

TRANCHE 9: EXPOSURE DRAFT

PROPOSED ELECTRICITY SYSTEM AND MARKET (ESM) AMENDING RULES

Explanatory Note for Exposure Draft of the Tranche 9 Proposed ESM Amending Rules

This Exposure Draft contains proposed Amending Rules to:

- facilitate the inclusion of non-contestable Non-Dispatchable Loads in Synergy Demand Side Programmes;
- address issues identified during the implementation of the new regime for Demand Side Programmes by:
 - ensuring all Demand Side Programmes are required to associate sufficient load;
 - aligning Reserve Capacity Tests and testing via observation through Dispatch Instructions so every set of contiguous Trading Intervals a Demand Side Programme was dispatched represents a Reserve Capacity Test; and
 - applying a consistent method for the determination of a capacity shortfall for a Demand Side Programme during Reserve Capacity Tests and intervals in which Dispatch Instructions apply;
- prevent a situation in which meter data is submitted by Western Power to AEMO after the Settlement Disagreement Deadline and used in the final settlement adjustment without the opportunity for a Market Participant to disagree with the meter data;
- ensure that historical Facility Sub-Metering is provided in time for publication in June of Year 1 of the Reserve Capacity Cycle to ensure that stakeholders are provided the best information available in preparing their certification application for Facilities assessed under the Relevant Level Method;
- include an explicit requirement for Rule Participants to provide up to date contact details to AEMO;
- strengthen the trigger conditions for the NCESS procurement process so that they provide clearer guidance, are better aligned with planning and operational signals, and allow emerging needs to be identified earlier;
- extend the timeframe for AEMO or Western Power to consult with the Coordinator following the closing date for expressions of interest for and NCESS procurement from 10 to 20 Business Days;
- replace the name “Benchmark Capacity Provider” with “Benchmark Technology”;
- amend clause 4.11.1(c)(iv) relating to Early Certified Reserve Capacity to align it with the policy intent;
- allow AEMO to use telemetered ramp rates in the Dispatch Algorithm in place of the ramp rates provided by Market Participants in Real-Time Market Submissions;
- give the ERA the responsibility for determining how all Civil Penalty Amounts are to be distributed (include those arising from orders of the Electricity Review Board), replacing the default distribution method specified in section 9.21;
- clarify how AEMO should assign a Capability Class to a Facility that comprises Facility Technology Types with different Capability Classes;
- amend the new Appendix 5 Peak IRCR calculation set out in Schedule 6 of the *Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025* (proposed to commence on 1 October 2027) to:
 - remove the zero floor applied to metered energy for meters that are associated with Non-Dispatchable Loads, so that any Injection from Non-Dispatchable Loads

during the Peak IRCR Intervals can offset the Withdrawal of other meters registered to the same Market Participant, reducing the Market Participant's Peak IRCR; and

- require AEMO to explicitly calculate and publish the adjustment factor (Total_Ratio) used to ensure the Peak IRCR values of Market Participants sum to the required value (i.e. the lesser of the total number of assigned Capacity Credits and the Reserve Capacity Requirement);
- reapply changes intended to be implemented through previously made Amending Rules that will not commence due to drafting errors in Ministerial Instruments; and
- make minor error corrections and enhancements across all the ESM Rules.

This Exposure Draft is divided into five schedules:

1. Amending Rules to commence on 1 January 2026, immediately after commencement of Schedule 2 of the *Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025* (RCM Sequencing Amendments) and Schedule 3 of the *Electricity System and Market Amendment (Tranche 8) Rules 2025* (Tranche 8 Amendments);
2. Amending Rules to commence immediately after commencement of Schedule 5 of the RCM Sequencing Amendments and Schedule 6 of the Tranche 8 Amendments (expected 1 April 2026);
3. Amending Rules to commence immediately after commencement of Schedule 3 of the RCM Sequencing Amendments, Schedule 4 of the Tranche 8 Amendments, Schedule 2 of the *Wholesale Electricity Market Amendment (Supplementary Capacity No. 3) Rules 2024* and Schedule 8 of the Tranche 8 Amendments on 1 October 2026;
4. Amending Rules to commence immediately after commencement of Schedule 4 of the RCM Sequencing Amendments, Schedule 5 of the Tranche 8 Amendments, Schedule 6 of the RCM Sequencing Amendments on 1 October 2027; and
5. Amending Rules to commence at a time specified by the Minister in a notice published in the Gazette.

Following industry consultation, the proposed Amending Rules in this Exposure Draft will be submitted to the Minister for Energy for making and gazettal in December 2025.

Energy Policy WA is seeking stakeholder feedback on this Exposure Draft by **5:00 PM (WST) on Wednesday 19 November 2025**. Feedback can be sent to energymarkets@deed.wa.gov.au.

Mark-up Colour guide:

Text in black	Text in black Rules assumed to be in force at the time the Amending Rules in the relevant schedule are proposed to commence (based on confirmed commencement dates for Amending Rules made by the Minister and the Amending Rules in prior schedules of this exposure draft)
Text in red - <u>underlined</u> and strikethrough	Amendments proposed under Tranche 9

Overview of Demand Side Programme Amending Rules

As a result of the Reserve Capacity Mechanism (RCM) Review and Demand Side Response (DSR) Review, the Minister made changes to the participation of Demand Side Programmes (DSPs) in the RCM through the following Amending Rules:

- *Wholesale Electricity Market Amendment (Reserve Capacity Reform) Rules 2023;*
- *Wholesale Electricity Market Amendment (Miscellaneous Amendments No 3) Rules 2024;*
- *Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025;* and
- *Electricity System and Market Amendment (Tranche 8) Rules 2025.*

The changes to the regime were designed to facilitate the provision of reserve capacity by DSPs that are an aggregation of smaller loads or Distributed Energy Resources. The enhanced regime applies from the 2024 Reserve Capacity Cycle (from the 2026 Capacity Year).

While working on the implementation of these changes, AEMO identified some issues affecting the implementation and, potentially, the effective operation of DSPs in the RCM.

To address these issues EPWA, in consultation with AEMO, has developed further proposed changes to the new regime. A Consultation Paper was published on 8 September 2025 to seek feedback on these changes.

This exposure Draft contains changes to implement the outcome the following proposed changes:

- require the Market Participant to associate sufficient loads to the DSPs they are required to register so that the sum of the contracted capacity of these loads equals at least the Capacity Credits assigned to the DSP that was subject to clause 4.10.1B;
- extend the requirement to associate loads to a DSP by 1 July of year 3 of the relevant Reserve Capacity Cycle (3 months before the start of the Capacity Year) to all DSPs including those that were not subject to clause 4.10.1B;
- allow for load associations to have a start date of up to 1 December of the relevant Capacity Year before AEMO reduces the DSPs Capacity Credits and introduce Peak DSP Association Refunds for any such shortfall between 1 October and 1 December;
- extend the provision to reduce a DSP's Capacity Credits if it has not associated sufficient loads to cover its Capacity Credits by 1 July of year 3 of the relevant Reserve Capacity Cycle to all DSPs including those that were not subject to clause 4.10.1B;
- align Reserve Capacity Tests and test via observation through Dispatch Instructions so every set of contiguous Trading Intervals a DSP was dispatched represents a Reserve Capacity Test;
- allow Market Participants to request AEMO to schedule a re-test any time after a Reserve Capacity Test or Dispatch Instruction. Market Participants may only request up to 3 re-tests of a DSP in a capacity testing period; and
- apply a consistent method for the determination of a capacity shortfall for a DSP during Reserve Capacity Tests and intervals in which Dispatch Instructions apply.

Explanatory Note – Additional Issues relating to DSPs

Reserve Capacity Security

When developing the Tranche 9 exposure draft, AEMO and EPWA identified issues with the current ESM Rules in relation to the DSR Reserve Capacity Security.

Under the current ESM Rules a Market Participant may lose more than 100% of the DSP Reserve Capacity Security in specific circumstances.

The policy intent is that a Market Participant for a DSP:

- must provide DSP Reserve Capacity Security when applying for Capacity Credits (equal to 25% of the value of the number of Capacity Credits priced at the Benchmark Reserve Capacity Price).
- can lose up to 100% of the DSP Reserve Capacity Security in specific circumstances.
- can incur, over a Capacity Year, Facility Reserve Capacity Deficit Refunds up to a total of 125% of the value of the Capacity Credits assigned to the DSP valued at the Reserve Capacity Price.

EPWA and AEMO will work together to develop Amending Rules to ensure the above policy position is implemented as intended.

DSP consumption deviation

In its submission, in response to EPWA's Consultation Paper on changes to DSP Load Associations, Testing and Refunds, Synergy raised an issue that planned maintenance or other outages could affect a DSP's Relevant Demand, in particular, for large industrial loads that are associated to a DSP. The current ESM Rules do not address this issue.

While this issue was not part of the scope of the above Consultation Paper, EPWA has identified that not accounting for such events (for example, maintenance or network outages) affecting the Relevant Demand could lead to the following unintended consequences:

- Disincentive to participate in a DSP; and/or
- Disincentive for a Market Participant to follow a Dispatch Instruction for a DSP, if it knows that it will incur the maximum refund anyway due to an outage during the period used for the calculation of its dynamic baseline.

EPWA will work with AEMO to develop Amending Rules to mitigate the unintended consequences.

An option EPWA is currently examining is to:

- allow Market Participants to nominate for a DSP up to [a number] days in a Capacity Year, that can be excluded from the calculation of the dynamic baseline.
- make the exclusion of a day subject to the Market Participant notifying AEMO:
 - no later than one Business Day after the day that is to be excluded; and

before being notified by AEMO that the DSP will be dispatched or subject to a Reserve Capacity Test for which the day would be in the Baseline Window.

Schedule 1: Amending Rules to commence 1 January 2026, immediately after commencement of Schedule 3 of the Electricity System and Market Amendment (Tranche 8) Rules 2025

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1.43. Specific Transitional Provisions – WEM Procedures for Tranches 2 and 3 Amending Rules

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Explanatory Note

Clauses 1.43.2 and 1.43A.2 are amended to replace the reference from WEM to ESM to align with the renaming of the WEM Rules to the ESM Rules.

- 1.43.2. Where the Tranches 2 and 3 Amending Rules oblige AEMO, a Network Operator or the Economic Regulation Authority to develop or document a WEM Procedure then, notwithstanding that the relevant ~~WEM~~ ESM Rule has not commenced, AEMO, each Network Operator and the Economic Regulation Authority must comply with their obligations in this section 1.43, as if the relevant WEM Rule was in force.

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1.43A. Specific Transitional Provisions – WEM Procedures for Particular Wholesale Electricity Market and Constrained Network Access Reform Amending Rules

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- 1.43A.2. Where the Specified Amending Rules oblige AEMO or the Coordinator to develop or document a WEM Procedure then, notwithstanding that the relevant ~~WEM~~ ESM Rule has not commenced, AEMO and the Coordinator must comply with their obligations in this section 1.43A, as if the relevant WEM Rule was in force.

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1.63. General Transitional Provisions – Operational Matters

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Explanatory Note

Clause 1.63.10(e)(ix) is introduced to correct a manifest error.

Clauses 4.20.5A(b)(iiiA) and (v) require AEMO to publish the Transitional Daily Flexible Reserve Capacity Price and Fixed Daily Flexible Reserve Capacity Price. However, AEMO must not publish these values for the 2025 Reserve Capacity Cycle, if the Flexible Reserve Capacity Price is less than or equal to the Peak Reserve Capacity Price then in respect of the 2027 Capacity Year.

Therefore, under clause 1.63.10(e)(ix) AEMO is exempt from publishing these values for the 2025 Reserve Capacity Cycle.

While clause 1.63.10 exempts AEMO from publishing these values determined under clauses 4.29.1G and 4.29.1H, it does not list clauses 4.20.5A(b)(iiiA) and (v).

For clarity, because the Transitional Daily Flexible Reserve Capacity Price mechanism under clause 4.29.1G is not intended to be used for the 2025 Reserve Capacity Cycle (2027 Reserve Capacity Year), this value will not be used for settlement in the 2025 Reserve Capacity Cycle (2027 Reserve Capacity Year).

1.63.10. For the 2025 Reserve Capacity Cycle, if the Flexible Reserve Capacity Price is less than or equal to the Peak Reserve Capacity Price then in respect of the 2027 Capacity Year:

- (a) Market Participants are not required to fulfil any further obligations relating to Flexible Capacity Credits;
- (b) AEMO must not procure supplementary Flexible Capacity under section 4.24;
- (c) AEMO must not procure Non-Co-optimised Essential System Services relating to Flexible Capacity for the 2027 Capacity Year;
- (d) AEMO must not consider Flexible Capacity Outage Capabilities or the availability of Flexible Capacity when conducting Outage Evaluations under section 3.18E;
- (e) subject to clause 1.63.10(f), AEMO is not required to determine or publish:
 - i. [Blank]
 - ii. [Blank]
 - iii. [Blank]
 - iv. Entity Daily Flexible Reserve Capacity Prices under clause 4.29.1E and the Floating Daily Flexible Reserve Capacity Price under clause 4.29.1F;
 - v. [Blank]
 - vi. [Blank]
 - vii. [Blank]
 - viii. the Transitional Daily Flexible Reserve Capacity Price under clause 4.29.1G and Fixed Daily Flexible Reserve Capacity Prices under clause 4.29.1H; and
 - ix. the values described in clauses 4.20.5A(b)(iiiA) and 4.20.5A(b)(v);
- (f) AEMO must determine and publish:
 - i. [Blank]
 - ii. the Flexible Reserve Capacity Price under clause 4.29.1(b)(ii);

- (g) AEMO is not required to update or publish WEM Procedures relating to the activities in clauses 1.63.10(b), 1.63.10(d), 1.63.10(e)(iv) or 1.63.10(e)(viii) until 1 January 2026.

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Explanatory Note

Section 1.70 is introduced to ensure AEMO has enough time to amend affected WEM Procedure to implement arising from the changes in Schedule 1 of these proposed Amending Rules.

1.70. Specific Transitional Provisions for the WEM Procedures affected by the Tranche 9 Amending Rules

1.70.1. In this section 1.70:

Tranche 9 Amending Rules (Schedule 1): means the Amending Rules in Schedule 1 of the Electricity System and Market Amendment (Tranche 9) Rules 2025.

1.70.2. Notwithstanding clauses 2.9.2A and 2.9.3, AEMO is not required to amend or develop any WEM Procedures to reflect the Tranche 9 Amending Rules (Schedule 1) until 1 May 2026.

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2.3. The Market Advisory Committee

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Explanatory Note

Clause 2.3.17(a) is amended to replace “Representatives” with “representatives”, because this is not a defined term in the Glossary.

2.3.17. The Market Advisory Committee may:

- (a) establish one or more Working Groups comprising ~~Representatives~~ **representatives** of Rule Participants and other interested persons, to assist the Market Advisory Committee in advising the Coordinator, Economic Regulation Authority, AEMO and Network Operators on any of the matters listed in clause 2.3.1 of these ESM Rules; and
- (b) disband any Working Groups where it considers that the Working Group is no longer required, or will no longer be required, to assist the Market Advisory Committee in advising the Coordinator, Economic Regulation Authority and AEMO on any of the matters listed in clause 2.3.1 of these ESM Rules.

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2.13. Compliance Monitoring and Enforcement

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Explanatory Note

Clause 2.13.23 is amended to insert a missing full stop after the clause number.

- 2.13.23. Subject to clause 2.13.26, a Rule Participant (including AEMO and a Network Operator) who is aware that it has breached, or has reasonable cause to suspect it may have breached, the ESM Rules or a WEM Procedure, must notify the Economic Regulation Authority in writing unless the Economic Regulation Authority has notified the Rule Participant that the breach or suspected breach is already under investigation. A Rule Participant may, at any time after notifying the Economic Regulation Authority, provide updated information to the Economic Regulation Authority in relation to the breach or suspected breach.

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Explanatory Note

Clause 2.13.36(c) is amended to replace the reference from WEM to ESM to align with the renaming of the WEM Rules to the ESM Rules.

- 2.13.36. Where the Economic Regulation Authority determines that a breach of the ESM Rules or WEM Procedures has occurred in accordance with clause 2.13.27(d), the Economic Regulation Authority may:

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- (c) issue a civil penalty notice where the contravention relates to a Category A, Category B or Category C ~~WEM~~ ESM Rule, in accordance with the ESM Regulations; and
- (d) apply to the Electricity Review Board for one or more orders by the Electricity Review Board under regulation 33 of the ESM Regulations.

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Enforcement action

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Explanatory Note

Currently the ESM Rules give the ERA little flexibility about how a Civil Penalty Amount is distributed. While clause 2.13.43A allows the ERA to require distribution of a specific portion of the amount to a person other than a Rule Participant, any remaining amount must be distributed by AEMO in accordance with section 9.21. Section 9.21 allocates the amount to Market Participants in proportion to the sum of the absolute values of the Metered Schedules of each Market Participant.

This method of allocation can be inappropriate for many civil penalties, e.g. if the breach only adversely affects some Market Participants.

Additionally, the ESM Rules do not currently deal with the distribution of Civil Penalty Amounts for civil penalties imposed by the Electricity Review Board.

Clauses 2.13.43 and 2.13.43A are amended to address these concerns by giving the ERA responsibility for determining how all Civil Penalty Amounts are to be distributed. Clause 2.13.43 requires the ERA to make its determination and provide AEMO with the information it will need to distribute the Civil Penalty Amount accordingly. Clause 2.13.43A sets out the matters that the ERA must have regard to when determining how a Civil Penalty Amount should be distributed.

~~2.13.43. If the Economic Regulation Authority issues a civil penalty notice under clause 2.13.36(c), it must inform AEMO of the determination and penalty amount to assist with the settlement processes in Chapter 9.~~

~~2.13.43A. If, during the course of an investigation, the Economic Regulation Authority has identified a person, other than a Rule Participant, that has suffered a material loss as a result of a breach, the Economic Regulation Authority may direct AEMO and/or Rule Participants to distribute a specified portion of the Civil Penalty Amount to that person, in a manner that is not consistent with section 9.21.~~

2.13.43. If the Economic Regulation Authority issues a civil penalty notice under clause 2.13.36(c) or the Electricity Review Board makes an order for the payment of a civil penalty under regulation 33(1)(a) of the ESM Regulations, the Economic Regulation Authority must:

- (a) determine the persons to whom the Civil Penalty Amount is to be distributed and the portion of the Civil Penalty Amount to be distributed to each person; and
- (b) inform AEMO of:
 - i. the imposition of the civil penalty by the Economic Regulation Authority or Electricity Review Board (as applicable);
 - ii. the Rule Participant liable for the civil penalty;
 - iii. the Civil Penalty Amount;
 - iv. the date on which the notice was issued or the order made (as applicable);
 - v. the identity of each person who is to receive a portion of the Civil Penalty Amount, and the amount that person is to receive; and
 - vi. contact details for each person identified under clause 2.13.43(b)(v) who is not a Rule Participant.

2.13.43A. In determining how a Civil Penalty Amount is to be distributed, the Economic Regulation Authority must:

- (a) have regard to:
 - i. the extent of any detriment suffered by persons as a result of the contravention, relative to other persons;

ii. any benefits (including financial gains or avoided costs) obtained by persons as a result of the contravention; and

iii. any other matter the Economic Regulation Authority considers relevant; and

(b) ensure that each distributed portion is greater than the Minimum Transaction Cost.

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Explanatory Note

New clause 2.13.45(h) requires the ERA to include in its report, for each civil penalty, an explanation of the ERA's determination of how the Civil Penalty Amount must be allocated and the ERA's reasons for that determination.

2.13.45. The Economic Regulation Authority must release a report at least once every six months setting out a summary for the preceding six months of:

- (a) investigations completed by the Economic Regulation Authority;
- (b) breaches or contraventions of the ESM Rules the Economic Regulation Authority concludes have occurred;
- (c) warnings issued by the Economic Regulation Authority under clause 2.13.36(a);
- (d) proceedings that have been brought before the Electricity Review Board;
- (e) findings of the Electricity Review Board on matters referred to them;
- (f) orders made by the Electricity Review Board; ~~and~~
- (g) unless they have been set aside by the Electricity Review Board, civil penalties imposed by the Economic Regulation Authority under clause 2.13.36(c); ~~and~~

(h) for each civil penalty ordered by Electricity Review Board under regulation 33(1)(a) of the ESM Regulations or imposed by the Economic Regulation Authority under clause 2.13.36(c):

i. the Rule Participant liable for the civil penalty;

ii. the Civil Penalty Amount; and

iii. an explanation of the Economic Regulation Authority's determination under clause 2.13.43(a) and the reasons for that determination.

2.13.46. In considering the circulation of the report under clause 2.13.45 and 2.13.47, the Economic Regulation Authority must have regard to the State Electricity Objective.

2.13.47. In addition to the regular publication described in clause 2.13.45, the Economic Regulation Authority may release a report on any one or more matters where the Economic Regulation Authority has taken one or more actions under clause

2.13.36 or which have been referred to the Electricity Review Board, the findings of the Economic Regulation Authority and the Electricity Review Board, as applicable, on those matters and any sanctions imposed by the Economic Regulation Authority or the Electricity Review Board in relation to those matters.

- 2.13.48. The Economic Regulation Authority must, and is entitled to, make available the reports referred to in clauses 2.13.45 or 2.13.47 to all Rule Participants and interested parties. However, the Economic Regulation Authority is not required to include details in a report to such a person if the Economic Regulation Authority considers it is inappropriate in the circumstances, including without limitation, where there may be confidentiality issues.

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2.16. Monitoring the Effectiveness of the Market

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Explanatory Note

Clause 2.16.13F is amended to replace the reference from WEM to ESM to align with the renaming of the WEM Rules to the ESM Rules.

- 2.16.13F. The Coordinator must ensure that an independent person carries out an audit of the effectiveness of the ~~WEM~~ ESM change process and Procedure Change Process no less than every three years. The independent person must provide the Coordinator with a report, and the Coordinator must within 30 Business Days of receiving the report either:

- (a) accept the report and any recommendations contained in it; or
- (b) prepare a separate report setting out the matters raised in the independent person's report which the Coordinator accepts and those which it does not accept and setting out Coordinator's reasons for that view; and
- (c) publish the independent person's report and any report it prepared under clause 2.16.13F(b) within 30 Business Days of receiving the independent person's report.

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2.29. Facility Registration Classes

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Non-Dispatchable Loads and the association and disassociation with Demand Side Programmes and Interruptible Loads

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Explanatory Note

Clause 2.29.5AB is amended to:

- require the Market Participant to associate sufficient loads to the DSPs they are required to register so that the sum of the contracted capacity of these loads equals at least the Capacity Credits assigned to the DSP that was subject to clause 4.10.1B;
- extend the requirement to associate loads to all DSPs not only the ones subject to clause 4.10.1B;
- change the deadline by which sufficient load must be associated to the DSP from 1 October to 1 December of Year 3 of the Reserve Capacity Cycle, noting that a DSP Association Shortfall is introduced that will apply from 1 October; and
- as a result of extending the deadline for load association, apply Reserve Capacity Deficit Refunds to a DSP Association Shortfall instead of a reduction to Capacity Credits under clause 4.13A.15A.

Clause 2.29.5AC is amended to reflect the introduction of clause 2.29.5AB(b).

~~2.29.5AB. A Market Participant who was assigned Peak Capacity Credits or Flexible Capacity Credits for a certified Demand Side Programme that was subject to clause 4.10.1B in Year 1 of a Reserve Capacity Cycle, must, in accordance with clause 4.20.16A and no later than three months before the start of the Capacity Year, notify AEMO of the number of Capacity Credits that are to be associated with one or more Demand Side Programmes that are registered, and associate Non-Dispatchable Loads with the registered Demand Side Programmes such that the date of association for the Associated Loads of each individual registered Demand Side Programme is no later than 1 October of the relevant Capacity Year.~~

~~For avoidance of doubt, the requirement to associate Non-Dispatchable Loads to Demand Side Programmes under this clause does not preclude a Market Participant from associating additional Non-Dispatchable Loads to their Demand Side Programmes during the Capacity Year.~~

2.29.5AB. A Market Participant who was assigned Peak Capacity Credits or Flexible Capacity Credits for a certified Demand Side Programme must no later than three months before the start of the Capacity Year:

- (a) if the Demand Side Programme was subject to clause 4.10.1B in Year 1 of the Reserve Capacity Cycle:
 - i. in accordance with clause 4.20.16B notify AEMO of the number of Capacity Credits that are to be allocated to one or more Demand Side Programmes that are registered; and
 - ii. associate Non-Dispatchable Loads with each registered Demand Side Programme that is to be allocated Capacity Credits under clause 2.29.5AB(a)(i) such that:
 - 1. the date of association for the Associated Loads of the Demand Side Programme is no later than 1 December of the relevant Capacity Year; and

2. the sum of the MW quantities by which each Associated Load is expected to reduce its Withdrawal or increase its Injection, provided under clause 2.29.5B for the Associated Loads equals at least the Capacity Credits allocated to the Demand Side Programme that was subject to clause 4.10.1B; or

(b) if the Demand Side Programme was not subject to clause 4.10.1B in Year 1 of the Reserve Capacity Cycle, associate Non-Dispatchable Loads to the Demand Side Programme such that:

- i. the date of association for the Associated Loads of the Demand Side Programme is no later than 1 December of the relevant Capacity Year; and
- ii. the sum of the MW quantities by which each Associated Load is expected to reduce its Withdrawal or increase its Injection, provided under clause 2.29.5B for the Associated Loads equals at least the Capacity Credits assigned to the Demand Side Programme.

For the avoidance of doubt, the requirement to associate Non-Dispatchable Loads to Demand Side Programmes under this clause does not preclude a Market Participant from associating additional Non-Dispatchable Loads to their Demand Side Programmes during the Capacity Year.

2.29.5AC.A Market Participant associating Non-Dispatchable Loads to its Demand Side Programmes under clause ~~2.29.5AB~~ 2.29.5AB(a) for a Capacity Year, may not associate a Non-Dispatchable Load to a Demand Side Programme at a Transmission Node that is included in the list of Transmission Nodes published by AEMO under clause 4.3.1(n) in Year 1 of the Reserve Capacity Cycle.

Explanatory Note

Clause 2.29.5AD is amended to remove spurious text and to extend the scope of the clause to all Associated Loads.

2.29.5AD.If during a Capacity Year, the Network Operator changes the Transmission Node for a Non-Dispatchable Load associated to a Demand Side Programme~~in accordance with clause 2.29.5AB, then, unless the Market Participant was already exempt under clause 4.10.1B, then~~ the relevant Market Participant may continue to associate that Non-Dispatchable Load with the relevant Demand Side Programme for the remainder of that Capacity Year.

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Explanatory Note

New clause 2.29.5AM is introduced to provide that AEMO must reduce any DSP's Capacity Credits if it has not associated sufficient loads to cover its Capacity Credits by 1 July of Year 3 of the relevant Reserve Capacity Cycle.

2.29.5AM.If a Market Participant fails to associate enough Non-Dispatchable Loads to a Demand Side Programme to satisfy the criteria under clauses 2.29.5AB(a)(ii) or 2.29.5AB(b), as applicable, AEMO must reduce the level of Peak Capacity Credits assigned to the Demand Side Programme by the association shortfall calculated as:

$$\max(0, PCC(f) - SCCL(f))$$

where:

(a) PCC(f) is the total of Peak Capacity Credits assigned to the Facility; and

(b) SCCL(f) is the sum of the MW quantities by which each Associated Load is expected to reduce its Withdrawal or increase its Injection, provided under clause 2.29.5B for the Associated Loads of the Demand Side Programme.

Explanatory Note

Clause 2.29.5B(a) is amended to clarify that load curtailment could either be provided through increasing Injection or reducing Withdrawal.

Clauses 2.29.5B(f) and 2.29.5HA are inserted to require Synergy to:

- provide evidence to AEMO that an interval meter is installed at the Measurement Point of a Non-Dispatchable Load that it wishes to associate to a Demand Side Programme; and
- notify Western Power that AEMO has associated a non-contestable Non-Dispatchable Load to a Demand Side Programme, and provide the NMI for the Non-Dispatchable Load.

These changes will:

- assist AEMO in its decision to approve applications to associate Non-Dispatchable Loads under clause 2.29.5D on the basis of whether the Non-Dispatchable Load is equipped with an Interval Meter; and
- complement upcoming changes EPWA expects to make to *the Electricity Industry (Metering) Code 2012* (Metering Code) to ensure a pathway exists for Western Power to reclassify the meters for non-contestable Non-Dispatchable Loads participating in the Reserve Capacity Mechanism as Associated Loads of a Demand Side Programme to Interval Meters so AEMO is able to receive and use their meter data.

Clauses 2.29.5B(d) and 2.29.5B(e) are amended to ensure a Market Participant must provide the expected change in Withdrawal or Injection of an Associated Load upon association with a DSP.

2.29.5B. A Market Participant may apply to AEMO to associate a Non-Dispatchable Load with a Demand Side Programme or an Interruptible Load. The Market Participant must provide the following information to AEMO in support of the application:

- (a) if applicable, evidence satisfactory to AEMO that the Market Participant owns the Non-Dispatchable Load or has entered into a contract with the person who owns, operates or controls the Non-Dispatchable Load to ~~provide curtailment~~ reduce its Withdrawal or increase its Injection on request by the Market Participant, and that the Non-Dispatchable Load will not be subject to a contract or arrangement to reduce ~~consumption~~ Withdrawal or increase Injection during one or more Trading Intervals in Year 3 of the relevant Reserve Capacity Cycle for the purpose of reducing Peak Capacity Purchaser Payments and Flexible Capacity Purchaser Payments determined under clause 9.8.2;

- (b) the network Measurement Point of the Non-Dispatchable Load;
- (bA) the Transmission Node Identifier for the Non-Dispatchable Load;
- (c) if the Demand Side Programme contains a Single Associated Load, the expected Minimum Consumption of the Non-Dispatchable Load in units of MW;
- (d) if the Market Participant requesting the association owns, controls or operates the relevant Non-Dispatchable Load, then ~~the start date and end date of the Non-Dispatchable Load association proposed by the Market Participant; and:~~
 - i. the start date of the Non-Dispatchable Load association;
 - ii. the end date of the Non-Dispatchable Load association; and
 - iii. the intended reduction of Withdrawal or increase in Injection, in MW, of the Non-Dispatchable Load;
- (e) if the Market Participant requesting the association has entered into a contract with a person who owns, controls or operates the relevant Non-Dispatchable Load, then ~~the contract start date and contract end date.;~~
 - i. the contract start date of the Non-Dispatchable Load association;
 - ii. the contract end date of the Non-Dispatchable Load association; and
 - iii. the contracted reduction of Withdrawal or increase in Injection, in MW, of the Non-Dispatchable Load; and
- (f) if the Non-Dispatchable Load is associated with a non-contestable customer as defined in the Metering Code, evidence that the Network Operator has installed an Interval Meter at the Measurement Point of the relevant Non-Dispatchable Load.

...

2.29.5D. AEMO must determine, in accordance with clause 2.29.5E, whether to accept or reject an application submitted under clause 2.29.5B, and must notify the applicant of its decision within 10 Business Days of receipt of the application.

2.29.5E. AEMO must accept an application submitted under clause 2.29.5B unless:

- (a) AEMO considers that the evidence provided by the Market Participant under clauses 2.29.5B and 2.29.5C is not satisfactory;
- (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;
- (c) AEMO considers that the application does not comply with clauses 2.29.5AC or 2.29.5AK;

- (d) for an application relating to a Demand Side Programme, the relevant Non-Dispatchable Load is registered as an Intermittent Load for any part of the proposed Association Period;
- (e) subject to clause 2.29.2A, the relevant Non-Dispatchable Load is already associated with a Demand Side Programme or an Interruptible Load registered to a different Market Participant for any part of the proposed Association Period;
- (f) during the same Capacity Year, the relevant Non-Dispatchable Load was an Associated Load of another Demand Side Programme and, while it was so associated:
 - i. the other Demand Side Programme passed a Reserve Capacity Test or a Verification Test; or
 - ii. any part of DSP Reserve Capacity Security associated with the other Demand Side Programme was returned or relinquished under:
 - 1. clause 4.13A.19 by operation of clause 4.13A.18; or
 - 2. clause 4.13A.24; or
- (g) the Transmission Node Identifier for the relevant Non-Dispatchable Load does not match the single Transmission Node Identifier for the Demand Side Programme; or
- (h) the application relates to a Non-Dispatchable Load behind a Connection Point, and:
 - i. there are Separate Facilities behind the Connection Point; and
 - ii. the registered Market Participant for the Separate Facilities differs from the Market Participant submitting the application.

...

2.29.5HA.If Synergy is notified under clause 2.29.5D that AEMO has accepted its application submitted under clause 2.29.5B in respect of a Non-Dispatchable Load associated with a non-contestable customer as defined in the Metering Code, Synergy must notify the relevant Network Operator and provide the Network Operator with the NMI of the relevant Measurement Point described in clause 2.29.5B(b).

...

Explanatory Note

Clause 2.29.5N is amended to ensure the relevant WEM Procedure can accommodate processes to associate a DSP with a Non-Dispatchable Load under new clause 2.29.5AB.

2.29.5N. AEMO must document in a WEM Procedure:

- (a) the process to be followed by a Market Participant and the information to be provided to AEMO for an application to associate, disassociate or reduce the Association Period of a Non-Dispatchable Load with a Demand Side Programme or an Interruptible Load under clauses 2.29.5AB, 2.29.5B and 2.29.5I; and
- (b) the process to be followed by AEMO in respect to accepting or rejecting an application to associate, disassociate or reduce the Association Period of a Non-Dispatchable Load with a Demand Side Programme or an Interruptible Load under clauses 2.29.5B and 2.29.5I.

...

Explanatory Note

Clause 2.29.16 is amended to correct a typographical error.

New clause 2.29.16 is introduced to ensure that the Facility Sub-Metering is provided in time for publication under Step B.9.1 of Appendix 9 (June of Year 1 of the Reserve Capacity Cycle). This will ensure that stakeholders are provided the best information available in preparing their certification application.

2.29.12. A Market Participant must install Facility Sub-Metering for a Scheduled Facility or Semi-Scheduled Facility containing:

- (a) multiple Separately Certified Components; or
- (b) a single Separately Certified Component and any Energy Producing Systems that are not ~~that~~ Separately Certified Components.

2.29.13. Facility Sub-Metering is to be used solely for the purpose of:

- (a) certification of Reserve Capacity under section 4.9;
- (b) a Reserve Capacity Test under section 4.25;
- (c) in accordance with clause 4.13.10B, the determination of whether a Facility is in Commercial Operation; and
- (d) reviewing expert reports under clause 4.11.7.

To avoid doubt, Facility Sub-Metering must not be used for the purposes of settlement under Chapter 9.

...

2.29.16. A Market Participant that is required to install Facility Sub-Metering for a Facility in accordance with clause 2.29.12 must provide AEMO with meter data, recorded by the Facility Sub-Metering, by 5 February each year, for the 5 year period ending on 1 October of the previous year, excluding any part of the period for which:

- (a) Facility Sub-Metering was not yet installed for that Facility; or
- (b) the relevant meter data has already been provided to AEMO.

...

2.30B. Intermittent Load

...

Explanatory Note

Clause 2.30B.11 is amended to insert a missing full stop after the clause number.

2.30B.11. Where an application for a Load or part of a Load to be treated as an Intermittent Load was accepted by AEMO under clause 2.30B.6 on or after the New WEM Commencement Day, for the purpose of defining Metered Schedules associated with the interval meter measuring the Facility containing the Intermittent Load, the following methodology is to apply:

...

...

2.31. Registration Process

...

Explanatory Note

Clause 2.31.13(k) is amended to correct a cross-referencing error. Clause 2.31A.1 was renumbered to 2.31.1A upon gazette of the relevant Amending Rules.

2.31.13. AEMO may only reject an application described in clause 2.31.1 if:

...

- (k) in the case of an application to transfer a Facility:
 - i. the transfer of the Facility would result in the number of Capacity Credits allocated for a Trading Day by the Market Participant transferring the Facility exceeding the number of Capacity Credits held for that Trading Day for the Facility by the Market Participant that are able to be traded bilaterally under the ESM Rules; or
 - ii. clause ~~2.31A.1~~ 2.31.1A applies;

...

...

Explanatory Note

The Gas Services Information (GSI) Rules include specific obligations for Registered Participants to provide AEMO with up to date contact information (rule 53). It was recently brought to EPWA's attention by the ERA that the ESM Rules do not contain the same explicit requirements for Rule Participants to keep their contact information up to date.

Section 2.34 is amended to bring the ESM Rules in line with the GSI Rules regarding the provision of up to date contact details to AEMO.
--

2.33. The Registration Application Forms

2.33.1. AEMO must prescribe a Rule Participant registration application form that requires an applicant to provide the following:

- (a) the relevant non-refundable Application Fee;
- (b) whether the applicant is already a Rule Participant;
- (c) contact details for the applicant;
- (d) invoicing details for the applicant;
- (e) tax information from the applicant required by law;

...

...

2.34. Standing Data and Rule Participant Details

Standing Data

2.34.1. AEMO must maintain a record of the Standing Data described in Appendix 1, including the date from which the data applies.

...

2.34.14. Revised Standing Data that is accepted by AEMO takes effect from 8:00 AM on the later of:

- (a) the date proposed by the Rule Participant; or
- (b) the second day after the day on which AEMO accepts the revised Standing Data.

Rule Participant Details

2.34.15. A Rule Participant must provide the information specified in clauses 2.33.1(c), 2.33.1(d) and 2.33.1(e) to AEMO:

- (a) when first registering as a Rule Participant using the registration application outlined in clause 2.33.1; and
- (b) as soon as practicable, following any changes to the information.

...

3.11. Determining & Procuring Frequency Co-optimised Essential System Service Requirements

...

Explanatory Note

Clause 3.11.6 is amended to use the correct defined terms.

3.11.6. Where:

- (a) AEMO identifies a ~~Frequency Co-optimised Essential System Service FCESS~~ Accreditation Shortfall and, in its reasonable opinion, the ~~Frequency Co-optimised Essential System Service FCESS~~ Accreditation Shortfall will not be met by Market Participant activity; or
- (b) the number of Dispatch Intervals in any 90 Trading Day period identified in clause 3.11.2(b) is greater than or equal to the threshold specified in the ~~WEM-procedure~~ WEM Procedure referred to in clause 3.11.4,

AEMO must trigger the SESSM in accordance with section 3.15A and must identify the quantity of forecast shortfall and the times of the Dispatch Intervals forecast to be affected.

...

3.11A. Triggering Procurement of Non-Co-optimised Essential System Services (NCESS)

Explanatory Note:

This exposure draft contains proposed Amending Rules to:

- strengthen the trigger conditions for the NCESS procurement process so that they provide clearer guidance, are better aligned with planning and operational signals, and allow emerging needs to be identified earlier; and
- extend the timeframe from 10 to 20 Business Days in clause 3.11B.4.

The following changes are proposed to clause 3.11A.2:

- Clause 3.11A.2(a) is amended to remove the term “uneconomic level” and refer to the State Electricity Objective instead. The State Electricity Objective requires consideration of both cost and the environmental implications, for example, of routinely constraining off renewable generators.
- Clause 3.11A.2(b) is amended to be more forward looking by explicitly referring to forecasted AEMO Intervention Events as well as actual events. This allows NCESS procurement to be considered proactively. The clause is also amended to reflect that System Strength is a defined term.
- A new clause 3.11A.2(c) is added. This new trigger provides greater clarity by explicitly making reference to the Transmission System Plan (TSP) and Network Opportunities Map (NOM), if they have identified that a suitable non-network investment option may help maintain Power System Security and Reliability standards.
- The pre-existing clause 3.11A.2(c) (now clause 3.11A.2(d)) is amended to ensure that non-network solutions, not previously identified through the standard planning processes, can provide a service if a need arises. This ensures flexibility to respond to changes that emerge between planning cycles, such as changing demand or emerging Network Constraints, without needing to wait for the next TSP or NOM update.
- Clauses 3.11A.2(d), (e), (f) and (g) are amended to reflect their new sequencing and amend a clause reference in light of the above changes.

3.11A.1. The Coordinator may only trigger procurement of a NCESS in accordance with this section 3.11A.

3.11A.2. If AEMO or a Network Operator reasonably considers that one or more of the following events has occurred or applies:

- ~~(a)~~ if the forecasted or actual magnitude and frequency of Energy Uplift Payments in the WEM increases to an uneconomic level (assuming locational and situational market power is being controlled under the relevant processes), this indicates a locational constraint in the network and a case may be made to procure locational services to relieve the network constraint;
- ~~(a)~~ the forecasted or actual amount of Energy Uplift Payments because of binding Network Constraints has reached a level, which may not be consistent with the State Electricity Objective;
- ~~(b)~~ frequent the forecasted or actual AEMO Intervention Events to relieve non-frequency control constraints such as loss of reactive power or ~~system strength~~ System Strength indicates a network security problem, and a case could be made to procure a locational security NCESS;
- ~~(c)~~ if network planning assumptions change at any time during the network planning timeframe (for example, demand is lower or higher than forecast), it may signal the need for an emerging service such as reactive power support or voltage stability which could be provided by non-network services located in the relevant part of the network;
- ~~(c)~~ the Transmission System Plan prepared under section 4.5B, or the Network Opportunity Map, identifies that a suitable non-network investment option may meet network adequacy requirements to help maintain SWIS Power System Security and Power System Reliability standards;
- ~~(d)~~ a need to establish a non-network solution, arising at any time during a network planning cycle and not previously identified through the standard planning processes;
- ~~(d)~~(e) a modification to an existing Power System Security or Power System Reliability standard or the introduction of a new Power System Security or Power System Reliability standard within a network planning cycle may trigger the need to procure a NCESS; or
- ~~(e)~~(f) AEMO considers, in the course of its normal power system operations, that a significant threat to Power System Security or Power System Reliability exists or is emerging, and the existing mechanisms under these ESM Rules may not be sufficient to address the threat,

then:

- ~~(f)~~(g) AEMO must notify the relevant Network Operator, or the Network Operator must notify AEMO (as applicable), of each event that AEMO or the Network Operator (as applicable) considers has occurred or applies, as

soon as practicable but in any event before making a submission under clause ~~3.11A.2(g)~~ 3.11A.2(h); and

~~(g)~~(h) AEMO or the relevant Network Operator (or, at their discretion, both of them) must make a submission (jointly or separately) to request the Coordinator to determine whether to trigger an NCESS procurement process in accordance with section 3.11B.

...

3.11B. Procuring Non-Co-optimised Essential System Services

...

Explanatory Note:

The period of 10 Business Days within which AEMO or Western Power are currently required to consult with the Coordinator, following the closing date for expressions of interest has proven insufficient in practice. Based on experience in practice, clause 3.11B.4 is amended to extend the timeframe from 10 to 20 Business Days.

3.11B.4. Within ~~10~~ 20 Business Days, or as reasonably agreed with the Coordinator, of the closing date for expressions of interest under clause 3.11B.3, AEMO or the Network Operator, as applicable, must consult with the Coordinator to determine whether, based on the expressions of interest received:

- (a) the NCESS procurement process should proceed, in which case, AEMO or the Network Operator, as applicable, must prepare a final NCESS Service Specification, which must be consistent with the draft NCESS Service Specification, and publish a call for NCESS Submissions in accordance with clause 3.11B.6;
- (b) the NCESS procurement process should proceed subject to modifications to the Service Specification, in which case, AEMO or the Network Operator, as applicable, must prepare a revised NCESS Service Specification and publish a call for NCESS Submissions in accordance with clause 3.11B.6; or
- (c) the NCESS procurement process should not proceed, in which case, AEMO or the Network Operator, as applicable, must:
 - i. publish a notice on the WEM Website, in the case of AEMO, or the Network Operator's website, in the case of the Network Operator, notifying that the NCESS procurement process will not proceed and the reasons for the decision; and
 - ii. notify each person that submitted an expression of interest that procurement of the NCESS is not proceeding and the location on the WEM Website, in the case of AEMO, or the Network Operator's website, in the case of the Network Operator, of the notice referred to in clause 3.11B.4(c)(i).

...

3.18G. Economic Regulation Authority Study of the Impact of Network Operator Outages on the Market

...

Explanatory Note

Clauses 3.18G.2 and 3.18GA.2 are amended to replace the reference from WEM to ESM to align with the renaming of the WEM Rules to the ESM Rules.

3.18G.2. At the conclusion of a review under clause 3.18G.1, Economic Regulation Authority must publish:

- (a) the inputs and results of the economic study;
- (b) all submissions received by Rule Participants as part of a consultation process conducted by the Economic Regulation Authority and any responses to issues raised in those submissions; and
- (c) a report containing any recommended changes, formulated as one or more ~~WEM~~ ESM Rule Change Proposals, recommended WEM Procedure changes or recommended changes to other relevant instruments (e.g. Access Code).

...

3.18GA. Coordinator Review of Outage Planning Process

...

3.18GA.2. At the conclusion of a review under clause 3.18GA.1, the Coordinator must publish:

- (a) the inputs and results of the technical study;
- (b) all submissions received by Rule Participants as part of the consultation process and any responses to issues raised in those submissions; and
- (c) a report containing any recommended changes to the Outage planning process, formulated as one or more ~~WEM~~ ESM Rule Change Proposals, recommended WEM Procedure changes or recommended changes to other relevant instruments (e.g. Access Code).

...

4.4A. Notification of Facility Ceasing Operation

...

Explanatory Note

New clause 4.4A.8 is introduced to ensure that a notice stating that a Market Participant will not apply for Capacity Credits for a Demand Side Programme is withdrawn if the Market Participant subsequently applies for Capacity Credits for the relevant Demand Side Programme.

4.4A.8. If a Market Participant applies for Capacity Credits for a Demand Side Programme for a time after the expected closure date of the Facility or date that the Reserve Capacity Obligations will cease, published by AEMO under clauses 4.4A.2(e) or 4.4A.4, the Market Participant is deemed to have provided a notice under clause 4.4A.6.

...

4.4B. RCM Limit Advice and RCM Constraint Equations

...

Explanatory Note

New clause 4.4B.10 is introduced to require AEMO to publish the information provided by the Network Operator under clause 4.4B.9.

The obligation mirrors the obligation under clause 4.4B.6 to publish information provided by the Network Operator under clause 4.4B.5.

- 4.4B.9. By 5:00 PM on the 25th Business Day after the date specified in clause 4.1.11, each Network Operator must provide the following information in respect of its Network to AEMO:
- (a) the estimated proportion of the peak demand of its Network as at 1 October of Year 3 of the Reserve Capacity Cycle determined under clause 4.4B.8 at each Electrical Location on its Network;
 - (b) its estimate of the Thermal Network Limits of its Network taking into account all new Network augmentations that will be in-service by the relevant Capacity Year specified in applications for Early Certified Reserve Capacity under section 4.28C, including separate Thermal Network Limits for Facilities nominated to be classified as Network Augmentation Funding Facilities;
 - (c) the Electrical Location and identity of any new load, or increase of an existing load, equal to or greater than 10 MW that the relevant Network Operator expects to be connected to its Network and in-service by 1 October of Year 3 of the Reserve Capacity Cycle;
 - (d) in the form of RCM Limit Advice, its estimate of the configuration and associated Thermal Network Limits of its Network as at 1 October of Year 3 of the current Reserve Capacity Cycle determined under clause 4.4B.8;
 - (e) an explanation for any changes to the RCM Limit Advice provided to AEMO for the Reserve Capacity Cycle under clause 4.4B.9(d) from the

RCM Limit Advice provided to AEMO for a previous Reserve Capacity Cycle; and

- (f) the list of substation names as used in RCM Limit Advice, and all associated Transmission Node Identifiers, that are expected to be in service on 1 October of Year 3 of the current Reserve Capacity Cycle.

4.4B.10. By 5:00 PM on the 30th Business Day after the date specified in clause 4.1.11, AEMO must publish the information provided by each Network Operator under clause 4.4B.9 in the Constraints Library.

...

4.5. Long Term Projected Assessment of System Adequacy

...

Explanatory Note

Clause 4.5.12(g) is amended to round up to the nearest whole number of Trading Intervals. This is amended to avoid that the determination of the Peak Demand Side Programme Dispatch Requirement can lead to parts of Trading Intervals, such as in the 2025 cycle for which the Peak DSP Dispatch Requirement is 47.5 Trading Intervals.

4.5.12. For the third Capacity Year of the Long Term PASA Study Horizon, AEMO must determine the following information:

...

- (g) the Peak Demand Side Programme Dispatch Requirement, which is:
 - i. the number of Trading Intervals in the reference demand profile determined under step 5 of Appendix 7 in which the MW demand exceeds the Indicative Demand Side Programme Dispatch Threshold rounded up to the nearest whole number of Trading Intervals; divided by
 - ii. the number of Capacity Years in the reference demand profile;

...

...

4.8A. Indicative Facility Class and Indicative Facility Technology Type

...

Explanatory Note

Clause 4.8A.3(c) is amended to explicitly only include new Facilities or upgrades.

4.8A.3. A person that has not submitted an Expression of Interest under clause 4.2.6, and intends to apply for:

- (a) Early Certified Reserve Capacity under section 4.28C for a new Facility or Facility upgrade; or
- (b) Conditional Peak Certified Reserve Capacity under clause 4.9.1(b) for a new Facility; or
- (c) Certified Reserve Capacity under clause 4.9.1(a) for a new Facility or Facility upgrade,

must, prior to submitting the application, apply to AEMO for an indicative Facility Class and one or more indicative Facility Technology Types to be assigned to the Facility or Facility upgrade.

...

4.10. Information Required for the Certification of Reserve Capacity

Explanatory Note

Clause 4.10.1(e) is amended to correct a cross-referencing error. The clause under which a Capability Class 1 or 2 Facility can be nominated for a 10-year fixed price because it will only be fueled by Eligible Renewable Energy Sources is 4.14.1CB(a)(ii)(1).

Clause 4.10.1(f)(i)(2) is introduced to ensure that a Market Participant must provide the expected minimum consumption for a Demand Side Programme with only one load. Clause 4.11.1(j)(ii) is amended to reflect this inclusion.

Clause 4.10.1(fA) is amended to correct a cross-referencing error. The clause under which a Capability Class 1 or 2 Facility that is an Electric Storage Resource, which can provide capacity for the highest ESR Duration Requirement in the Long Term PASA Study Horizon, can be nominated for a 10-year fixed price is 4.14.1CB(a)(ii)(2).

- 4.10.1. Each Market Participant must ensure that information submitted to AEMO with an application for certification of Reserve Capacity pertains to the Reserve Capacity Cycle to which the certification relates, and is supported by documented evidence and includes, if applicable, except to the extent that it is already accurately provided in Standing Data:

...

- (e) for a Non-Intermittent Generating System:

...

- v. details of primary and any alternative fuels, including:

...

- 3. optionally, evidence to show:

- i. that all fuels to be used in the Non-Intermittent Generating System in the relevant Capacity Year will be from Eligible Renewable Energy Sources; and
- ii. if the Non-Intermittent Generating System was a Fixed Price Component under clause 4.14.1CB(a)(ii)(1) ~~4.14.1C(b)~~ in the previous

Capacity Year, that all fuels used in the previous Capacity Year by the Non-Intermittent Generating System were from Eligible Renewable Energy Sources; and

...

(f) for Demand Side Programmes:

- i. if the Demand Side Programme has, or is expected to have, a single Associated Load, ~~the quantity of Peak Capacity the Market Participant expects to make available from the Facility;~~
 1. the quantity of Peak Capacity the Market Participant expects to make available from the Facility; and
 2. the expected Minimum Consumption of the Non-Dispatchable Load in units of MW;

(fA) for an Electric Storage Resource, except if clause 4.10.1(fD) applies:

...

- vi. optionally, evidence to show:
 1. that the Market Participant can supply sufficient energy from Eligible Renewable Energy Sources for the Electric Storage Resource to discharge at its Peak Certified Reserve Capacity for the ESR Duration Requirement in each Trading Day of the applicable Capacity Year; or
 2. if the Electric Storage Resource was a Fixed Price Component under clause ~~4.14.1CB(a)(ii)(2)~~ 4.14.1C(b) in the previous Capacity Year, that the Market Participant supplied sufficient energy from Eligible Renewable Energy Sources to account for the energy supplied to the Electric Storage Resource during the previous Capacity Year;

...

Explanatory Note

Clause 4.10.1A(b) is amended to replace the incorrect term “Benchmark Technology Provider” with the new defined term “Benchmark Technology”.

4.10.1A. AEMO must:

...

- (b) determine the minimum eligibility requirements taking into account the technical parameters of the ~~Benchmark Technology Provider~~ Benchmark Technology determined under clause 4.16.12(b) for Flexible Capacity, such that each Facility holding Flexible Certified Reserve Capacity will be capable of providing all of its capacity promptly and flexibly in the four-hour period ending in the Trading Interval used to determine the expected

highest forecast Four-Hour Demand Increase under clause 4.5.10(bA)(ii), and so as to minimise costs while maintaining Power System Security and Power System Reliability;

...

...

4.11. Setting Certified Reserve Capacity

...

Explanatory Note

Clause 4.11.1(c)(iv) is proposed to be amended to align it with the policy intent, which is that AEMO must not assign Certified Reserve Capacity to a Facility for a Reserve Capacity Cycle if the Facility already has Early Certified Reserve Capacity assigned to it under clause 4.28C for the Reserve Capacity Cycle. That is, once the Facility has been assigned Capacity Credits for the year it will enter commercial operation, clause 4.11.1(c) will not apply to that Facility in subsequent Reserve Capacity Cycles. The current clause refers to Capacity Credits instead, and Capacity Credits are not assigned to a Facility under clause 4.28C for the Reserve Capacity Cycle.

Clause 4.11.1(j) is amended to reflect the insertion of new clause 4.10.1(f)(i)(2).

- 4.11.1. Subject to clauses 4.11.1A and 4.11.12, AEMO must apply the following principles in assigning a quantity of Certified Reserve Capacity to a Facility or relevant component of a Facility for the Reserve Capacity Cycle for which an application for Certified Reserve Capacity has been submitted in accordance with section 4.10:

...

- (c) AEMO must not assign Certified Reserve Capacity to a Facility for a Reserve Capacity Cycle if:
 - i. [Blank]
 - ii. the Facility is not operational or is not scheduled to commence operation for the first time so as to meet its Reserve Capacity Obligations by 1 October of Year 3 of the Reserve Capacity Cycle;
 - iii. the Facility will cease operation permanently, and hence cease to meet Reserve Capacity Obligations, from a time earlier than 1 August of Year 4 of the Reserve Capacity Cycle;
 - iv. the Facility already has ~~Capacity Credits~~ Early Certified Reserve Capacity assigned to it under clause 4.28C for the Reserve Capacity Cycle; or
 - v. [Blank]
 - vi. the Facility is a Demand Side Programme and it has submitted under clause 4.10.1(f)(v) a minimum notice period for dispatch under clause 7.6.15 of more than two hours.

...

- (j) the Peak Certified Reserve Capacity for a Demand Side Programme for a Reserve Capacity Cycle must equal:
 - i. if the Demand Side Programme has more than one Associated Load, or has a single Associated Load and no Individual Reserve Capacity Requirement Contribution has been calculated for the Associated Load, the quantity nominated for the Demand Side Programme under clause 4.10.1(f)(iA); and
 - ii. otherwise, the Individual Reserve Capacity Requirement Contribution of the Associated Load as determined for the first Trading Month of the current Capacity Year less the expected Minimum Consumption provided under ~~clause 2.29.5B(e)~~ clauses 2.29.5B(c) or 4.10.1(f)(i)(2);

...

4.11.1A. Subject to clauses 4.11.1B and 4.11.1C, if a Facility or Separately Certified Component has been in Commercial Operation for at least 12 months and has had a Forced Outage rate greater than the Forced Outage Threshold over the preceding 36 months (or fewer, if it was not in operation for all 36 months), then unless the Facility has, within the previous 12 months, re-entered service after significant maintenance or an upgrade, AEMO must assign a quantity of Peak Certified Reserve Capacity no greater than:

- (a) the quantity of Peak Certified Reserve Capacity that AEMO would otherwise have assigned to the Facility under clause 4.11.1; multiplied by
- (b) 1 minus the Forced Outage rate of the Facility or Separately Certified Component during the preceding 36 months (or fewer, if it was not in operation for all 36 months),

where the Forced Outage rate for a Facility or Separately Certified Component for a period is calculated in accordance with the WEM Procedure specified in clause 4.9.10, and AEMO must publish the reasons for its decision on the WEM Website with any confidential information redacted.

Explanatory Note

Clause 4.11.1B is amended to clarify that AEMO's discretion relates to the assessment whether the Facility was subject to significant maintenance or an upgrade.

4.11.1B. In making a decision under clause 4.11.1A, and without limiting the ways in which AEMO may inform itself, AEMO may:

- (a) seek such additional information from the Market Participant that AEMO considers is ~~relevant to the exercise of its discretion~~ required to determine whether the Facility was subject to significant maintenance or an upgrade;
- (b) use information provided in reports related to the Facility submitted by:
 - i. the Market Participant specified under clause 4.27.3; and

- ii. any other person under clause 4.27.6; and
- (c) consult with any person AEMO considers suitably qualified to provide an opinion or information on issues relevant to the exercise of AEMO's discretion.

...

Explanatory Note

Clause 4.11.4 is amended and new clause 4.11.4A inserted to clarify how AEMO should assign a Capability Class to a Facility that comprises Facility Technology Types with different Capability Classes.

- 4.11.4. Subject to ~~clause 4.11.12~~ clauses 4.11.4A and 4.11.12, when assigning Peak Certified Reserve Capacity, AEMO must assign a Capability Class to apply to the relevant Facility or component of a Facility as follows:
- (a) Capability Class 1 if:
 - i. the Peak Certified Reserve Capacity is not associated with a Facility which is registered as, or is expected to be registered as a Non-Scheduled Facility; and
 - ii. AEMO reasonably expects the Facility or component of a Facility to be available to be dispatched for the MW quantity of its Peak Certified Reserve Capacity for all Trading Intervals in a Capacity Year, allowing for Outages; or
 - (b) Capability Class 2 if the Peak Certified Reserve Capacity:
 - i. is not associated with a Facility which is registered as, or is expected to be registered as, a Non-Scheduled Facility; and
 - ii. is:
 - 1. associated with a Demand Side Programme or Electric Storage Resource; or
 - 2. has energy or availability limitations such that AEMO does not expect it to be available to be dispatched for the MW quantity of its Peak Certified Reserve Capacity in all Trading Intervals in a Capacity Year but, allowing for Outages, AEMO reasonably expects it to be available to be dispatched for the MW quantity of its Peak Certified Reserve Capacity during all Default Peak Electric Storage Resource Obligation Intervals on each Business Day; and
 - (c) otherwise; Capability Class 3.

4.11.4A. When AEMO is assigning a Capability Class to apply to the relevant Facility, if a Facility comprises Facility Technology Types with different Capability Classes, then the Capability Class of the Facility is the Capability Class of the Facility

Technology Type with the highest Peak Certified Reserve Capacity within the Facility.

...

4.13. Reserve Capacity Security

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Explanatory Note

Clause 4.13.14(d) is amended to clarify that 'provider' means 'Security Provider'.

- 4.13.14 If AEMO receives an application made under clause 4.13.13 or clause 4.28C.12 it must, within 10 Business Days:
- (a) determine whether the need to maintain the Reserve Capacity Security has ceased;
 - (b) notify the Market Participant of its determination;
 - (c) if the Reserve Capacity Security is a Security Deposit that is no longer required to be held, return the Security Deposit (plus interest earned); and
 - (d) if the Reserve Capacity Security is not a Security Deposit and is no longer required to be held, notify the ~~provider~~ Security Provider that AEMO relinquishes any rights to draw on the Reserve Capacity Security.

...

4.13A. DSP Reserve Capacity Security

...

Explanatory Note

The following amendments from Schedule 3 of the RCM Sequencing Amendments were scheduled to commence on 1 October 2026, but are now proposed to commence earlier on 1 January 2026 so they are in place on 1 July 2026 when first needed:

- introduction of new clauses 4.13A.5A and 4.13A.5B;
- introduction of new clause 4.13A.15A (in amended form to:
 - apply to all DSPs; and
 - ensure a compensation applies for reduction of both Peak and Flexible Capacity Credits if both are reduced); and
- replacement of clause 4.13A.16A.

4.13A.5A. If a Market Participant has a single certified Demand Side Programme that is subject to clause 4.10.1B:

- (a) that comprises multiple registered Demand Side Programmes in Year 1 of the relevant Reserve Capacity Cycle; and

(b) has previously provided a single DSP Reserve Capacity Security with respect to the certified Demand Side Programme in accordance with clause 4.13A.1,

then the single DSP Reserve Capacity Security is deemed to satisfy the requirement in clause 4.13A.1 with respect to all of the registered Demand Side Programmes the single certified Demand Side Programme comprises.

4.13A.5B. If AEMO:

(a) holds a single DSP Reserve Capacity Security for multiple registered Demand Side Programmes under clause 4.13A.5A; and

(b) intends to draw down on DSP Reserve Capacity Security in respect of one of the registered Demand Side Programmes,

then AEMO must apportion the single DSP Reserve Capacity Security across the multiple registered Demand Side Programmes it relates to as follows:

$$DSPRCS(f) = DSPRCS(CF) \times \frac{CC(f)}{\sum_{i \in CF} CC(i)}$$

where:

(c) DSPRCS(f) denotes the DSP Reserve Capacity Security AEMO apportions to registered Demand Side Programme f under this clause;

(d) DSPRCS(CF) denotes the single DSP Reserve Capacity Security AEMO holds in respect of certified Demand Side Programme CF under clause 4.13A.5A;

(e) CC(f) denotes the number of Capacity Credits held by registered Demand Side Programme f;

(f) CC(i) denotes the number of Capacity Credits held by registered Demand Side Programme i; and

(g) i ∈ CF denotes the set of registered Demand Side Programmes (i) comprising the certified Demand Side Programme (CF).

...

4.13A.15. If a Market Participant that provides DSP Reserve Capacity Security in respect of a Demand Side Programme fails to reduce the consumption of the Associated Loads for that Demand Side Programme to a level which is at least equivalent to its Required Level, adjusted to 90 percent of the level of Peak Capacity Credits specified in clause 4.20.5A, in at least two Trading Intervals before the end of the relevant Capacity Year, then the Market Participant must pay to AEMO, as compensation to the market, an amount equal to the DSP Reserve Capacity Security amount for that Demand Side Programme for that Capacity Year 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 Reserve Capacity Cycle.

4.13A.15A.If a Demand Side Programme has its Capacity Credits reduced by AEMO under clauses 2.29.5AE, 2.29.5AF or 2.29.5AM, then the Market Participant that provides the DSP Reserve Capacity Security for the Demand Side Programme must pay to AEMO, as compensation to the market:

- (a) if AEMO has reduced the level of Peak Capacity Credits under clauses 2.29.5AE or 2.29.5AM, an amount equal to the product of:
 - i. the shortfall in Peak Capacity Credits calculated by AEMO under clauses 2.29.5AE or 2.29.5AM; and
 - ii. the Floating Daily Peak Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year; and
- (b) if AEMO has reduced the level of Flexible Capacity Credits under clause 2.29.5AF, an amount equal to the product of:
 - i. the shortfall in Flexible Capacity Credits calculated by AEMO under clause 2.29.5AF; and
 - ii. the Floating Daily Flexible Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year.

~~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.~~

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 the single DSP Reserve Capacity Security that AEMO holds under clause 4.13A.5A in accordance with clause 4.13A.5B; 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.

4.13A.16A.AEMO must pay the amount claimed under clauses 4.13A.15, 4.13A.15A 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.

...

4.16. Benchmark Reserve Capacity Prices

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Explanatory Note

The following changes to defined terms are proposed:

- Benchmark Capacity Provider is changed to Benchmark Technology;
- Benchmark Flexible Capacity Provider is changed to Benchmark Flexible Technology; and
- Benchmark Peak Capacity Provider is changed to Benchmark Peak Technology.

The changes are to clarify that the defined terms mean the technologies used to set Benchmark Reserve Capacity Prices. During the 2025 Review of the Benchmark Capacity Providers, initiated under clause 4.16.11(b), stakeholder feedback indicated that the current language used in the ESM Rules was confusing.

Clauses 4.16.2, 4.26.2A, 4.16.9, 4.16.11, 4.16.12 and 4.16.12A are amended to reflect the changes to the relevant defined terms.

4.16.2. The Peak Benchmark Reserve Capacity Price:

- (a) must be expressed in dollars per MW of Peak Capacity Credits per year; and
- (b) must reflect the expected annualised capital cost plus the annualised fixed operating and maintenance cost of the Benchmark Peak Technology Capacity Provider.

4.16.2A. The Flexible Benchmark Reserve Capacity Price:

- (a) must be expressed in dollars per MW of Flexible Capacity Credits per year; and
- (b) must reflect the expected annualised capital cost plus the annualised fixed operating and maintenance cost of the Benchmark Flexible Technology Capacity Provider.

Explanatory Note

Clause 4.16.3 is amended to insert a missing full stop after the clause number.

4.16.3. The Economic Regulation Authority must develop a WEM Procedure documenting the method it must use and the process it must follow in determining the Benchmark Reserve Capacity Prices, and:

- (a) the Economic Regulation Authority, AEMO and Rule Participants must follow that documented WEM Procedure when conducting any review and consultations in accordance with that WEM Procedure and clause 4.16.6; and
- (b) the Economic Regulation Authority must follow that documented WEM Procedure to annually review the value of the Benchmark Reserve Capacity Prices in accordance with this section 4.16 and in accordance with the timing requirements specified in clause 4.1.19.

...

4.16.9. The Economic Regulation Authority must review the WEM Procedure referred to in clause 4.16.3 and must undertake a public consultation process as part of the review:

- (a) at least once in every five year period; and
- (b) within one year of a review under clause 4.16.11, where that review determines a change to a Benchmark ~~Technology Capacity Provider~~.

...

Explanatory Note

Clauses 4.16.11 and 4.16.12 are amended to use the correct defined term in the ESM Rules for Coordinator of Energy (Coordinator).

4.16.11. The Coordinator ~~of Energy~~ must determine the Benchmark ~~Technologies Capacity Providers~~:

- (a) initially, by 31 January 2024; and then the earlier of
- (b) within six months of the revised ESR Duration Requirement being published in the Electricity Statement of Opportunities, if the ESR Duration Requirement determined by AEMO under clause 4.5.12(d) is different from the ESR Duration Requirement for the previous Reserve Capacity Cycle; or
- (c) within three years of the previous determination of the Benchmark ~~Technologies Capacity Providers~~ under this clause 4.16.11.

...

4.16.12. When determining the Benchmark ~~Technologies Capacity Providers~~ under clause 4.16.11, the Coordinator ~~of Energy~~ must determine:

- (a) the appropriate reference technology to be used for each Benchmark ~~Technology Capacity Provider~~;
- (b) the technical parameters to be used for each Benchmark ~~Technology Capacity Provider~~, including size and capabilities;
- (c) the uncongested network location to be used for each Benchmark ~~Technology Capacity Provider~~, or if there is no uncongested network location, a network location with relatively low congestion; and
- (d) whether the relevant Benchmark Reserve Capacity Price is to be assessed on the basis of:
 - i. the gross capital cost of the relevant Benchmark ~~Technology Capacity Provider~~; or
 - ii. the capital cost of the relevant Benchmark ~~Technology Capacity Provider~~ less any expected contribution to capital costs from participation in the Real-Time Market.

4.16.12A. At least once every six years, in conjunction with a determination of the Benchmark ~~Technologies Capacity Providers~~ under clause 4.16.11, the Coordinator must consider the shape of the price curves for the Peak Reserve Capacity Price and the Flexible Reserve Capacity Price under clause 4.29.1, to assess whether the Peak Reserve Capacity Price and the Flexible Reserve Capacity Price remain consistent with the State Electricity Objective.

...

