

Rule Change Extension Notice: Capacity Credit Allocation Methodology for Intermittent Generators (RC_2018_03)

This notice of extension is given under clause 2.5.12 of the Market Rules.

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Date submitted: 1 March 2018

Date of extension: 9 December 2019

In accordance with clause 2.5.10 of the Market Rules, the Rule Change Panel has further extended the timeframe for the publication of the Draft Rule Change Report for the Rule Change Proposal titled “Capacity Credit Allocation Methodology for Intermittent Generators” (RC_2018_03) until **5:00 PM on Thursday 31 December 2020**.

Dates for subsequent steps of the rule change process have been adjusted accordingly.

Reason for the Extension

Development and publication of the Draft Rule Change Report for RC_2018_03 was previously delayed because the scope of the Rule Change Proposal directly overlaps with the subject matter of the ERA’s 2018 review of the Relevant Level Methodology.

The ERA published the ‘Relevant level method review 2019 Capacity valuation for intermittent generator – Final Report’ (**Final Report**) on 31 March 2019¹ upon completion of its review of the Relevant Level Methodology. The ERA indicated in the Final Report that it will develop a Rule Change Proposal and a new Market Procedure to implement its recommendations. The changes to the Relevant Level Methodology to be proposed by the ERA are likely to be significant.

The ERA has experienced delays in finalising its Rule Change Proposal because of interactions of its proposal with the WA Government’s Energy Transformation Strategy. Specifically, Energy Policy WA (**EPWA**) is developing a new methodology to allocate Capacity Credits under the constrained network access model, and ERA’s proposal to amend the Relevant Level Methodology will need to account for EPWA’s revised Capacity Credit allocation methodology.

Given the overlapping subject matter between ERA’s forthcoming Rule Change Proposal to address the recommendations in the Final Report, EPWA’s new methodology to allocate Capacity Credits under the constrained access model and RC_2018_03; and the complexities of assessing changes to the Relevant Level Methodology; the Rule Change Panel requires additional time to assess RC_2018_03.

¹ The Final Report is available at: <https://www.erawa.com.au/electricity/wholesale-electricity-market/methodology-reviews/review-of-method-used-to-assign-capacity-to-intermittent-generators-2018>.

Further details relating to Rule Change Proposal RC_2018_03 are available at https://www.era.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2018_03.

Proposed Work Program

- The Rule Change Panel presents its draft decision in the Draft Rule Change Report.
- The second submission period is held.
- The Rule Change Panel presents its final decision in the Final Rule Change Report.

If the Rule Change Panel's decision is to approve the Rule Change Proposal, the Amending Rules will commence at the date set by the Rule Change Panel in the Final Rule Change Report.

Extended Timeline

The projected timeline for processing this proposal, including the extension, is:

