

## Electricity Industry (Electricity System and Market) Regulations 2004

# Electricity System and Market Amendment (Tranche 8) Rules 2025

### Commencement

- The amending rules set out in Schedule 1 come into operation at 8:00 AM (WST) on the day after the day of publication of this notice in the *Gazette*.
- The amending rules set out in Schedule 2 come into operation at 8:00 AM (WST) on the day after the day of publication of this notice in the *Gazette*.
- The amending rules set out in Schedule 3 come into operation immediately after the commencement of the amending rules in Schedule 2 of the *Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025*, that commence at 8:00 AM (WST) on 1 January 2026.
- The amending rules set out in Schedule 4 come into operation immediately after the commencement of the amending rules in Schedule 3 of the *Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025*, that commence at 8:00 AM (WST) on 1 October 2026.
- The amending rules set out in Schedule 5 come into operation immediately after the commencement of the amending rules in Schedule 4 of the *Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025*, that commence at 8:00 AM (WST) on 1 October 2027.
- The amending rules set out in Schedule 6 come into operation immediately after the commencement of the amending rules in Schedule 5 of the *Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025*.
- The amending rules set out in Schedule 7 come into operation at a time specified by the Minister in a notice published in the *Gazette*. Different days may be specified for different provisions.
- The amending rules set out in Schedule 8 come into operation immediately after the commencement of the amending rules in Schedule 2 of the *Wholesale Electricity Market Amendment (Supplementary Capacity No. 3) Rules 2024*.
- The amending rules set out in Schedule 9 come into operation at a time specified by the Minister in a notice published in the *Gazette*. Different days may be specified for different provisions.

Where there are electricity system and market rules made by the Minister in accordance with regulation 7(5) of the *Electricity Industry (Electricity System and Market) Regulations 2004* prior to the date this Instrument is made which are specified to come into operation on the same day as the amending rules set out in this Instrument, the amending rules set out in this Instrument come into operation immediately after the commencement of those electricity system and market rules.

## **Schedule 1**

### **1. Section 4.5 amended**

- 1.1 Delete clause 4.5.9(a) and replace it with the following new clause 4.5.9(a):
- (a) meet the forecast peak demand (including transmission losses and allowing for Intermittent Loads) supplied through the SWIS plus:
    - i. a reserve margin equal to the greater of:
      - 1. the forecast peak demand (including transmission losses and allowing for Intermittent Loads) multiplied by the proportion of Capacity Credits expected to be unavailable at the time of peak demand due to Forced Outages based on Forced Outage rates calculated in accordance with the WEM Procedure specified in clause 4.9.10, excluding Forced Outages of Facilities to which clause 4.11.1A applies; and
      - 2. the size, in MW, of the largest contingency relating to loss of supply (related to any Facility, including a Network) expected at the time of forecast peak demand (including transmission losses and allowing for Intermittent Loads), and
    - ii. the ESR Duration Requirement Uplift calculated in Part C of Appendix 11,  
  
while maintaining the SWIS frequency in accordance with the Normal Operating Frequency Band and the Normal Operating Frequency Excursion Band. The forecast peak demand should be calculated to a probability level that the forecast would not be expected to be exceeded in more than one year out of ten;
- 1.2 Delete the full stop at the end of clause 4.5.10(a) and replace it with a semi-colon.
- 1.3 Delete the word 'forecast' in clause 4.5.12(d).
- 1.4 Delete the word '[Blank]' and replace it with the words 'the Availability Duration Gap and ESR Duration Requirement Uplift as calculated in accordance with Appendix 11;' in clause 4.5.12(e).
- 1.5 Delete clause 4.5.12(i) and replace it with the following new clause 4.5.12(i):
- (i) if anticipated installed capacity does not satisfy clause 4.5.9(b) under the load scenario described in clause 4.5.10(a)(iv), the minimum additional capacity required to be provided by Capability Class 1 and Capability Class 3 capacity if clause 4.5.9(b) is to be satisfied, using an appropriate mix of Capability Class 1 and Capability Class 3 capacity.
- 1.6 Insert the following new clause 4.5.12A:

4.5.12A. If AEMO has determined under clause 4.5.12(i) that additional Capability Class 1 and Capability Class 3 capacity would be required to satisfy clause 4.5.9(b), any Capability Class 1 and Capability Class 3 Facility that has not been assigned a Network Access Quantity in any previous Reserve Capacity Cycle is to be deemed to be a Network Augmentation Funding Facility for the purposes of Appendix 3.

1.7 Insert the word 'Study' after the words 'Long Term PASA' in clause 4.5.13(eB).

1.8 Insert the word 'Study' after the words 'Long Term PASA' in clause 4.5.13(eC).

1.9 Delete clause 4.5.13(eC)(i) and replace it with:

i. [Blank]

1.10 Delete clause 4.5.13(eC)(ii) and replace it with:

ii. [Blank]

1.11 Delete clause 4.5.13(eC)(iii) and replace it with:

iii. the Availability Duration Gap calculated in accordance with Appendix 11; and

1.12 Delete clause 4.5.13(eC)(iv) and replace it with:

iv. the expected forecast ESR Duration Requirement, which for the third Capacity Year of the Long Term PASA Study Horizon must be consistent with the information determined under clause 4.5.12(d);

## 2. Chapter 11 (Glossary) amended

2.1 Delete the words 'clause 4.5.13(eC)(iii)' and replace them with the words 'Part B of Appendix 11' in the definition of Availability Duration Gap.

2.2 Insert the following new definition of ESR Duration Requirement Uplift:

**ESR Duration Requirement Uplift:** Is calculated in accordance with Part C of Appendix 11.

2.3 Insert the following new definition of Facility Upgrade:

**Facility Upgrade:** for a Facility, an increase in the nameplate capacity of the Facility, being the difference between:

(a) the nameplate capacity specified under clause 4.10.1(dA), for the Facility, as provided in the Reserve Capacity Cycle immediately preceding the current Reserve Capacity Cycle; and

(b) the nameplate capacity specified under clause 4.10.1(dA), for the Facility as provided in the current Reserve Capacity Cycle.

2.4 Delete the definition of Indicative Peak Electric Storage Resource Obligation Intervals.

- 2.5 Delete the definition of Peak Electric Storage Resource Obligation Duration and replace it with the following definition of Peak Electric Storage Resource Obligation Duration:

**Peak Electric Storage Resource Obligation Duration:** For an Electric Storage Resource and a Trading Day, the contiguous Trading Intervals published by AEMO in accordance with clause 6.3A.2, where:

- (a) the number of Trading Intervals is equal to:
  - i. if the Electric Storage Resource first received Capacity Credits within any of the nine previous Capacity Years, and does not include a Facility Upgrade that first received Capacity Credits in a later Capacity Year, the ESR Duration Requirement for the Capacity Year in which the Electric Storage Resource first received Capacity Credits; and
  - ii. otherwise the ESR Duration Requirement for the current Capacity Year; and
- (b) if the number of Trading Intervals is an even number, then the last Trading Interval in the first half of the Peak Electric Storage Resource Obligation Duration must be the Mid Peak Electric Storage Resource Obligation Interval.

### **3. Appendix 3 amended**

- 3.1 Add the words 'and all Facilities deemed to be a Network Augmentation Funding Facility under clause 4.5.12A' after the words 'Add all new committed Network Augmentation Funding Facilities (as defined in section 4.10A)' in step 4 of Part A of Appendix 3.
- 3.2 Add the words 'and all Facilities deemed to be a Network Augmentation Funding Facility under clause 4.5.12A' after the words 'Add all new committed Network Augmentation Funding Facilities (as defined in section 4.10A)' in step 4 of Part B of Appendix 3.

### **4. Appendix 11 amended**

- 4.1 Delete Appendix 11 and replace it with the following:

# Appendix 11: Availability Duration Gap Determination

## Part A: Introduction

### Interpretations and Definitions

- A.1. This Appendix 11 prescribes the method for determining the Availability Duration Gap for each Capacity Year during the Long Term PASA Study Horizon and the ESR Duration Requirement Uplift for the third Capacity Year of the Long Term PASA Study Horizon.
- A.2. In this Appendix 11:
- (a) “Derated ESR Capacity” is the sum of Derated ESR MW Capacity for all Electric Storage Resources that were assigned Capacity Credits in the previous Reserve Capacity Cycle.
  - (b) “Derated ESR MW Capacity” of an Electric Storage Resource is calculated by adjusting the ESR MW Capacity of that Electric Storage Resource proportionally to last the Minimum ESRDR as follows:  
$$\text{Derated ESR MW Capacity} = \text{ESR MW Capacity} \times \frac{\text{ESRDR}}{\text{Minimum ESRDR}}$$
  - (c) “ESRDR” of an Electric Storage Resource is the number of Trading Intervals in the Peak Electric Storage Resource Obligation Duration that was the basis of assigning Peak Capacity Credits to the Electric Storage Resource in the previous Reserve Capacity Cycle.
  - (d) “ESRDR Group(r)” is the group of all Electric Storage Resources with the same ESRDR that were assigned Capacity Credits in the previous Reserve Capacity Cycle.
  - (e) “ESR MW Capacity” of an Electric Storage Resource is the number of Peak Capacity Credits assigned to the Electric Storage Resource in the previous Reserve Capacity Cycle.
  - (f) “ESR MWh Capacity” of an Electric Storage Resource is calculated as follows:  
$$\text{ESR MWh Capacity} = \text{ESR MW Capacity} \times \frac{\text{ESRDR}}{2}$$
  - (g) “Minimum ESRDR” is the ESR Duration Requirement for the previous Reserve Capacity Cycle;
  - (h) “Peak Trading Interval” of a Reference Day is the Trading Interval of the Reference Day Demand Profile with the largest Operational Demand Estimate;
  - (i) “Peak Trading Interval Demand” of a Reference Day, is the Operational Demand Estimate of the Peak Trading Interval of the Reference Day;

- (j) “Reference ADG” is the reference Availability Duration Gap calculated for each Reference Day under steps B.1.3 to B.1.7;
  - (k) “Reference Day” of a Reference Year is the Trading Day which contains the Trading Interval with the highest demand and reflects the one in ten year peak demand scenario assuming expected demand growth. There is only one Reference Day for each Reference Year;
  - (l) “Reference Day Demand Profile” for a Reference Day is the demand profile, setting out the Operational Demand Estimate for each Trading Interval in each Reference Day as used by AEMO to calculate the expected energy shortfall under clause 4.5.9(b);
  - (m) “Reference ESROD” is the contiguous set of Trading Intervals used for the determination of the Reference ADG. The Reference ESROD is first determined under step B.1.3 and redetermined in each iteration under step B.1.6.
  - (n) “Reference Year” is a reference year used by AEMO for the purpose of calculating the expected energy shortfalls under clause 4.5.9(b);
  - (o) “Smallest ESRDR” is the number of Trading Intervals in the shortest Peak Electric Storage Resource Obligation Duration among the Electric Storage Resources which were assigned Capacity Credits in the previous Reserve Capacity Cycle.
  - (p) “Total Group ESR MW Capacity(r)” of ESRDR r is the sum of all ESR MW Capacity of all Electric Storage Resources with ESRDR r.
  - (q) “Total Group ESR MWh Capacity(r)” of ESRDR r is the sum of all ESR MWh Capacity for all Electric Storage Resources with ESRDR r.
- A.3. AEMO must determine the Availability Duration Gap for each Capacity Year during the Long Term PASA Study Horizon by following each of the steps set out in Part B of this Appendix 11.
- A.4. AEMO must determine the ESR Obligation Duration Uplift as the amount of additional capacity, in MW, to be added to the Peak Reserve Capacity Target under clause 4.5.9(a)(ii) for Capacity Year 3 of the Long Term PASA Study Horizon by following the steps set out in Part C of this Appendix 11.

## **Part B: Process Steps for Availability Duration Gap Determination**

### **Step B.1: Determine the Reference ADG for each Reference Day**

- B.1.1. Identify the Reference Day of each Reference Year.

B.1.2. AEMO must determine the Reference ADG for each Reference Day d identified under step B.1.1 using steps B.1.3 to B.1.7.

B.1.3. Set the Reference ESROD as the contiguous set of Trading Intervals where:

- (a) the number of Trading Intervals is equal to the Minimum ESRDR;
- (b) the Trading Intervals include the Trading Interval with the highest demand of Reference Day d; and
- (c) spans the consecutive Trading Intervals which have the highest average Operational Demand Estimates,

and move to step B.1.4.

B.1.4. Calculate the Residual Demand for each Reference Day d for the Reference ESROD as:

$$\text{Peak Trading Interval Demand (d)} - \text{Applicable ESR\_Capacity}$$

Where:

Applicable\_ESR Capacity is:

$$\text{Derated ESR Capacity} \times \frac{\text{Minimum ESRDR}}{\text{Reference\_ESROD\_QTY}}$$

Where:

Reference\_ESROD\_QTY is the number of Trading Intervals in the Reference ESROD used in this step.

B.1.5. Select the Trading Interval with the higher Operational Demand Estimate from the two Trading Intervals adjacent to the Reference ESROD used in step B.1.4. If the Operational Demand of both adjacent Trading Intervals is equal, the Trading Interval adjacent to the last Trading Interval of the Reference ESROD is to be selected.

B.1.6. If:

- (a) the Residual Demand calculated under step B.1.4 is greater than or equal to the Operational Demand Estimate for the Trading Interval identified in step B.1.5, then move to step B.1.7 using the Reference ESROD used in step B.1.4; or
- (b) otherwise, increase the Reference ESROD by the Trading Interval identified under step B.1.5 and repeat step B.1.4.

B.1.7. Calculate the Reference ADG for each Reference Day d as:

$$\text{Reference\_ESROD\_QTY} - \text{Minimum ESRDR}$$

Where:

Reference\_ESROD\_QTY is the number of Trading Intervals in the Reference ESROD determined in Step B1.6;

### **Step B.2: Determine the Availability Duration Gap**

- B.2.1. The Availability Duration Gap is the median of the Reference ADGs for all Reference Days calculated under step B.1.2, rounded up to the nearest whole number of Trading Intervals.

## **Part C: Process Steps for Determining the ESR Obligation Duration Uplift**

### **Step C.1: Determine the basis for the ESR Obligation Duration Uplift**

- C.1.1. If the Smallest ESRDR is equal to the sum of the ESR Duration Requirement calculated for the previous Reserve Capacity Cycle under clause 4.5.12(d) and the Availability Duration Gap calculated under step B.2.1, set the ESR Obligation Duration Uplift to zero and do not continue with the remainder of this Part C, otherwise move to step C.1.2.
- C.1.2. Identify all Reference Day Demand Profiles for the third Capacity Year of the Long Term PASA Study Horizon.
- C.1.3. Identify all ESRDR Groups(r) and rank them from the lowest to the highest ESRDR.
- C.1.4. For each Reference Day, determine the Total Group ESR MW Capacity and the Total Group ESR MWh Capacity for all ESRDR Groups identified under C.1.3, for which the ESRDR(r) has fewer Trading Intervals than the Reference\_ESROD\_QTY used in step B.1.7 for Reference Day d.
- C.1.5. For each Reference Day, determine the Sub-Reference ESROD ESR Capacity as the sum of all Total Group ESR MW Capacity determined under C.1.4.

### **Step C.2: Determine the Reference Day ESR Obligation Duration Uplift for each Reference Day**

- C.2.1. Subject to step C.1.1, AEMO must determine the Reference Day ESR Obligation Duration Uplift for each Reference Day d, using steps C.2.2 to C.2.6.
- C.2.2. Identify:
- (a) the Derating Floor as the Reference\_ESROD\_QTY used in step B.1.7 for Reference Day d; and
  - (b) the Starting ESROD as the set of Trading Intervals that satisfies the following:
    - i. contains the Peak Trading Interval;

- ii. the number of Trading Intervals is equal to the Smallest ESRDR; and
- iii. spans the consecutive Trading Intervals which have the highest average Operational Demand Estimates.

C.2.3. For each ESRDR Group(r) identified in step C.1.3, in order from the smallest to the largest ESRDR(r), determine:

- (a) all Derating Tranches, as the contiguous set of Trading Intervals over which the Total Group ESR MW Capacity of the ESRDR Group(r) must be derated, in number of Trading Intervals, that are needed for nominally derating the Total Group ESR MW Capacity of the ESRDR Group(r) in accordance with step C.2.4; and
- (b) for each Derating Tranche, the Derating Tranche Depths in MW, representing the capacity needed at that Derating Tranche to service the peak of Trading Day d, in accordance with step C.2.5.

C.2.4. The Derating Tranches of ESRDR Group(r) are determined by adding Derating Tranches until the Accumulated Used ESR MWh Capacity for ESRDR Group(r), as determined under step C.2.5(b), equals the Total Group ESR MWh Capacity of ESRDR Group(r), as follows:

- (a) the first Derating Tranche of the ESRDR Group(r) relating to the Smallest ESRDR, is in the Starting ESROD
- (b) the first Derating Tranche of subsequent ESRDR Groups(r):
  - i. If the Trading Intervals in the last Derating Tranche of ESRDR Group(r-1) equal the Derating Floor as the same set of contiguous set of Trading Intervals as the last Derating Tranche of ESRDR Group (r-1),

where ESRDR Group(r-1) is the ESRDR that ranks immediately before r according to the ranking determined under step C.1.3; and

- ii. otherwise, the last Derating Tranche of ESRDR Group(r-1) extended to include the Trading Interval adjacent to the last Derating Tranche of ESRDR Group(r-1) with the highest Operational Demand Estimate. If the Operational Demand of both adjacent Trading Intervals is equal, the Trading Interval adjacent to the last Trading Interval of the Reference ESROD is to be selected,

where ESRDR Group(r-1) is the ESRDR that ranks immediately before r; and

- (c) any subsequent Derating Tranches of ESRDR Group(r) is the previous Derating Tranche extended to include the Trading Interval with the highest Operational Demand Estimate adjacent to the previous Derating Tranche. If the Operational Demand Estimate of both adjacent Trading Intervals is

equal, the Trading Interval adjacent to the last Trading Interval of the previous Derating Tranche is to be selected:

C.2.5. For each Derating Tranche identified under C.2.4 of each ESRDR Group(r), from the smallest to the largest ESRDR(r) and from the smallest to the largest Derating Tranche, determine the Derating Tranche Depth as:

(a) if the number of Trading Intervals in the Derating Tranche equals the Derating Floor, then:

$$\frac{\text{Total ESR MWh Capacity (r)} - \text{Accumulated Used ESR MWh Capacity (r)}}{0.5 \times \text{Derating Tranche QTY}},$$

Where:

i. Accumulated ESR Capacity of ESRDR Group(r) is the total of Used ESR MWh Capacity for all previous Derating Tranches for ESRDR Group(r);

ii. Used ESR MWh Capacity of the Derating Tranche is determined as:

$$\text{Derating Tranche Depth(Derating Tranche)} \times \frac{\text{Derating Tranche}}{2}; \text{ and}$$

iii. Derating Tranche QTY is the number of Trading Intervals in the Derating Tranche, or

(b) otherwise, the smaller of:

i. the lowest MW quantity for the Derating Tranche Depth for which the Operational Demand Estimate of all Trading Intervals in the Derating Tranche, is equal to or greater than:

$$\text{Peak Trading interval Demand} - \text{Accumulated Depth(r)} - \text{Derating Tranche Depth}$$

Where the Accumulated Depth(r) is the sum of all Derating Tranche Depths for:

1. all Derating Tranches of all ESRDR Groups that rank before r; and

2. all previous Derating Tranches for r, and

ii. 
$$\frac{\text{Total Group ESR MWh Capacity (r)} - \text{Accumulated Used ESR MWh Capacity (r)}}{0.5 \times \text{Derating Tranche QTY}}$$

Where:

1. Accumulated Used ESR MWh Capacity(r) is the total of Used ESR MWh Capacity for all previous Derating Tranches for r.

2. Used ESR MWh Capacity of a Derating Tranche is determined as:

$$\text{Derating Tranche Depth(Derating Tranche)} \times \frac{\text{Derating Tranche QTY}}{2}.$$

3. Derating Tranche QTY is the number of Trading Intervals in the Derating Tranche.

C.2.6. Determine the Reference Day ESR Obligation Duration Uplift as:

Sub-Reference ESROD ESR Capacity – Total Accumulated Depth

Where Total Accumulated Depth is the sum of all Derating Tranche Depths for all Derating Tranches for all ESRDR Groups.

**Step C.3: Determine the ESR Obligation Duration Uplift**

C.3.1. Determine the ESR Obligation Duration Uplift as the median of all Reference Day ESR Obligation Uplifts rounded to the nearest multiple of 1, expressed in MW.

## **Schedule 2**

### **1. Amendments to the electricity system and market rules to reflect application of new terminology**

- 1.1 Replace each instance of the words 'WEM Rules' in the electricity system and market rules with the words 'ESM Rules', except in the heading above section 1.1, the heading of section 1.1 and the Glossary definition of 'WEM Rules'.
- 1.2 Replace each instance of the words 'WEM Regulations' in the electricity system and market rules with the words 'ESM Regulations', except in the Glossary definition of 'WEM Regulations'.
- 1.3 Replace each instance of the words 'Wholesale Market Objectives' in the electricity system and market rules with the words 'State Electricity Objective', except in the Glossary definition of 'Wholesale Market Objectives'.

### **2. Section 1.1 amended**

- 2.1 Delete the words 'WEM Rules' and replace them with the words 'Electricity System and Market Rules' in the heading above section 1.1.
- 2.2 Delete the words 'WEM Rules' and replace them with the words 'the Electricity System and Market Rules' in the heading of section 1.1.
- 2.3 Delete the words 'market rules' and replace them with the words 'Electricity System and Market Rules ("ESM Rules")' in clause 1.1.1.
- 2.4 Delete the words '2004 ("Electricity industry Act")' in clause 1.1.1.

### **3. Section 1.2 amended**

- 3.1 Delete section 1.2 and replace it with the following:

#### **1.2. State Electricity Objective**

- 1.2.1. The State Electricity Objective is to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity in relation to:
  - (a) the quality, safety, security and reliability of supply of electricity; and
  - (b) the price of electricity; and
  - (c) the environment, including reducing greenhouse gas emissions.

### **4. Section 1.63 amended**

- 4.1 Delete the final paragraph of clause 1.63.9(b) and replace it with the following:

where ActualCPI<sub>[year]</sub> is the latest decimal value of the published annual percentage change in the Australian Bureau of Statistics quarterly Consumer Price Index for the Australian all groups (not seasonally adjusted), for June of that year.

**5. Section 1.65 amended**

- 5.1 Delete the words '(not seasonally adjusted)' and replace them with the words 'excluding bonuses (original)' in clause 1.65.4(b).
- 5.2 Delete the words '(not seasonally adjusted)' and replace them with the words 'excluding bonuses (original)' in clause 1.65.5(b).

**6. Section 1.68 inserted**

- 6.1 Insert the following new section 1.68:

**1.68. Transitional Provisions for the Economic Regulation Authority's Determination of the Benchmark Reserve Capacity Prices for the 2026 Reserve Capacity Cycle**

- 1.68.1. Clause 4.16.1 is modified so that the Economic Regulation Authority must publish the Benchmark Reserve Capacity Prices for the 2026 Reserve Capacity Cycle prior to 16 March 2026.
- 1.68.2. Clause 4.16.9(b) is modified so that the Economic Regulation Authority must review the WEM Procedure referred to in clause 4.16.3 within the timeframe required to meet the requirement of clause 1.68.1.
- 1.68.3. Clause 4.3.1(f) does not apply to the 2026 Reserve Capacity Cycle.

**7. Section 2.13 amended**

- 7.1 Delete the words 'Subject to clause 2.13.7(b),' in clause 2.13.10.

**8. Section 2.16 amended**

- 8.1 Insert the words ', if applicable,' after the words 'define all data items, including' in clause 2.16.3(a)(ii).

**9. Section 2.16A amended**

- 9.1 Delete the word "[Blank]'" and replace it with the word "[Blank]" in clause 2.16A.1.
- 9.2 Delete the word "[Blank]'" and replace it with the word "[Blank]" in clause 2.16A.2.

**10. Section 2.29 amended**

- 10.1 Insert the following new clause 2.29.5AK:

2.29.5AK. Synergy is the only Market Participant that may apply to AEMO to associate a Non-Dispatchable Load with a Demand Side Programme or an Interruptible Load under clause 2.29.5B, if that Non-Dispatchable Load is associated with a non-contestable customer as defined in the Metering Code.

- 10.2 Insert the following new clause 2.29.5AL:

2.29.5AL. A Market Participant intending to apply under clause 2.29.5B to associate a Non-Dispatchable Load with a Demand Side Programme or Interruptible Load must ensure that the meter installed at the applicable Measurement Point complies with the requirements of an Interval Meter under clause 3.16 of the Metering Code.

**11. Section 2.31 amended**

11.1 Delete the words 'Electricity Industry (Metering) Code 2012' and replace them with the words 'Metering Code' in clause 2.31.2L.

**12. Section 3.8 amended**

12.1 In clause 3.8.3, insert a full stop after the clause number so it reads '3.8.3.'.

**13. Section 3.19 amended**

13.1 Delete clause 3.19.8 and replace it with the following:

3.19.8. [Blank]

**14. Section 4.5 amended**

14.1 Delete the words 'Relevant Year' and replace them with the words 'relevant year' in clause 4.5.10(a).

14.2 Delete the words 'Relevant Year' and replace them with the words 'relevant year' in clause 4.5.10(aA).

**15. Section 4.5B amended**

15.1 Delete the words 'market information' and replace them with the words 'Market Information' in clause 4.5B.6(h).

**16. Section 4.7 amended**

16.1 Insert the words 'and Reserve Capacity Security' after the words 'Certification of Reserve Capacity' in the heading above section 4.7.

**17. Section 4.8A amended**

17.1 Delete the heading above section 4.8A.

**18. Section 4.10 amended**

18.1 Insert the words 'or, where relevant, each component of the Facility' at the end of clause 4.10.1(fE)(vii) after the words 'level of the Facility'.

18.2 Delete the words 'or each component of the Facility,' after the words 'required for the Facility' in clause 4.10.1(fE)(viii).

18.3 Insert the words 'as appropriate for the Facility Class' after the word 'evidence' in clause 4.10.1(l).

**19. Section 4.11 amended**

19.1 Delete clause 4.11.1(c)(v) and replace it with the following:

v. [Blank]

**20. Section 4.13 amended**

20.1 Delete clause 4.13.11A and replace with it with the following:

4.13.11A. The payment obligation under clause 4.13.11 may be satisfied by AEMO drawing upon the Reserve Capacity Security for the Facility.

20.2 Insert the following new clause 4.13.11B:

4.13.11B. AEMO must pay the amount claimed under clauses 4.13.11 or 4.13.11A, as compensation, to Market Participants in proportion to their Individual Reserve Capacity Requirements during the relevant Trading Day in accordance with Chapter 9.

20.3 In clause 4.13.13, insert a full stop after the clause number so it reads '4.13.13.'.

20.4 Delete the words 'prior to the end of' and replace them with the word 'during' in clause 4.13.13(a).

**21. Section 4.13A amended**

21.1 Delete clause 4.13A.16 and replace with the following:

4.13A.16. The payment obligation under clause 4.13A.15 may be satisfied by AEMO drawing upon the DSP Reserve Capacity Security for the Demand Side Programme.

21.2 Insert the following new clause 4.13A.16A:

4.13A.16A. AEMO must pay the amount claimed under clauses 4.13A.15 or 4.13A.16, as compensation, to Market Participants in proportion to their Individual Reserve Capacity Requirements during the relevant Trading Day in accordance with Chapter 9.

**22. Section 4.13B amended**

22.1 Delete the words 'within five years of the start of the 2021 Reserve Capacity Cycle' and replace them with the words 'before 1 October 2026' in clause 4.13B.2(a).

22.2 Delete clause 4.13B.3(c) and replace it with:

(c) [Blank]

**23. Section 4.14 amended**

23.1 Delete the word 'or' in clause 4.14.1CB(a).

**24. Section 4.16 amended**

24.1 Insert the word 'Provider' after the words 'Benchmark Capacity' in clause 4.16.9(b).

24.2 Insert the following new clause 4.16.11A:

4.16.11A. A review conducted under clause 4.16.11(c) must also examine whether the method to determine ESR Duration Requirements for Electric Storage Resources as set out in clause 4.5.12(d) and Appendix 11 remains consistent with the State Electricity Objective.

**25. Section 4.24 amended**

25.1 Delete the word 'website' and replace it with the words 'WEM Website' in clause 4.24.1B(iA).

25.2 Delete the word 'website' and replace it with the words 'WEM Website' in clause 4.24.6(g).

25.3 Delete clause 4.24.7(c) and replace it with the following:

(c) the proposed commencement date and end date of the Supplementary Capacity Contract;

25.4 Delete the word 'day' and replace it with the words 'Trading Day' in clause 4.24.7(e)(i).

25.5 Delete the word 'day' and replace it with the words 'Trading Day' in clause 4.24.7(e)(ii).

25.6 Insert the words 'per MW per Trading Day, which must be the same price for each Trading Day during the term of the Supplementary Capacity Contract' after the word 'dollars' in clause 4.24.7(e)(iv)(1).

25.7 Insert the words 'per MW' after the words 'where the cost' in clause 4.24.8(c).

25.8 Delete the words 'the availability price' and replace them with the words 'the total availability payment per MW over the proposed contract period, assuming the service is fully available at the times proposed' in clause 4.24.8(c)(iii).

25.9 Delete clause 4.24.10(c)(i) and replace it with the following:

i. the quantity of supplementary capacity being offered;

25.10 Delete clause 4.24.10(c)(iv) and replace it with the following:

iv. the proposed availability price for the Eligible Service expressed in dollars per MW per Trading Day, which must be the same price for each Trading Day during the term of the Supplementary Capacity Contract;

25.11 Delete clause 4.24.10(c)(v) and replace it with the following:

- v. the proposed activation price for the Eligible Service, expressed in dollars per MW per hour of activation, where this price must reflect direct or opportunity costs incurred; and

25.12 Delete clause 4.24.11B(b) and replace it with the following:

- (b) the maximum service quantity contracted under the Supplementary Capacity Contract, expressed in MW;

25.13 Insert the following new clause 4.24.11B(bA):

- (bA) the initial verified service quantity contracted under the Supplementary Capacity Contract, expressed in MW;

25.14 Insert the following new clause 4.24.11B(dA):

- (dA) the commencement date and end date of the Supplementary Capacity Contract;

25.15 Delete clause 4.24.11B(e) and replace it with the following:

- (e) for an Eligible Service provided on an availability and activation basis:
  - i. the maximum number of hours on each Trading Day during the term of the Supplementary Capacity Contract that the Eligible Service will be available;
  - ii. the time of each Trading Day during the term of the Supplementary Capacity Contract that the Eligible Service must be available; and
  - iii. the availability price for the Eligible Service expressed in dollars per MW per Trading Day; and

25.16 Delete the words ‘, as defined in clause 4.24.7(e)(iv)(2) or 4.24.7(f)(iii), as applicable’ in clause 4.24.11B(f).

## **26. Section 4.28 amended**

26.1 Delete clause 4.28.4(b) and replace it with the following:

- (b) the net payments to be made by AEMO under all Supplementary Capacity Contracts for that Trading Day; less

26.2 Delete the words ‘; less’ and replace them with a comma at the end of clause 4.28.4(cA).

26.3 Delete clause 4.28.4(d).

26.4 Insert the following new clause 4.28.4D:

4.28.4D. For each Trading Day, AEMO must calculate a Reserve Capacity Security Compensation Amount being the sum of:

- (a) any amounts paid under clauses 4.13.11 or 4.13.11A; and
- (b) any amounts paid under clauses 4.13A.15 or 4.13A.16,

and AEMO must allocate this total amount to Market Participants in proportion to each Market Participant's Individual Reserve Capacity Requirement.

**27. Section 4.29 amended**

27.1 Delete clause 4.29.1(b)(ii) and replace it with the following:

ii The Flexible Reserve Capacity Price is:

$$FRCP = \begin{cases} \text{if } FRatio \leq 0.85 & FBRCP \times 1.6 \\ \text{if } 0.85 < FRatio < 1 & FBRCP \times (1 + (1 - FRatio) \times FRCPSlope1) \\ \text{if } FRatio = 1 & FBRCP \\ \text{if } 1 < FRatio < 1.15 & FBRCP \times (1 + (1 - FRatio) \times FRCPSlope2) \\ \text{if } FRatio \geq 1.15 & FBRCP \times 0.5 \end{cases}$$

where:

1. FRatio is  $\frac{FCC}{FRCR}$
2. FCC is the total number of Flexible Capacity Credits assigned by AEMO in accordance with clause 4.20.5A for the Reserve Capacity Cycle;
3. FRCR is the Flexible Reserve Capacity Requirement for the Reserve Capacity Cycle;
4. FBRCP is the Flexible Benchmark Reserve Capacity Price determined in accordance with section 4.16;
5. FRCPSlope1 is  $\frac{1.6-1}{1-0.85}$ ; and
6. FRCPSlope2 is  $\frac{1-0.5}{1.15-1}$ .

27.2 Delete clause 4.29.1D(a)(ii)(3) and replace it with the following:

3. CPI is the latest decimal value of the published annual percentage change in the Reserve Bank of Australia's Statement of Monetary Policy for the Australian Consumer Price Index forecast for June of Year 3 of the relevant Fixed Price Reserve Capacity Cycle, or if that value is not available, the mid-point of the Reserve Bank of Australia's latest decimal value of the published target range of inflation, at the time AEMO undertakes the calculation in clause 4.29.2A;

27.3 Delete clause 4.29.2(a) replace it with the following:

- (a) ForecastCPI<sub>cy</sub> is the latest decimal value of the published annual percentage change in the Reserve Bank of Australia's Statement of Monetary Policy for the Australian Consumer Price Index forecast for June of Year 3 of the relevant Reserve Capacity Cycle, or if that value is not available, the mid-point of the Reserve Bank of Australia's latest decimal

value of the published target range of inflation, at the time AEMO determines the information required under clause 4.29.2B;

27.4 Delete clause 4.29.2(c) and replace it with the following:

- (c) ActualCPI<sub>cy-2</sub> is the latest decimal value of the published annual percentage change in the Australian Bureau of Statistics quarterly Consumer Price Index for the Australian all groups (not seasonally adjusted), for June of Year 1 of the Reserve Capacity Cycle for Capacity Year cy or, if that value is not available, the latest available decimal value of the percentage change value in the Australian Bureau of Statistics quarterly Consumer Price Index for the Australian all groups (not seasonally adjusted).

27.5 Insert the following new clause 4.29.3(cB):

- (cB) the Reserve Capacity Security Compensation Amount for that Trading Day as defined in clause 4.28.4D;

**28. Section 6.3A. amended**

28.1 Delete clause 6.3A.2A.

**29. Section 6.4. amended**

29.1 Delete the words '6.3A.2A,' after the words 'clauses 6.2.3, 6.3.1, 6.3A.1, 6.3A.2,' in clause 6.4.6.

29.2 Delete clause 6.4.6(c) and replace it with the following:

- (c) [Blank]

29.3 Delete the words 'clauses 6.3A.2A and' and replace them with the word 'clause' in clause 6.4.6(e)(iii).

29.4 Delete the words '6.3A.2A,' after the words 'clauses 6.2.3, 6.3A.1, 6.3A.2,' in clause 6.4.6A.

29.5 Delete the word '6.3A.2A,' in clause 6.4.6A(a).

29.6 Delete clause 6.4.6A(b)(iii) and replace with the following:

- iii. [Blank]

29.7 Delete the words 'clauses 6.3A.2A and' and replace them with the word 'clause' in clause 6.4.6A(b)(v)(3).

**30. Section 7.6 amended**

30.1 Insert the words 'for energy' after the words 'Real-Time Market Submission' in clause 7.6.31(a).

30.2 Delete the words ', Withdrawal, or Frequency Co-optimised Essential System Service enablement,' and replace them with the words 'or Withdrawal' in clause 7.6.31(a)(ii).

30.3 Insert the following new clause 7.6.31(aA):

- (aA) amend, as required, its Real-Time Market Submissions for Frequency Co-optimised Essential System Services to reflect that the Registered Facility must operate at a fixed level of Injection or Withdrawal in the Dispatch Interval;

**31. Section 7.10 amended**

31.1 Delete the words 'Ramp Rate' and replace them with the words 'ramp rate' in clause 7.10.1(c).

31.2 Insert the following new clause 7.10.6B:

7.10.6B. If a Market Participant holds Capacity Credits associated with an Energy Producing System for a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility that also includes a Load, the Market Participant must not operate the Energy Producing System in a manner that results in, or has the effect of, reducing the Individual Reserve Capacity Requirement for the relevant Facility unless operating pursuant to a Dispatch Instruction or in accordance with a direction from AEMO.

**32. Section 7.11D amended**

32.1 Delete the words '6.3A.2A(b),' in clause 7.11D.5.

**33. Section 8.3 amended**

33.1 Insert the following new clause 8.3.1(bA).

- (bA) for each meter, record whether the Measurement Point is associated with a non-contestable or contestable customer, as defined under the Metering Code;

**34. Section 9.8 amended**

34.1 Delete clause 9.8.2 and replace it with the following:

9.8.2. The Reserve Capacity settlement amount for Market Participant p for Trading Day d is:

$$RC_{SA}(p, d) = Capacity\_Provider\_Payment(p, d) \\ - Capacity\_Purchaser\_Payment(p, d) \\ + Capacity\_Security\_Compensation(p, d)$$

where:

- (a) Capacity\_Provider\_Payment(p,d) is calculated in accordance with clause 9.8.3;
- (b) Capacity\_Purchaser\_Payment(p,d) is calculated in accordance with clause 9.8.4; and
- (c) Capacity\_Security\_Compensation(p,d) is calculated in accordance with clause 9.8.4A.

34.2 Insert the following new clause 9.8.4A:

9.8.4A. For the purposes of clause 9.8.2,  $Capacity\_Security\_Compensation(p,d)$  for Market Participant  $p$  for Trading Day  $d$  is:

$$\begin{aligned} Capacity\_Security\_Compensation(p,d) \\ &= Capacity\_Security\_Compensation(d) \\ &\times Capacity\_Share(p,d) \end{aligned}$$

where:

- (a)  $Capacity\_Security\_Compensation(d)$  is the Reserve Capacity Security Compensation Amount for Trading Day  $d$ , as specified under clause 4.29.3(cB); and
- (b)  $Capacity\_Share(p,d)$  is the Individual Reserve Capacity Requirement share for Market Participant  $p$  for Trading Day  $d$ , as specified under clause 9.8.4(f).

### 35. Section 9.9 amended

35.1 Delete the word 'and' in clause 9.9.9(e).

### 36. Glossary amended

36.1 Delete the words '4.6.11' and replace them with the words '4.16.11' in the definition of Benchmark Flexible Capacity Provider.

36.2 Delete the words '4.6.11' and replace them with the words '4.16.11' in the definition of Benchmark Peak Capacity Provider.

36.3 Insert the following new definition of Candidate Fixed Price Component:

**Candidate Fixed Price Component:** A Facility Technology Type within a Facility that has been nominated to be classified as a Fixed Price Component in accordance with clause 4.14.1B.

36.4 Insert the following new definition of Electricity System and Market Rules:

**Electricity System and Market Rules:** These rules made under the ESM Regulations and contemplated by section 123 of the *Electricity Industry Act 2004*.

36.5 Insert the following new definition of ESM Regulations:

**ESM Regulations:** The *Electricity Industry (Electricity System and Market) Regulations 2004*.

36.6 Insert the following new definition of ESM Rules:

**ESM Rules:** The Electricity System and Market Rules.

36.7 Insert the word 'a' after the words 'has continuously bound within or across' in the definition of Fixed Assessment Period.

36.8 Delete the definition of Flexible Fixed Price Reserve Capacity Cycle and replace it with the following:

**Flexible Fixed Price Reserve Capacity Cycle:** For a Fixed Price Component that was first assigned Peak Capacity Credits and Flexible Capacity Credits in the same Reserve Capacity Cycle:

- (a) if the Fixed Price Component was nominated in accordance with clause 4.14.1B(a):
  - i. the Reserve Capacity Cycle in which the Fixed Price Component was first assigned Flexible Capacity Credits; or
  - ii. any of the subsequent four Reserve Capacity Cycles; and
- (b) if the Fixed Price Component was nominated in accordance with clause 4.14.1B(b):
  - i. the Reserve Capacity Cycle in which the Fixed Price Component was first assigned Flexible Capacity Credits; or
  - ii. any of the subsequent nine Reserve Capacity Cycles.

36.9 Delete the word 'Peak' after the words 'to be classified as a' in the definition of Fixed Price Component.

36.10 Insert the following new definition of Interval Meter:

**Interval Meter:** Has the meaning given to it in the Metering Code.

36.11 Delete the words 'Electricity Industry (Metering) Code 2012' and replace them with the words 'Metering Code' in the definition of Measurement Point.

36.12 Insert the following new definition of Metering Code:

**Metering Code:** The Electricity Industry (Metering) Code 2012.

36.13 Delete the definition of Notional Wholesale Meter and replace it with the following:

**Notional Wholesale Meter:** A notional interval meter representing Non-Dispatchable Loads served by Synergy that are deemed to not have interval meters.

36.14 Delete the words 'Means the' and replace them with the words 'The former' in the definition of Panel Regulations.

36.15 Delete the definition of Peak Fixed Price Reserve Capacity Cycle and replace it with the following:

**Peak Fixed Price Reserve Capacity Cycle:** Means:

- (a) for a Fixed Price Component that was nominated in accordance with clause 4.14.1B(a):

- i. the Reserve Capacity Cycle in which the Fixed Price Component was first assigned Peak Capacity Credits; or
  - ii. any of the subsequent nine Reserve Capacity Cycles; and
- (b) for all other Fixed Price Facilities and Fixed Price Components:
- i. the Reserve Capacity Cycle in which the Fixed Price Facility or Fixed Price Component was first assigned Peak Capacity Credits; or
  - ii. any of the subsequent four Reserve Capacity Cycles.

36.16 Insert the following new definition of RD Profile Reference Period:

**RD Profile Reference Period:** For a Reserve Capacity Cycle, the five year period ending at 8:00 AM on 1 October of Year 1 of the previous Reserve Capacity Cycle.

36.17 Insert the following new definition of Reserve Capacity Security Compensation Amount:

**Reserve Capacity Security Compensation Amount:** The amount determined in accordance with clause 4.28.4D.

36.18 In the definition of RLM Reference Period, delete the word 'Capacity' after the words '1 April of'.

36.19 Insert the following new definition of State Electricity Objective:

**State Electricity Objective:** The objectives set out in Section 3A(1) of the Electricity Industry Act and repeated in clause 1.2.1 of these ESM Rules.

36.20 Delete the definition of WEM Regulations and insert the following new definition:

**WEM Regulations:** The ESM Regulations.

36.21 Delete the definition of WEM Rules and insert the following new definition:

**WEM Rules:** The Electricity System and Market Rules.

36.22 Delete the definition of Wholesale Market Objectives and insert the following new definition:

**Wholesale Market Objectives:** The State Electricity Objective.

### 37. Appendix 3 amended

- 37.1 Delete the words 'Facility Upgrade that is a' in each of the two dot points in the first objective listed at the start of Appendix 3.
- 37.2 Delete the words 'Facility Upgrade that is a ' in the heading of Part A of Appendix 3.
- 37.3 Delete the words 'Facility Upgrade that is a ' in the heading of Part B of Appendix 3.

- 37.4 Insert the words 'or Candidate Fixed Price Components' after the words 'Candidate Fixed Price Facilities' in Step 5(a)(ii) of part B of Appendix 3.
- 37.5 Delete the words 'Facility Upgrades that are' in Step 6A of Part B of Appendix 3.
- 37.6 Delete the words 'committed Candidate Fixed Price' and 'that is a Candidate Fixed Price Component' in Step 6A(a) of Part B of Appendix 3.
- 37.7 Delete the words 'Facility Upgrades that are' in Step 6B(a)(ii) of Part B of Appendix 3.

**38. Appendix 7 amended**

- 38.1 Delete the words 'RLM Reference Period' and replace them with the words 'RD Profile Reference Period' in Step 1 of Appendix 7.
- 38.2 Delete Step 1(d) of Appendix 7 and replace it with the following:
  - (d) DSP\_Reduction(t) is half the sum of the quantities calculated by AEMO under clause 7.13.5 for each Demand Side Programme for Trading Interval t.
- 38.3 Delete the words 'RLM Reference Period' and replace them with the words 'RD Profile Reference Period' in Step 2 of Appendix 7.
- 38.4 Delete the word 'Current' and replace it with the word 'current' in Step 2 of Appendix 7.
- 38.5 Delete the words 'RLM Reference Period' and replace them with the words 'RD Profile Reference Period' in Step 3 of Appendix 7.
- 38.6 Delete the words 'RLM Reference Period' and replace them with the words 'RD Profile Reference Period' in Step 4 of Appendix 7.
- 38.7 Delete the word 'Current' and replace it with the word 'current' in Step 5 of Appendix 7.

**39. Appendix 12 amended**

- 39.1 Delete the words '(i)' and '(ii)' and replace them with the words 'i.' and 'ii.' in clause A12.4.2.7(a) of Appendix 12.
- 39.2 Delete the words '(i)' and '(ii)' and replace them with the words 'i.' and 'ii.' in clause A12.4.2.10(b) of Appendix 12.
- 39.3 Delete the words '(i)' and '(ii)' and replace them with the words 'i.' and 'ii.' in clause A12.4.3.5(a) of Appendix 12.
- 39.4 Delete the words '(i)' and '(ii)' and replace them with the words 'i.' and 'ii.' in clause A12.9.2.2(c) of Appendix 12.
- 39.5 Delete the words '(i)' and '(ii)' and replace them with the words 'i.' and 'ii.' in clause A12.9.2.5(a) of Appendix 12.

39.6 Delete the words '(i)' and '(ii)' and replace them with the words 'i.' and 'ii.' in clause A12.9.3.5(a) of Appendix 12.

### **Schedule 3**

#### **1. Section 1.69 inserted**

1.1 Insert the following new section 1.69:

##### **1.69. Transitional provision for Demand Side Programmes in the 2024 Reserve Capacity Cycle and the 2025 Reserve Capacity Cycle**

1.69.1. Clause 2.29.5AC does not apply to the 2024 Reserve Capacity Cycle and the 2025 Reserve Capacity Cycle.

#### **2. Section 2.13 amended**

2.1 Delete clause 2.13.7 and replace it with the following:

2.13.7. AEMO must, in accordance with the WEM Procedure referred to in clause 2.15.4:

- (a) monitor Rule Participants' behaviour for compliance with the ESM Rules specified in the list referred to in clause 2.16.2A(aA);
- (b) monitor Rule Participants' behaviour for compliance with clause 4.12.2(d);
- (c) ensure it has processes and systems in place to enable it to monitor Rule Participants' behaviour in accordance with clauses 2.13.7(a) and 2.13.7(b) and in accordance with the list of ESM Rules that AEMO must monitor for compliance provided under clause 2.16.2A(aA) including developing systems for monitoring;
- (d) support the Economic Regulation Authority's monitoring of Rule Participants' behaviour, including having processes and systems to provide the Economic Regulation Authority with data, information, documents or analysis under clauses 2.13.4, 2.13.7, 2.13.8(a), 2.13.8(b) or 2.13.14, as applicable; and
- (e) subject to clause 2.13.12, record and report to the Economic Regulation Authority any alleged breach of the ESM Rules or WEM Procedures resulting from its monitoring under clauses 2.13.7(a) and 2.13.7(b).

#### **3. Section 2.29 amended**

3.1 Delete clause 2.29.5BA.

3.2 Delete clause 2.29.5E(b) and replace it with the following:

- (b) the meter installed at the Measurement Point of the Non-Dispatchable Load does not comply with the requirements of an Interval Meter described under clause 3.16 of the Metering Code;

3.3 Delete the words '[Blank]' and replace them with the words 'AEMO considers that the application does not comply with clauses 2.29.5AC or 2.29.5AK;' in clause 2.29.5E(c).

3.4 Insert the following new clause 2.29.5EA:

2.29.5EA. In considering whether to accept an application in accordance with clause 2.29.5E, AEMO must, with the assistance of the Network Operator, confirm that the Transmission Node Identifier for the relevant Non-Dispatchable Load matches the single Transmission Node Identifier for the Demand Side Programme.

3.5 Insert the word 'and' after the words 'Commercial Operation;' in clause 2.29.13(c).

3.6 Delete the word '; and' and replace it with a full stop in clause 2.29.13(d).

3.7 Delete clause 2.29.13(e).

#### **4. Section 2.33 amended**

4.1 Delete the word 'and' in clause 2.33.3(a)(i).

4.2 Insert the word 'and' after the words 'clause 2.29.5AB(a);' in clause 2.33.3(a)(ii).

4.3 Insert the following new clause 2.33.3(a)(iii):

iii. must be a single Application Fee for multiple Small Aggregations being registered by the same Market Participant;

#### **5. Section 4.5 amended**

5.1 Insert the following new clause 4.5.10(bB):

(bB) [Blank]

#### **6. Section 4.10 amended**

6.1 Delete the word 'and' in clause 4.10.1(e)(v)(1)(ii).

6.2 Insert the word the word 'and' after the words 'Business Days;' in clause 4.10.1(e)(v)(2).

6.3 Insert the word 'and' after the words 'operational performance data;' in clause 4.10.1(fA)(v).

6.4 Delete clause 4.10.1(fA)(vi)(3).

#### **7. Section 4.11 amended**

7.1 In clause 4.11.4, insert a full stop after the clause number so it reads '4.11.4.'

7.2 Insert the words 'or component of a Facility' after the word 'Facility' in clause 4.11.4(a)(ii).

#### **8. Section 4.14 amended**

8.1 Delete clause 4.14.1CB(a) and replace it with the following:

- (a) either:
  - i. it holds Peak Certified Reserve Capacity in Capability Class 1 and it holds Flexible Certified Reserve Capacity; or
  - ii. it holds Peak Certified Reserve Capacity in Capability Class 1 or Capability Class 2, and:
    - 1. AEMO has advised the applicant under clause 4.9.9(b) that AEMO considers that the Energy Producing System will only be fuelled from Eligible Renewable Energy Sources; or
    - 2. it is an Electric Storage Resource that can maintain output at the level of its Peak Certified Reserve Capacity traded bilaterally under clause 4.14.1(c) in each Trading Day for at least as long as the highest forecast ESR Duration Requirement for any Capacity Year in the Long Term PASA Study Horizon published in the most recent Electricity Statement of Opportunities;

Delete clauses 4.14.1CB(b) and replace it with the following:

- (b) [Blank]

8.2 Delete clause 4.14.1CC and replace it with the following:

4.14.1CC.If:

- (a) a Facility Technology Type within a Facility that has been classified as a Fixed Price Component under clause 4.14.1B(b) in a previous Reserve Capacity Cycle either:
  - i. for a Facility nominated in accordance with clause 4.14.1CB(a)(i), does not hold Flexible Capacity Credits in the current Reserve Capacity Cycle;
  - ii. for a Facility nominated in accordance with clause 4.14.1CB(a)(ii)(1), AEMO has advised the applicant under clause 4.9.9(b) that AEMO considers that the energy sources used by the Energy Producing System have not been or will not be from Eligible Renewable Energy Sources, or the applicant has not provided sufficient evidence under clauses 4.10.1(e)(v)(3) or 4.10.1(fA)(vi)(2) to allow AEMO to make a determination under clause 4.9.9(b); or
  - iii. for a Facility nominated in accordance with clause 4.14.1CB(a)(ii)(2), if the Facility Technology Type is an Electric Storage Resource, it cannot currently maintain output at the level of its Peak Certified Reserve Capacity for at least as long as the highest expected ESR Duration

Requirement for any year in the Long Term PASA Study Horizon published in the Electricity Statement of Opportunities for Year 1 of the Reserve Capacity Cycle in which the Facility Technology Type was first awarded Peak Certified Reserve Capacity; and

- (b) the Fixed Daily Peak Reserve Capacity Price for that Fixed Price Component is greater than or equal to the Floating Daily Peak Reserve Capacity Price,

then in the current Reserve Capacity Cycle and all future Reserve Capacity Cycles, AEMO must no longer treat that Facility Technology Type as if it had been nominated as a Fixed Price Component under clause 4.14.1B(b), but instead must treat it as if it had been nominated as a Fixed Price Component under clause 4.14.1B(a).

## 9. Section 4.24 amended

- 9.1 In clause 4.24.1B, delete the words 'clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD' and replace them with the words 'clauses 4.24.1A, 4.24.1AB or 4.24.1AD'.
- 9.2 In clause In clause 4.24.1C, delete the words 'clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD' and replace them with the words 'clauses 4.24.1A, 4.24.1AB or 4.24.1AD'.
- 9.3 Insert the word 'and' after the words 'Hot Season;' in clause 4.24.13(h)(i)(1).
- 9.4 In clause 4.24.18(c), delete the words 'clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD' and replace them with the words 'clauses 4.24.1A, 4.24.1AB or 4.24.1AD'.
- 9.5 In clause 4.24.18B, delete the words 'clause 4.24.1A, clause 4.24.1AB, or clause 4.24.1AD' and replace them with the words 'clauses 4.24.1A, 4.24.1AB or 4.24.1AD'.

## 10. Appendix 7 amended

- 10.1 Delete Step 1 of Appendix 7 and replace it with the following:

Step 1. Determine the "Observed Demand" (in MW) for each Trading Interval in the RD Profile Reference Period as:

$$\begin{aligned} \text{Observed\_Demand}(t) &= (\text{Total\_Generation}(t) + \text{Interruptible\_Reduction}(t) \\ &+ \text{Involuntary\_Reduction}(t) + \text{DSP\_Reduction}(t) \\ &+ \text{SC\_Reduction}(t) + \text{NCESS\_Reduction}(t)) \times 2 \end{aligned}$$

where:

- (a) Total\_Generation(t) is the Total Sent Out Generation in Trading Interval t;
- (b) Interruptible\_Reduction(t) is the quantity published under clause 7.13.1F(b) for Trading Interval t;

- (c) Involuntary\_Reduction(t) is the quantity published under clause 7.13.1F(a) for Trading Interval t;
- (d) DSP\_Reduction(t) is half the sum of the quantities calculated by AEMO under clause 7.13.5 for each Demand Side Programme for Trading Interval t;
- (e) SC\_Reduction(t) is the quantity published under clause 7.13.1FA(a) for Trading Interval t; and
- (f) NCESS\_Reduction(t) is the quantity published under clause 7.13.1FA(b) for Trading Interval t.

## 11. Appendix 9 amended

11.1 Delete Step 7 of Appendix 9 and replace it with the following:

Step 7: Determine for each Trading Interval in each 12 month period identified in Step 1(b) the Existing Facility Load for Scheduled Generation (in MWh) as:  

$$(\text{Total\_Generation} + \text{DSP\_Reduction} + \text{Interruptible\_Reduction} + \text{Involuntary\_Reduction} + \text{SC\_Reduction} + \text{NCESS\_Reduction}) - \text{CF\_Generation}$$

where:

- (a) Total\_Generation is the Total Sent Out Generation of all Registered Facilities in the Trading Interval;
- (b) DSP\_Reduction is half the sum of the quantities calculated by AEMO under clause 7.13.5 for each Demand Side Programme for the Trading Interval;
- (c) Interruptible\_Reduction is the quantity published under clause 7.13.1F(b) for the Trading Interval;
- (d) Involuntary\_Reduction is the quantity published under clause 7.13.1F(a) for the Trading Interval;
- (e) SC\_Reduction is the quantity published under clause 7.13.1FA(a) for the Trading Interval;
- (f) NCESS\_Reduction is the quantity published under clause 7.13.1FA(b) for the Trading Interval; and
- (g) CF\_Generation is the total sent out generation of all Candidate Facilities in the Trading Interval, as identified in Step 4.