4.20. Capacity Credits

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Explanatory Note

Clause 4.20.16B(b) is amended to refer to clause 2.29.5AB(a), as a new clause 2.29.5AB(b) has been introduced to clause 2.29.5AB which does not apply to clause 4.20.16B(b).

4.20.16B. If:

- (a) AEMO has assigned Capacity Credits to a certified Demand Side Programme that was subject to clause 4.10.1B in Year 1 of a Reserve Capacity Cycle; and
- (b) the Market Participant has, subsequently, apportioned those Capacity Credits across multiple Demand Side Programmes in accordance with clause ~~2.29.5AB~~ 2.29.5AB(a),

the Market Participant must, no later than three months prior to the start of the Capacity Year, notify AEMO of the number of Capacity Credits that are to be apportioned to each individually registered Demand Side Programme for the Capacity Year such that:

- (c) the sum of the Peak Capacity Credits apportioned to the registered Demand Side Programmes equals the total Peak Capacity Credits assigned to the certified Demand Side Programme; and
- (d) the sum of the Flexible Capacity Credits apportioned to the registered Demand Side Programmes equals the total Flexible Capacity Credits assigned to the certified Demand Side Programme.

...

Explanatory Note

Clause 4.20.5A is amended to reflect changes introduced in new clause 1.63.10(e)(ix) as these values are not intended to be published for the 2025 Reserve Capacity Cycle.

4.20.5A. AEMO must:

- (a) subject to clause 4.20.5C, assign a quantity of Peak Capacity Credits and a quantity of Flexible Capacity Credits to each Facility where the quantities

are determined in accordance with clauses 4.20.5B and 4.20.5BA for the relevant Facility;

- (b) publish, by the date and time specified in clause 4.1.16A:
- i. for each Facility assigned Capacity Credits under clause 4.20.5A(a):
 - 1. the quantity of Peak Capacity Credits assigned; and
 - 2. the quantity of Flexible Capacity Credits assigned; and;
 - 3. the Facility Class;
 - ii. the Peak Reserve Capacity Price for the Reserve Capacity Cycle;
 - iiA. the Flexible Reserve Capacity Price for the Reserve Capacity Cycle;
 - iii. if the Reserve Capacity Cycle is a Transitional Reserve Capacity Cycle, the Transitional Daily Peak Reserve Capacity Price for the Reserve Capacity Cycle multiplied by the number of Trading Days in the relevant Capacity Year for the Reserve Capacity Cycle;
 - iiiA. subject to clause 1.63.10(e)(ix). if the Reserve Capacity Cycle is a Transitional Reserve Capacity Cycle, the Transitional Daily Flexible Reserve Capacity Price for the Reserve Capacity Cycle multiplied by the number of Trading Days in the relevant Capacity Year for the Reserve Capacity Cycle;
 - iv. each Fixed Daily Peak Reserve Capacity Price for each Facility and Separately Certified Component that is a Fixed Price Facility or Fixed Price Component for that Reserve Capacity Cycle multiplied by the number of Trading Days in the relevant Capacity Year for the Reserve Capacity Cycle; and
 - v. subject to clause 1.63.10(e)(ix). each Fixed Daily Flexible Reserve Capacity Price for each Facility and Separately Certified Component that is a Fixed Price Facility or Fixed Price Component for that Reserve Capacity Cycle multiplied by the number of Trading Days in the relevant Capacity Year for the Reserve Capacity Cycle.

...

4.25. Reserve Capacity Testing

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Explanatory Note

Clause 4.25.4C(c) is amended to specify the date from which the reduction of Capacity Credits applies. The timing chosen is to minimise implementation costs as an earlier timing would affect the STEM.

4.25.4C. Upon receiving an application under clause 4.25.4A, AEMO must, subject to clause 4.25.4CA:

- (a) assess the application and any supporting documentation;
- (b) within 10 Business Days of receiving the application inform the Market Participant of its decision whether to reduce the Capacity Credits and the reasons for its decision; and
- (c) if applicable and in AEMO's sole discretion, reduce the quantity of Capacity Credits held by the Market Participant in respect of the Facility, or Separately Certified Component of the Facility, to which the application relates, from the Trading Day commencing on the day that is two days after the day AEMO informed the Market Participant of its decision under clause 4.25.4C(b).

...

4.29. Settlement Data

Explanatory Note

Clause 4.29.1(b)(ii) is amended to insert a missing full stop after the clause number.

4.29.1. The Reserve Capacity Prices for a Reserve Capacity Cycle to apply during the period specified in clause 4.1.29 are to be calculated as follows:

...

- (b) for a Reserve Capacity Cycle from the 2025 Reserve Capacity Cycle onwards, the values calculated using the following formulas:

...

ii. The Flexible Reserve Capacity Price is:

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

...

...

7.4. Real-Time Market Submissions

...

Explanatory Note

Clause 7.4.52 is extended to allow AEMO to use telemetered ramp rates in the Dispatch Algorithm in place of the ramp rates provided by Market Participants in Real-Time Market Submissions. The

amendment reflects what has been AEMO's practice since the commencement of the Real-Time Market.

7.4.52. Where AEMO determines, based on the information available to it at the relevant time, that the capability of a Registered Facility to provide energy or an Essential System Service differs from the quantities and technical parameters specified in the most recently submitted Real-Time Market Submission for the Registered Facility for the relevant Dispatch Interval, AEMO may adjust the following inputs to reflect the information available to it at that time, for use in the Dispatch Algorithm:

- (a) Enablement Minimum;
- (b) Enablement Maximum;
- (c) Low Breakpoint; ~~and~~
- (d) High Breakpoint; ~~;~~
- (e) Maximum Upwards Ramp Rate; and
- (f) Maximum Downwards Ramp Rate.

...

7.13. Settlement and Monitoring Data

...

Explanatory Note

Clause 7.13.1EA(c)(i) is amended to correct a typographical error.

7.13.1EA. Subject to clause 7.11D.5, AEMO must prepare and publish on the WEM Website the following data for a Trading Day by noon on the first Business Day following the day on which the Trading Day ends:

...

- (c) for each Dispatch Interval of the Trading Day, information used in the Dispatch Algorithm for the purposes of the Central Dispatch Process, or revised in accordance with clauses 7.11B.1A(b) or 7.11C.2(c):
 - i. all Facility Risks for that Dispatch Interval; ~~and~~
 - ii. for each Network Contingency which is a Credible Contingency Event that is taken into account when setting the Contingency Reserve Raise requirement under clause 7.2.4 in that Dispatch Interval:
 - 1. the Network Risk associated with that Network Contingency; and
 - 2. the Registered Facilities whose Facility Risks are included in the Network Risk associated with that Network Contingency;

- iii. the Largest Credible Supply Contingency;
- iv. the Largest Credible Load Contingency;
- v. all Facility Lower Risks for the Dispatch Interval; and
- vi. for each Network Lower Contingency which is a Credible Contingency Event that is taken into account when setting the Contingency Reserve Lower requirement under clause 7.2.4 for the Dispatch Interval:
 - 1. the Network Lower Risk associated with the Network Lower Contingency; and
 - 2. the Network Facility Lower Risk of each CL Facility that contributes to the Network Lower Contingency in the Dispatch Interval;

...

Explanatory Note

Clauses 8.2.1 and 8.4.2 are amended to refer sections rather than clauses.

Clause 8.3.5 is amended to use the correct defined term.

8.2. Duties of a Metering Data Agent

8.2.1. A Metering Data Agent must:

- (a) keep the Meter Registry updated in accordance with ~~clause 8.3~~ section 8.3; and
- (b) provide metering data to AEMO in accordance with ~~clause 8.4~~ section 8.4.

...

8.3. Meter Registry

...

8.3.5. A Metering Data Agent must notify AEMO of any changes to the identities of the Market Participants whose supply or consumption is measured by a meter not less than 10 Business Days prior to the ~~Meter Data Agent~~ Metering Data Agent making a Meter Data Submission that reflects the changed metering arrangements.

...

8.4. Meter Data Submission

8.4.1. A Metering Data Agent must provide Meter Data Submissions to AEMO in accordance with the time specified in clause 9.3.2.

- 8.4.2. A Meter Data Submission must be in the format described in ~~clause 8.6~~ section 8.6.

...

8.6. Format of Meter Data Submissions

Explanatory Note

Clause 8.6.1(c) is amended to use the defined term 'Interval Meter'.

- 8.6.1. A Meter Data Submission must comprise:
- (a) the identity of the Metering Data Agent;
 - (b) the Trading Week to which the meter data relates;
 - (c) for each ~~interval meter~~ Interval Meter and each Trading Interval in the Trading Week in the Meter Data Submission described in clause 8.6.1(b):

...

...

...

9.1. Conventions

...

Explanatory Note

Clauses 9.1.3(f) and 9.1.4 are amended to refer to sections rather than clauses.

- 9.1.3. With respect to the treatment of GST:

...

- (f) however, if the additional amount paid or payable to AEMO or a Rule Participant or another person under this clause 9.1.3 in respect of a taxable supply differs from the actual amount of GST payable by the Rule Participant under the GST Act in respect of the relevant supply, then adjustments must be made under ~~clause 9.15~~ section 9.15 so as to ensure the additional amount paid under this clause in respect of the supply is equal to the actual amount of GST payable under the GST Act in respect of the supply; and

...

- 9.1.4. Where these ESM Rules indicate interest is payable on an amount, interest accrues daily at the Bank Bill Rate from (and including) the date that payment was due up to (but excluding) the date of payment, or in the case of an adjusted Settlement Statement provided under ~~clause 9.15~~ section 9.15 from (and including) the payment due date for the Invoice issued for the original Settlement

Statement up to (but excluding) the actual date of payment for the Invoice issued for the adjusted Settlement Statement.

...

9.2. Settlement Process

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Explanatory Note

The ESM Rules define “Financial Penalty” to mean a Civil Penalty Amount and use the two terms interchangeably throughout Chapter 9. To avoid the potential confusion of two different terms for the same concept, the references to “Financial Penalty” in Chapter 9 have been replaced by references to “Civil Penalty Amount”.

9.2.1. AEMO must document the settlement process in a WEM Procedure, including, but not limited to:

- (a) the application of taxes and interest;
- (b) the collection and distribution of ~~Financial Penalties~~ Civil Penalty Amounts;
- (c) the processes to be followed in relation to Notices of Disagreement and Notices of Dispute; and
- (d) the processes to be followed in relation to Default Levies and Repaid Amount Levies.

...

9.3. Settlement Timeline

...

Explanatory Note

Clause 9.3.3(b) is amended to use the correct defined term ‘Invoicing Date’.

9.3.3. For the settlement of amounts payable under these ESM Rules for a Trading Week, AEMO must issue to each Rule Participant:

- (a) a Settlement Statement covering each of the Trading Days in the Trading Week by no later than the Settlement Statement Date for that Trading Week as published under clause 9.3.1(b); and
- (b) an Invoice for the Settlement Statement described in clause 9.3.3(a) by no later than the ~~Invoice Date~~ Invoicing Date for that Trading Week as published under clause 9.3.1(c);

...

9.14. Settlement Statements

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Explanatory Note

Clause 9.14.2(k) is removed because Civil Penalty Amounts are not distributed as part of the routine settlement process and so are not included in Settlement Statements.

9.14.2. A Settlement Statement must include:

...

- (j) in regard to Default Levy re-allocations, as defined in accordance with clause 9.20.11:
 - i. the total amount of Default Levy paid by that Rule Participant during the Financial Year, with supporting calculations;
 - ii. the adjusted allocation of those Default Levies to be paid by that Rule Participant, with supporting calculations; and
 - iii. the net adjustment be made;
- (k) ~~details of any amounts to be distributed to a Market Participant under section 9.21 for the Trading Week;~~[Blank]
- (l) whether the statement is an adjusted Settlement Statement and replaces a previously issued Settlement Statement;

...

