to the Demand Side Programme to zero from the second Trading Day following the Scheduling Day on which the IMO determines that the Verification Test was failed under clause 4.25A.3.
- 4.25A.5. Where a Demand Side Programme fails a Verification Test the relevant Market Participant may request that a second Verification Test be undertaken. If the Demand Side Programme fails the second Verification Test then the Capacity Credits assigned to the Demand Side Programme are to remain at zero until the end of the relevant Reserve Capacity Year.