## **Schedule 4**

### **1. Section 2.13 amended**

- 1.1 Delete the words 'clause 4.12.2(d)' and replace them with the words 'clauses 4.12.2(d) and 7.10.6B' in clause 2.13.7(b).

### **2. Section 2.29 amended**

- 2.1 Delete the words 'clause 4.29.5AG' and replace them with the words 'clause 2.29.5AG' in clause 2.29.5AH(a).
- 2.2 Delete the words 'clause 4.29.5AG' and replace them with the words 'clause 2.29.5AG' in clause 2.29.5AH(b).
- 2.3 Delete the word 'and' in clause 2.29.13(c).
- 2.4 Delete the full stop at the end of clause 2.29.13(d) and replace it with the words '; and'.
- 2.5 Insert the following new clause 2.29.13(e):
- (e) monitoring compliance with clause 7.10.6B in accordance with the WEM Procedure referred to in clause 2.15.4.

### **3. Section 4.11 amended**

- 3.1 Delete the word 'or' in clause 4.11.1(c)(iv).
- 3.2 Delete clause 4.11.1(c)(v) and replace it with the following:
- v. during any of the previous three Capacity Years, a Market Participant held Capacity Credits for that Facility, and did not comply with clause 7.10.6B in respect of the Facility; or

### **4. Section 4.13A amended**

- 4.1 Delete clause 4.13A.16 and replace it with the following:
- 4.13A.16. The payment obligation under clauses 4.13A.15 or 4.13A.15A may be satisfied by AEMO drawing upon:
- (a) if the payment obligation is under clause 4.13A.15, the DSP Reserve Capacity Security for the relevant registered Demand Side Programme; or
  - (b) if the payment obligation is under clause 4.13A.15A, the single DSP Reserve Capacity Security that AEMO holds under clause 4.13A.5A in accordance with clause 4.13A.5B.
- 4.2 Insert the words ', 4.13A.15A' after the words 'clauses 4.13A.15' in clause 4.13A.16A.

### **5. Section 4.26 amended**

5.1 Delete the full stop at the end of clause 4.26.1A(a)(ii)(5)(ii) and replace it with the words ‘; and’.

5.2 Delete clause 4.26.2D(a) and replace it with the following:

- (a) if AEMO has issued a Dispatch Instruction with a non-zero MW quantity under section 7.6 to the Demand Side Programme f for the Trading Interval:

$$\max\left(0, \min(RCOQ(f, t), DIMW(f, t)) - \max(0, RD(f, t) - DSPLMW(f, t))\right)$$

where:

- i. RCOQ(f,t) is the Reserve Capacity Obligation Quantity of the Demand Side Programme f for Trading Interval t (in MW);
- ii. DIMW(f,t) is the quantity by which the Demand Side Programme f was instructed by AEMO to restrict its DSP Energy Level in Trading Interval t as specified by AEMO in accordance with clause 7.13.5;
- iii. RD(f,t) is the Relevant Demand of the Demand Side Programme f for Trading Interval t, determined by AEMO in accordance with clause 4.26.2CA; and
- iv. DSPLMW(f,t) is the Demand Side Programme Load of the Demand Side Programme f in Trading Interval t, multiplied by two to convert to units of MW; and

## 6. Section 4.28 amended

6.1 Insert the words ‘, 4.13A.15A’ after the words ‘under clauses 4.13A.15’ in clause 4.28.4D(b).

## 7. Section 4.30 amended

7.1 Delete the words ‘WEM Rules’ and replace them with the words ‘ESM Rules’ in clause 4.30.4.

## 8. Section 7.4A amended

8.1 Insert the word ‘the’ before the words ‘Reserve Capacity Test will be conducted’ in clause 7.4A.8(a).

## 9. Section 7.6 amended

9.1 Delete the word ‘of’ after the words ‘DSP Energy Level of’ in clause 7.6.13A.

## 10. Section 7.10 amended

10.1 Delete the clause 7.10.6B which includes the words ‘Non-Dispatchable Load’.

10.2 Delete clause 7.10.6C.

## 11. Section 7.13 amended

11.1 Delete the word 'Withdrawal' in clause 7.13.1G(a)(i).

## **12. Appendix 7 amended**

12.1 Delete step 1(d) in Appendix 7 and replace it with the following:

- (d) DSP\_Reduction(t) is the quantity published under clause 7.13.1F(c) for Trading Interval t;

## **13. Appendix 9 amended**

13.1 Delete step 7(b) of Appendix 9 and replace it with the following:

- (b) DSP\_Reduction is the quantity published under clause 7.13.1F(c) for the Trading Interval;

## **14. Appendix 10 amended**

14.1 Insert the letter ' f ' after the words 'for a Demand Side Programme' in the opening sentence of Appendix 10.

14.2 Delete the words 'Trading Day' and replace them with the word 'day' in the definition of "Event Day" in Appendix 10.

14.3 Delete the words 'The "**Baseline Window**" for a Demand Side Programme on an Event Day d is the 50 Trading Days from Trading Day d-50 to Trading Day d-1.' and replace them with the words 'The "**Baseline Window**" for a Demand Side Programme on an Event Day d is the 50 days from day d-50 to day d-1.'

14.4 Delete the words 'Trading Days' and replace them with the word 'days' in each place they occur in step 1.1 of Appendix 10.

14.5 Delete the words 'Trading Days' and replace them with the word 'days' in step 1.2 of Appendix 10.

14.6 Delete the words 'Trading Days' and replace them with the word 'days' in step 1.3 of Appendix 10.

14.7 Delete the words 'Trading Day(s)' and replace them with the word 'day(s)' in step 1.3 of Appendix 10.

14.8 Delete the words 'Trading Days' and replace them with the word 'days' in step 1.4 of Appendix 10.

14.9 Delete the words 'Trading Days' and replace them with the word 'days' in each place they occur in step 1.5 of Appendix 10.

14.10 Delete the words 'Trading Days' and replace them with the word 'days' in step 1.6 of Appendix 10.

14.11 Delete the words 'Trading Day(s)' and replace them with the word 'day(s)' in step 1.7 of Appendix 10.

- 14.12 Delete the words 'Trading Days' and replace them with the word 'days' in step 1.7 of Appendix 10.
- 14.13 Delete the words 'Trading Days' and replace them with the word 'days' in step 1.8 of Appendix 10.
- 14.14 Delete the words 'Trading Day' and replace them with the words 'Selected Day' in step 2.1(b) of Appendix 10.
- 14.15 Delete the words '(on Event Day d)' in step 3.1 of Appendix 10.
- 14.16 Delete the words 'Trading Day' and replace them with the words 'Event Day' in step 3.2(a) of Appendix 10.
- 14.17 Insert the following at the end of step 3.4 of Appendix 10:
- where:
- (a) Average Unadjusted Baseline Energy( $f,d$ ) is the Average Unadjusted Baseline Energy for Demand Side Programme  $f$  on Event Day  $d$  as determined in step 3.3; and
  - (b) Adjustment Window Energy( $f,d$ ) is the Adjustment Window Energy for Demand Side Programme  $f$  on Event Day  $d$  as determined in step 3.2.

## **Schedule 5**

### **1. Section 1.63 amended**

1.1 Delete the full stop at the end of clause 1.63.10(g) and replace it with a semi-colon.

### **2. Section 4.12 amended**

2.1 Delete the word 'Peak' before the words 'Peak Capacity Credits, as follows:' in clause 4.12.5.

### **3. Section 4.13 amended**

3.1 Insert the word 'Peak' before the words 'Individual Reserve Capacity Requirements' in clause 4.13.11B.

### **4. Section 4.13A amended**

4.1 Delete one of the colons at the end of clause 4.13A.15A.

4.2 Delete the word 'If' and replace it with the word 'if' in clause 4.13A.15A(a).

4.3 Insert the word ' or' after the words 'Capacity Year;' in clause 4.13A.15A(a)(ii).

4.4 Delete the word 'If' and replace it with the word 'if' in clause 4.13A.15A(b).

4.5 Insert the word 'Peak ' before the words 'Individual Reserve Capacity Requirements' in clause 4.13A.16A.

4.6 Delete the word 'Peak ' before the words 'Peak Individual Reserve Capacity Requirements' in clause 4.13A.16(d).

### **5. Section 4.13B amended**

5.1 Delete the words 'Wholesale Market Objectives' and replace them with the words 'State Electricity Objective' in clause 4.13B.3(e).

5.2 Delete the words 'Wholesale Market Objectives' and replace them with the words 'State Electricity Objective' in clause 4.13B.3(g).

### **6. Section 4.25 amended**

6.1 Delete the semi-colon at the end of clause 4.25.1B(a)(ii) and replace it with a comma.

6.2 Delete the words 'clause 4.25.2(e)(i)' and replace them with the words 'clauses 4.25.1C(c)(i) or 4.25.2(e)(i)' in clause 4.25.2A.

6.3 Delete clause 4.25.2AB.

6.4 Insert the words ', 4.25.2(b)' after the words 'under clauses 4.25.2(a)(ii)' in clause 4.25.2B.

6.5 Insert the following new clause 4.25.2BA:

4.25.2BA. AEMO must subject a Facility or Separately Certified Component to a Reserve Capacity Test under clauses 4.25.1C(a)(ii), 4.25.1C(b) or 4.25.1C(c)(ii) if:

- (a) AEMO has determined, in accordance with clauses 4.25.1C(a)(i) or 4.25.1C(c)(i), that the Facility or Separately Certified Component of the Facility, as applicable, did not demonstrate the capability specified in clause 4.25.1B(a):
  - i. in respect of the period 1 October to 31 January, by 31 January that same year; or
  - ii. in respect of the period 1 April to 31 July, by 31 July that same year;
- (b) the Market Participant for the Facility has not provided meter data, recorded by the Facility Sub-Metering to AEMO, if applicable, in accordance with and by the time specified in clause 4.25.2A;
- (c) AEMO is conducting a re-test in accordance with clause 4.25.3F, clause 4.25.6(b)(ii), clause 4.25.6(a)(ii) and/or 4.25.6(c)(ii); or
- (d) a Demand Side Programme has failed to deliver the quantity determined by AEMO under clause 7.13.5.

6.6 Delete the words 'WEM Rules' and replace them with the words 'ESM Rules' in clause 4.25.4CB.

6.7 Delete clause 4.25.4CE and replace it with the following:

4.25.4CE. The payment obligation under clause 4.25.4CD may be satisfied by AEMO drawing upon the DSP Reserve Capacity Security for the Demand Side Programme.

6.8 Insert the following new clause 4.25.4CF:

4.25.4CF. AEMO must pay the amount claimed under clauses 4.25.4CD or 4.25.4CE, as compensation, to Market Participants in proportion to their Peak Individual Reserve Capacity Requirements during the relevant Trading Day in accordance with Chapter 9.

6.9 Delete the words 'clause 4.25.1C or clause 4.25.2' and replace them with the words 'clauses 4.25.1C or 4.25.2' in clause 4.25.4G.

6.10 Delete the words 'clause 4.25.3F or clause 4.25.4' and replace them with the words 'clauses 4.25.3F or 4.25.4' in clause 4.25.4G.

6.11 Delete the words 'clause 4.25.1C or clause 4.25.2' and replace them with the words 'clauses 4.25.1C or 4.25.2' in clause 4.25.4H.

6.12 Delete the words 'clause 4.25.4 or 4.25.3G' and replace them with the words 'clauses 4.25.4 or 4.25.3G' in clause 4.25.5.

6.13 Delete the words 'clause 4.25.4I or clause 4.25.5' and replace them with the words 'clauses 4.25.4I or 4.25.5' in clause 4.25.6.

## 7. Section 4.26 amended

7.1 Delete clause 4.26.1(b)(v) and replace it with the following:

v. if Facility f is a Demand Side Programme:

$$PY(f,t) = \frac{EDPRCP(f,t)}{48} \times \frac{TICY(t)}{DSPTICY(f,t)}$$

where:

1. EDPRCP(f,t) is the Entity Daily Peak Reserve Capacity Price for Facility f in Trading Interval t; and
2. TICY(t) is the number of Trading Intervals in the Capacity Year in which Trading Interval t falls; and
3. DSPTICY(f,t) is the number of Trading Intervals in the Capacity Year in which Trading Interval t falls which fall in the period specified under clause 4.10.1(f)(vi) for Demand Side Programme f.

7.2 Delete the semi-colon at the end of clause 4.26.1(f)(i)(3) and replace it with a full stop.

7.3 Delete the words '; and' and replace them with a full stop in clause 4.26.1(g)(ii).

7.4 Delete the semi-colon at the end of clause 4.26.1(h)(iii) and replace it with a full stop.

7.5 Delete the semi-colon at the end of clause 4.26.1(i)(iv)(3) and replace it with a full stop.

7.6 Delete the words '; and' and replace them with a full stop in clause 4.26.1(j)(ii).

7.7 Delete the word 'Peak' before the words 'Peak Capacity Shortfall' in clause 4.26.1AA.

7.8 Delete clause 4.26.3A(b)(i)(1) and replace it with the following:

1. if Facility f is a Registered Facility:

$$PTIRR(f,t) \times PCS$$

where:

- i. PCS is the Peak Capacity Shortfall in MW for Facility f in Trading Interval t determined in accordance with clause 4.26.2D, and
- ii. PTIRR(f,t) is the Peak Trading Interval Refund Rate for Facility f in Trading Interval t; or

7.9 In clause 4.26.4A, insert a full stop after the clause number so it reads '4.26.4A.'

7.10 Delete clause 4.26.14(a) and replace it with the following:

- (a) if AEMO has issued a Dispatch Instruction with a non-zero MW quantity under section 7.6 to the Demand Side Programme f for the Trading Interval:

$$\max(0, \min(\text{FRCOQ}(f,t), \text{DIMW}(f,t)) - \max(0, \text{RD}(f,t) - \text{DSPLMW}(f,t)))$$

where:

- i. FRCOQ(f,t) is the Flexible Reserve Capacity Obligation Quantity of the Demand Side Programme f for Trading Interval t (in MW);
- ii. DIMW(f,t) is the quantity by which the Demand Side Programme f was instructed by AEMO to restrict its DSP Energy Level in Trading Interval t as specified by AEMO in accordance with clause 7.13.5;
- iii. RD(f,t) is the Relevant Demand of the Demand Side Programme f for Trading Interval t, determined by AEMO in accordance with clause 4.26.2CA; and
- iv. DSPLMW(f,t) is the Demand Side Programme Load of the Demand Side Programme f in Trading Interval t, multiplied by two to convert to units of MW; and

7.11 Delete clause 4.26.18(b)(i)(1) and replace it with the following:

1. if Facility f is a Registered Facility:

$$FTIRR(f, t) \times FCS(f, t)$$

where:

- i. FCS(f,t) is the Flexible Capacity Shortfall in MW for Facility f determined in accordance with clause 4.26.14 in Trading Interval t, and
- ii. FTIRR(f,t) is the Flexible Trading Interval Refund Rate for Facility f in Trading Interval t; or

## 8. Section 4.28 is amended

- 8.1 Insert the word 'all' before the words 'Supplementary Capacity Contracts' in clause 4.28.4(b).
- 8.2 Delete the words ', less any amount drawn under a Reserve Capacity Security or a DSP Reserve Capacity Security by AEMO and distributed in accordance with clauses 4.13.11A(a) or 4.13A.16(c)' in clause 4.28.4(b).
- 8.3 Delete the words '; less' and replace them with a comma at the end of clause 4.28.4(cA).
- 8.4 Delete clause 4.28.4(cB).
- 8.5 Delete clause 4.28.4(d).

8.6 Delete the comma at the end of clause 4.28.4D(b) and replace it with the words ‘; and’.

8.7 Insert the following new clause 4.28.4D(c):

(c) any amounts paid under clauses 4.25.4CD or 4.25.4CE,

**9. Section 4.30 amended**

9.1 Delete the words ‘WEM Rules’ and replace them with the words ‘ESM Rules’ in clause 4.30.4A.

9.2 Delete the words ‘clause 4.30.4 or clause 4.30.4A’ and replace them with the words ‘clauses 4.30.4 or 4.30.4A’ in clause 4.30.5.

**10. Section 7.4A amended**

10.1 Delete the words ‘clause 4.25.2(b)(ii), clause 4.25.4 or clause 4.25.6(b)(i)’ and replace them with the words ‘clauses 4.25.2(b)(ii), 4.25.4 or 4.25.6(b)(i)’ in clause 7.4A.8(a).

**11. Section 7.8A amended**

11.1 Insert the words ‘the greater of’ after the words ‘available to AEMO of’ in clause 7.8A.1(b).

11.2 Insert the word ‘Peak’ before the words ‘Reserve Capacity Obligation Quantity’ in clause 7.8A.1(b)(i).

11.3 Insert the word ‘ and’ after the words ‘Dispatch Interval;’ in clause 7.8A.1(b)(i).

11.4 Insert the following new clause 7.8A.1(b)(ii):

ii. the Flexible Reserve Capacity Obligation Quantity of the Demand Side Programme in the Dispatch Interval;

11.5 Delete clause 7.8A.1(ii).

**12. Section 9.8 amended**

12.1 Delete clause 9.8.2 and replace it with the following:

9.8.2. The Reserve Capacity settlement amount for Market Participant p for Trading Day d is:

$$\begin{aligned} RC_{SA}(p, d) = & Peak\_Capacity\_Provider\_Payment(p, d) \\ & - Peak\_Capacity\_Purchaser\_Payment(p, d) \\ & + Flexible\_Capacity\_Provider\_Payment(p, d) \\ & - Flexible\_Capacity\_Purchaser\_Payment(p, d) \\ & + Capacity\_Security\_Compensation(p, d) \end{aligned}$$

(a) Peak\_Capacity\_Provider\_Payment(p,d) is calculated in accordance with clause 9.8.3;

- (b) Peak\_Capacity\_Purchaser\_Payment(p,d) is calculated in accordance with clause 9.8.4;
- (c) Flexible\_Capacity\_Provider\_Payment(p,d) is calculated in accordance with clause 9.8.6;
- (d) Flexible\_Capacity\_Purchaser\_Payment(p,d) is calculated in accordance with clause 9.8.9; and
- (e) Capacity\_Security\_Compensation(p,d) is calculated in accordance with clause 9.8.4A.

12.2 Delete the semi-colon at the end of clause 9.8.3A(a)(iv) and replace it with a comma.

12.3 Delete clause 9.8.4A and replace in with the following.

9.8.4A. For the purposes of clause 9.8.2, Capacity\_Security\_Compensation(p,d) for Market Participant p for Trading Day d is:

$$\begin{aligned} \text{Capacity\_Security\_Compensation}(p, d) \\ &= \text{Capacity\_Security\_Compensation}(d) \\ &\times \text{Peak\_Capacity\_Share}(p, d) \end{aligned}$$

where:

- (a) Capacity\_Security\_Compensation(d) is the Reserve Capacity Security Compensation Amount for Trading Day d, as specified under clause 4.29.3(cB); and
- (b) Peak\_Capacity\_Share(p,d) is the Peak Individual Reserve Capacity Requirement share for Market Participant p for Trading Day d, as specified under clause 9.8.4(f).

12.4 Delete the semi-colon at the end of clause 9.8.7(a)(iii) and replace it with a comma.

### **13. Glossary amended**

13.1 Delete one of the two identical definitions of Flexible IRCR Intervals.

13.2 Delete the words 'WEM Rules' and replace them with the words 'ESM Rules' in the definition of Maximum Flexible Facility Refund.

13.3 Delete the words 'WEM Rules' and replace them with the words 'ESM Rules' in the definition of Maximum Flexible Participant Generation Refund.

13.4 Delete the words 'WEM Rules' and replace them with the words 'ESM Rules' in the definition of Maximum Peak Facility Refund.

13.5 Delete the words 'WEM Rules' and replace them with the words 'ESM Rules' in the definition of Maximum Peak Participant Generation Refund.

13.6 Delete the words 'WEM Rules' and replace them with the words 'ESM Rules' in each of the two places they appear in the definition of Peak Refund Exempt Planned Outage Count.

#### **14. Appendix 1 amended**

- 14.1 Delete the words 'for each Electric Storage Resources in the Facility' in clause (b)(vD) of Appendix 1.
- 14.2 Delete the words 'clause 4.10.1A(i)' and replace them with the words 'clause 4.10.1A(a)(i)' in clause (b)(xB) of Appendix 1.
- 14.3 Delete the words 'for each Electric Storage Resource in the Facility' in clause (b)(xiiA) of Appendix 1.
- 14.4 Delete the words 'clause 4.10.1A(iii)' and replace them with the words 'clause 4.10.1A(a)(iii)' in clause (b)(xiiA) of Appendix 1.
- 14.5 Insert the following new clause (b)(xviA) of Appendix 1:
  - xviA. if the Facility comprises only an Electric Storage Resource, whether the Market Participant requires AEMO to include Constraint Equations in the Dispatch Algorithm under clause 7.5.10 relating to restrictions on the simultaneous dispatch of energy and Frequency Co-optimised Essential System Service;
- 14.6 Delete the words 'for each Electric Storage Resource in the Facility' in clause (c)(vD) of Appendix 1.
- 14.7 Delete the words 'clause 4.10.1A(i)' and replace them with the words 'clause 4.10.1A(a)(i)' in clause (c)(xB) of Appendix 1.
- 14.8 Delete the words 'for each Electric Storage Resource in the Facility' in clause (c)(xii) of Appendix 1.
- 14.9 Delete the words 'clause 4.10.1A(iii)' and replace them with the words 'clause 4.10.1A(a)(iii)' in clause (c)(xiiA) of Appendix 1.
- 14.10 Delete the words 'for each Electric Storage Resource in the Facility' in clause (d)(vD) of Appendix 1.

#### **15. Appendix 5 amended**

- 15.1 Delete the words 'Individual Peak' and replace them with the words 'Peak Individual' in Step 11 of Appendix 5.
- 15.2 Replace the words 'connection point' and replace them with the words ' Connection Point' in Step 11 (a), (b) (c) and (d) of Appendix 5.

## **Schedule 6**

### **1. Glossary amended**

- 1.1 Delete the definition of RD Profile Reference Period.
- 1.2 Delete the words '1 April of Year 1' and replace them with the words '1 October of Year 1 of the previous Reserve Capacity Cycle' in the definition of RLM Reference Period.

### **2. Appendix 9 amended**

- 2.1 Delete clause B.2.1 of Appendix 9 and replace it with the following:

B.2.1. Determine the "Observed Demand" (in MW) for each Trading Interval in the RLM Reference Period as:

$$\text{Observed\_Demand}(t) = (\text{Total\_Generation}(t) + \text{Interruptible\_Reduction}(t) + \text{Involuntary\_Reduction}(t) + \text{DSP\_Reduction}(t) + \text{SC\_Reduction}(t) + \text{NCESS\_Reduction}(t)) \times 2$$

where:

- (a) Total\_Generation(t) is the Total Sent Out Generation in Trading Interval t;
  - (b) Interruptible\_Reduction(t) is the quantity published under clause 7.13.1F(b) for Trading Interval t;
  - (c) Involuntary\_Reduction(t) is the quantity published under clause 7.13.1F(a) for Trading Interval t;
  - (d) DSP\_Reduction(t) is the quantity published under clause 7.13.1F(c) for Trading Interval t;
  - (e) SC\_Reduction(t) is the quantity published under clause 7.13.1FA(a) for Trading Interval t; and
  - (f) NCESS\_Reduction(t) is the quantity published under clause 7.13.1FA(b) for Trading Interval t.
- 2.2 Delete the words 'Part D ELCC Period' and replace them with 'ELCC Reference Period' in clause B.3.4 of Appendix 9.

## **Schedule 7**

### **1. Section 7.7 amended**

1.1 Delete clause 7.7.8A and replace it with the following:

7.7.8A. If AEMO includes a Constraint Equation in the Dispatch Algorithm under clause 7.7.8 to facilitate a direction to ensure, during a period subject to a Low Reserve Condition Declaration, a minimum level of Injection from a Registered Facility, then for the purposes of clauses 7.14.1 and 9.9.9, the Constraint Equation is deemed to reflect a Network Constraint.

1.2 Insert the following new clause 7.7.8B:

7.7.8B. If AEMO includes a Constraint Equation in the Dispatch Algorithm under clause 7.7.8 to facilitate a direction to synchronise a Registered Facility to provide a RoCoF Control Service, then the Constraint Equation is deemed to be an RCS Provision Constraint Equation.

### **2. Section 9.10 amended**

2.1 Delete clause 9.10.3 and replace it with the following:

9.10.3. The Essential System Service amount payable to Market Participant *p* for Trading Day *d* is:

$$\begin{aligned} ESS\_Payable(p, d) &= CR\_Payable(p, d) + CL\_Payable(p, d) \\ &+ RCS\_Payable(p, d) + Regulation\_Payable(p, d) \\ &+ SRS\_Payable(p, d) + NCESS\_Payable(p, d) \\ &+ FCESSUplift\_Payable(p, d) + RCSUplift\_Payable(p, d) \end{aligned}$$

where:

- (a) CR\_Payable(*p*,*d*) is the Contingency Reserve Raise amount payable to Market Participant *p* for Trading Day *d* calculated in accordance with clause 9.10.4;
- (b) CL\_Payable(*p*,*d*) is the Contingency Reserve Lower amount payable to Market Participant *p* for Trading Day *d* calculated in accordance with clause 9.10.8;
- (c) RCS\_Payable(*p*,*d*) is the RoCoF Control Service amount payable to Market Participant *p* for Trading Day *d* calculated in accordance with clause 9.10.12;
- (d) Regulation\_Payable(*p*,*d*) is the Regulation amount payable to Market Participant *p* for Trading Day *d* calculated in accordance with clause 9.10.20;

- (e) SRS\_Payable(p,d) is the System Restart Service amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.25;
- (f) NCESS\_Payable(p,d) is the NCESS amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.27A;
- (g) FCESSUplift\_Payable(p,d) is the FCESS uplift amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.3A; and
- (h) RCSUplift\_Payable(p,d) is the RoCoF Control Service uplift amount payable to Market Participant p for Trading Day d calculated in accordance with clause 9.10.3Q.

2.2 Delete the equation in clause 9.10.3F and replace it with the following equation:

$$FCESSUpliftEligibleFlag(f,DI) = \begin{cases} 1, & \text{if } RTMSuspFlag(DI)=0 \\ & \text{and } f \in EligibleFacilities(DI) \\ & \text{and } IsMisPriced(f,DI)=0 \\ & \text{and } DispatchTarget(f,DI)>0 \\ & \text{and } \forall c (f \notin FacilitiesInBindingNCESS(c,DI)) \\ & \text{and } \sum_{m \in FCESS} EnablementQty(m,f,DI) > 0 \\ 0, & \text{otherwise} \end{cases}$$

2.3 Insert the following new clause 9.10.3F(dA):

- (dA) FacilitiesInBindingNCESS(c,DI) is the set of Registered Facilities provided under clause 5.9.1(b) for NCESS Contract c and Dispatch Interval DI;

2.4 Insert the following new clause 9.10.3Q:

9.10.3Q. The RoCoF Control Service uplift amount payable to Market Participant p for Trading Day d is:

$$RCSUplift\_Payable(p,d) = \sum_{f \in p} \sum_{t \in d} RCSUpliftPayment(f,t)$$

where:

- (a) RCSUpliftPayment(f,t) is the RCS Uplift Payment for Registered Facility f in Trading Interval t as calculated in accordance with clause 9.10.3R;
- (b) f ∈ p denotes all Registered Facilities f registered to Market Participant p; and
- (c) t ∈ d denotes all Trading Intervals t in Trading Day d.

2.5 Insert the following new clause 9.10.3R:

9.10.3R. The RCS Uplift Payment for Registered Facility f in Trading Interval t is:

$$\text{RCSUpliftPayment}(f,t) = \sum_{DI \in t} \text{RCSUpliftPayment}(f,DI)$$

where:

- (a)  $\text{RCSUpliftPayment}(f,DI)$  is the RCS Uplift Payment for Registered Facility  $f$  in Dispatch Interval  $DI$  as calculated under clause 9.10.3S; and
- (b)  $DI \in t$  denotes all Dispatch Intervals  $DI$  in Trading Interval  $t$ .

2.6 Insert the following new clause 9.10.3S:

9.10.3S. The RCS Uplift Payment for Registered Facility  $f$  in Dispatch Interval  $DI$  is:

$$\text{RCSUpliftPayment}(f,DI) = \text{RCSUpliftEligibleFlag}(f,DI) \times \text{EnergyUpliftPrice}(f,DI) \times \text{EnergyUpliftQuantity}(f,DI)$$

where:

- (a)  $\text{RCSUpliftEligibleFlag}(f,DI)$  is the RCS Uplift Payment eligibility flag for Registered Facility  $f$  in Dispatch Interval  $DI$ , calculated in accordance with clause 9.10.3T;
- (b)  $\text{EnergyUpliftPrice}(f,DI)$  is the Energy Uplift Price for Registered Facility  $f$  in Dispatch Interval  $DI$  calculated in accordance with clause 9.9.10; and
- (c)  $\text{EnergyUpliftQuantity}(f,DI)$  is the Energy Uplift Quantity for Registered Facility  $f$  in Dispatch Interval  $DI$  calculated in accordance with clause 9.9.11.

2.7 Insert the following new clause 9.10.3T:

9.10.3T. The RCS Uplift Payment eligibility flag for Registered Facility  $f$  in Dispatch Interval  $DI$  is:

$$\text{RCSUpliftEligibleFlag}(f,DI) = \begin{cases} 1, & \text{if } \text{RTMSuspFlag}(DI)=0 \\ & \text{and } f \in \text{FacilitiesInBindingRCSProvision}(DI) \\ & \text{and } \text{IsMisPriced}(f,DI)=0 \\ & \text{and } \text{FCESSUpliftEligibleFlag}=0 \\ & \text{and } \text{ClearedQuantity}(f,DI)>0 \\ & \text{and } \forall c (f \notin \text{FacilitiesInBindingNCESS}(c,DI)) \\ & \text{and } \text{MarginalOfferPrice}(f,DI) > \text{Energy\_MCP}(DI) \\ 0, & \text{otherwise} \end{cases}$$

where:

- (a)  $\text{RTMSuspFlag}(DI)$  is the RTM Suspension Flag for Dispatch Interval  $DI$ ;

- (b) FacilitiesInBindingRCSProvision(DI) is the set of Scheduled Facilities and Semi-Scheduled Facilities that are subject to a binding RCS Provision Constraint Equation in Dispatch Interval DI;
- (c) IsMisPriced(f,DI) is the mispricing trigger for Registered Facility f in Dispatch Interval DI, as calculated in accordance with clause 9.9.9;
- (d) FCESSUpliftEligibleFlag is the FCESS Uplift Payment eligibility flag for Registered Facility f in Dispatch Interval DI, as calculated in accordance with clause 9.10.3F;
- (e) ClearedQuantity(f,DI) is the cleared energy quantity for Registered Facility f in Dispatch Interval DI as recorded in the relevant Dispatch Instruction (where this quantity can be a Dispatch Target, Dispatch Cap or Dispatch Forecast);
- (f) FacilitiesInBindingNCESS(c,DI) is the set of Registered Facilities provided under clause 5.9.1(b) for NCESS Contract c and Dispatch Interval DI;
- (g) MarginalOfferPrice(f,DI) is the highest Loss Factor Adjusted Price associated with any cleared (or scheduled) Price-Quantity Pair for In-Service Capacity in respect of a Market Participant's Real-Time Market Offer for energy that was dispatched for Registered Facility f in Dispatch Interval DI; and
- (h) Energy\_MCP(DI) is the Final Energy Market Clearing Price for Dispatch Interval DI.

2.8 Delete clause 9.10.15 and replace it with the following:

9.10.15. The cost of procuring RoCoF Control Service in Dispatch Interval DI is:

$$RCS\_Payable(DI) = \sum_{f \in \text{Facilities}} RCS\_Payable(f,DI) + RCSUpliftPayment(f,DI)$$

where:

- (a) RCS\_Payable(f,DI) is the RoCoF Control Service amount payable for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.10.14;
- (b) RCSUpliftPayment(f,DI) is the RCS Uplift Payment for Registered Facility f in Dispatch Interval DI as calculated in accordance with clause 9.10.3S; and
- (c) f ∈ Facilities denotes all Registered Facilities f.

### 3. Glossary amended

3.1 Insert the following new definition of RCS Provision Constraint Equation:

**RCS Provision Constraint Equation:** A Constraint Equation included in the Dispatch Algorithm under clause 7.7.8 to facilitate a direction to synchronise a Facility to provide a RoCoF Control Service.

3.2 Insert the following new definition of RCS Uplift Payment:

**RCS Uplift Payment:** A payment made to a Market Participant to account for enablement losses incurred by a Registered Facility that is directed to synchronise by AEMO to provide a RoCoF Control Service, determined in accordance with:

- (a) clause 9.10.3R, for a Trading Interval; and
- (b) clause 9.10.3S, for a Dispatch Interval.

## **Schedule 8**

### **4. Section 4.24 amended**

- 4.1 Delete the words 'WEM Rules' and replace them with the words 'ESM Rules' in clause 4.24.14A.

## **Schedule 9**

### **5. Section 4.10 amended**

5.1 Delete clause 4.10.1(f)(vi) and replace it with the following:

- vi. the periods when the Facility can be dispatched, which must include:
  - 1. for a Reserve Capacity Cycle up to and including the 2025 Reserve Capacity Cycle, the period between 8:00 AM and 8:00 PM on all Business Days; and
  - 2. for a Reserve Capacity Cycle from the 2026 Reserve Capacity Cycle onwards, the periods between 6:00 AM and 10:00 AM and 2:00 PM and 10:00 PM on all Business Days; and