...

Explanatory Note

Section 9.21 is restructured to reflect the proposed changes to how Civil Penalty Amounts are distributed.

Clause 9.21.1 is amended to refer to regulation 37(aa) rather than regulation 37(a), to allow for distributions to non-Rule Participants under the ESM Rules.

Clauses 9.21.2-9.21.4, which set out the current formula-based distribution method, are deleted.

New clause 9.21.2 requires AEMO to distribute a Civil Penalty Amount as soon as practicable after receiving it in accordance with the ERA's instructions.

New clause 9.21.3 clarifies that the distributed amounts should include interest accrued over the period AEMO holds the Civil Penalty Amount.

~~Financial Penalty~~ Civil Penalty Amount Distribution

9.21. ~~Financial Penalty~~ Civil Penalty Amount Distribution

- 9.21.1. For the purpose of ~~Regulation 37(a)~~ regulation 37(aa) of the ESM Regulations, ~~where a Civil Penalty Amount~~ if a civil penalty is imposed on a Rule Participant for a breach of these ESM Rules, the ~~amount of that~~ Civil Penalty Amount received by AEMO ~~shall~~ must be distributed in accordance with these ESM Rules.

9.21.2. ~~Where a Financial Penalty is issued for a contravention of the clauses listed in Schedule 1 of the ESM Regulations, AEMO must calculate for each Market Participant the Financial Penalty distribution amount. The Financial Penalty distribution amount must be distributed as soon as practicable following receipt of the Financial Penalty by AEMO. The Financial Penalty distribution amount for Market Participant p for a Financial Penalty is:~~

$$\text{FinancialPenaltyDistribution}(p) = \text{FinancialPenaltyAmount} \times \text{FinancialPenaltyShare}(p)$$

where:

- (a) ~~FinancialPenaltyAmount is the value of the Financial Penalty; and~~
- (b) ~~FinancialPenaltyShare(p) is calculated in accordance with clause 9.21.3.~~

9.21.3. ~~The Financial Penalty share for Market Participant p is:~~

$$\text{FinancialPenaltyShare}(p) = \frac{\sum_{d \in \text{DistributionDays}} \left[\frac{\text{ParticipantContribution}(p,d)}{\text{TotalParticipantContribution}(d) - \text{ParticipantContribution}(\text{ORP},d)} \right]}{n}$$

where:

- (a) ~~ParticipantContribution(p,d) for Market Participant p for Trading Day d is calculated in accordance with clause 9.12.5;~~
- (b) ~~TotalParticipantContribution(d) is calculated in accordance with clause 9.21.4;~~
- (c) ~~ORP is the Offending Rule Participant;~~
- (d) ~~p ∈ P denotes all Market Participants;~~
- (e) ~~d ∈ DistributionDays denotes all Trading Days d in the set DistributionDays (DistributionDays is defined in clause 9.21.3(f));~~
- (f) ~~DistributionDays denotes the set of all days in the 12 months up to and including the day the Financial Penalty was issued; and~~
- (g) ~~n is the number of days in the set DistributionDays,~~
~~unless Market Participant p is the Offending Rule Participant, in which case the FinancialPenaltyShare(p) is to be calculated as 0.~~

9.21.4. ~~The Total Participant Contribution for Trading Day d is:~~

$$\text{TotalParticipantContribution}(d) = \sum_{p \in P} \text{ParticipantContribution}(p,d)$$

where:

- (a) ~~ParticipantContribution(p,d) for Market Participant p for Trading Day d is calculated in accordance with clause 9.12.5; and~~
- (b) ~~p ∈ P denotes all Market Participants.~~

9.21.2. If a civil penalty is issued, AEMO must distribute the Civil Penalty Amount as soon as practicable after receiving the Civil Penalty Amount and the instructions provided by the Economic Regulation Authority under clause 2.13.43, and in accordance with those instructions.

9.21.3. AEMO must pay interest on any Civil Penalty Amount it holds prior to distribution under clause 9.21.2. Interest accrues daily at the Bank Bill Rate from (and including) the date that AEMO receives the Civil Penalty Amount up to (but excluding) the settlement date for distribution of the Civil Penalty Amount. AEMO must include the interest accrued with each payment made under clause 9.21.2.

...

11. Glossary

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Explanatory Note

The defined terms Benchmark Capacity Provider, Benchmark Flexible Capacity Provider and Benchmark Peak Capacity Provider are replaced with new terms Benchmark Technology, Benchmark Flexible Technology and Benchmark Peak Technology.

Benchmark Capacity Provider: ~~In respect of a Reserve Capacity Cycle, the Benchmark Flexible Capacity Provider or the Benchmark Peak Capacity Provider or both (as the context requires).~~

Benchmark Flexible Capacity Provider: ~~In respect of a Reserve Capacity Cycle, a notional new Facility of the Facility Technology Type which is expected to be able to provide Flexible Capacity at the lowest annual capital cost and annual fixed operating and maintenance costs as determined by the Coordinator of Energy under clause 4.16.11.~~

Benchmark Flexible Technology: In respect of a Reserve Capacity Cycle, a notional new Facility of the Facility Technology Type which is expected to be able to provide Flexible Capacity at the lowest annual capital cost and annual fixed operating and maintenance costs as determined by the Coordinator under clause 4.16.11.

Benchmark Peak Capacity Provider: ~~In respect of a Reserve Capacity Cycle, a notional new Facility of the Facility Technology Type which is expected to be able to provide Peak Capacity at the lowest annual capital cost and annual fixed operating and maintenance costs as determined by the Coordinator of Energy under clause 4.16.11.~~

Benchmark Peak Technology: In respect of a Reserve Capacity Cycle, a notional new Facility of the Facility Technology Type which is expected to be able to provide Peak Capacity at the lowest annual capital cost and annual fixed operating and maintenance costs as determined by the Coordinator under clause 4.16.11.

Benchmark Technology: In respect of a Reserve Capacity Cycle, the Benchmark Flexible Technology or the Benchmark Peak Technology or both (as the context requires).

...

Explanatory Note

The definition of Civil Penalty Amount is amended to clarify its meaning.

Civil Penalty Amount: ~~Means an amount~~ The amount of a civil penalty imposed or demanded in respect of a breach of a provision of the ESM Rules ~~or the ESM Regulations,~~ that has been specified in Schedule 1 of the ESM Regulations as a civil penalty provision.

...

Explanatory Note

The definition of Facility Capacity Rebate is deleted as the term is no longer used.

Facility Capacity Rebate: ~~For a Scheduled Facility, Semi-Scheduled Facility or a Demand Side Programme, the rebate determined for a Trading Month m, as calculated in accordance with clause 4.26.6.~~

...

Explanatory Note

Note that the definition of Financial Penalty will be retained in the Glossary until AEMO is able to update its WEM Procedures to remove any references to the term.

Financial Penalty: Means a Civil Penalty Amount.

...

Explanatory Note

The definition of Offending Rule Participant is no longer required.

Offending Rule Participant: ~~Is a Rule Participant liable for a Financial Penalty.~~

...

Explanatory Note

The definition of Peak Reserve Capacity Obligation Quantity is introduced early. This definition was due to commence on 1 October 2027, however it is currently used in the definition of Peak Electric Storage Resource Obligation.

Peak Reserve Capacity Obligation Quantity: The specific amount of capacity required to be provided in a Dispatch Interval or Trading Interval as part of a Reserve Capacity Obligation set by AEMO in accordance with clauses 4.12.4 to 4.12.6.

...

Appendix 1: Standing Data

Explanatory Note

New clause f(vii) is introduced to Appendix 1 to include the Transmission Node Identifier in the Standing Data for Demand Side Programmes.

...

(f) For a Demand Side Programme:

...

- v. evidence that the communication and control systems required by clause 2.35 are in place and operational; ~~and~~
- vi. details of the real-time telemetry capabilities of the Facility; and
- vii. the Transmission Node Identifier.

...

Appendix 3: Determination of Network Access Quantities

...

Explanatory Note

The definition of Indicative NAQ Facility in Appendix 3 is amended to correct a cross-reference error.

In this Appendix 3:

- ...
- "Indicative NAQ Facility" means an Early CRC Facility for which an Indicative Network Access Quantity was determined for the Facility under Step 13(c)(ii), Step 10(c)(ii) of Part A or Part B as applicable in the Reserve Capacity Cycle immediately preceding the current Reserve Capacity Cycle, but does not include:
 - an Early CRC Facility that is also a Network Augmentation Funding Facility; or
 - an NAQ Facility;
- ...

...

Schedule 2: Amending Rules to commence immediately after commencement of Schedule 6 of the Electricity System and Market Amendment (Tranche 8) Rules 2025 (expected 1 April 2026)

...

4.11. Setting Certified Reserve Capacity

...

Explanatory Note

Clause 4.11.2B is amended to clarify that the steps referred to in the clause are in Appendix 9.

4.11.2B. AEMO must document in a WEM Procedure the assumptions and process for the Relevant Level Method, including how it determines:

- (a) the DER ~~Adjusted Demand Profile~~ adjusted demand profile under step B.2.2 of Appendix 9;
- (b) the ~~Reference Demand Profile~~ reference demand profile under step B.2.5 of Appendix 9;
- (c) ~~Non-Candidate Availability Scenarios~~ non-candidate availability scenarios under step B.3.4 of Appendix 9; and
- (d) any other aspect of the Relevant Level Method AEMO considers appropriate.

...

Appendix 9: Relevant Level Determination

...

Explanatory Note

Step B.3.5 of Appendix 9 requires AEMO to determine the Default Capacity Obligation Quantity (DCOQ) for each Trading Interval in the five-year RLM Reference Period. However, the appendix only uses DCOQ values for the four-year ELCC Reference Period. To avoid the need to calculate and store a year's worth of unnecessary values, step B.3.5 is amended to require DCOQ values to only be calculated for the shorter period.

B.3.5. Determine the “**Default Capacity Obligation Quantity**” for each Non-Candidate nc for each Trading Interval t in the ~~RLM Reference Period~~ ELCC Reference Period as follows:

- (a) the quantity of Peak Certified Reserve Capacity that AEMO expects to assign to Non-Candidate f for the Current Reserve Capacity Cycle if:
 - i. Non-Candidate nc is a Non-Intermittent Generating System;

- ii. Non-Candidate nc is an Electric Storage Resource and Trading Interval t is a Peak Electric Storage Resource Obligation Interval for Non-Candidate nc;
 - iii. Non-Candidate nc is a Non-Scheduled Facility consisting solely of an Electric Storage Resource and Trading Interval t is a Default Peak Electric Storage Resource Obligation Interval; or
 - iv. Non-Candidate nc is a Demand Side Programme and Trading Interval t falls in a period specified for the Facility under clause 4.10.1(f)(vi); and
- (b) zero otherwise.

...

Explanatory Note

Step B.9.1(d) of Appendix 9 is amended to reflect that the Reference Demand Profile determined under step B.2.5 is for the ELCC Reference Period and not the RLM Reference Period.

Step B.9.1(e) is amended to capture only Facility Sub-Metering Data of Committed Candidates. This will ensure stakeholders are provided with the best information available in preparing their certification application because:

- any new expert reports to be submitted for a current Reserve Capacity Cycle might not be provided to AEMO at the time of ESOO publication; and
- any expert reports submitted for certification during the previous Reserve Capacity Cycle have already been published under clause B.9.2(e).

- B.9.1. Publish on the WEM Website by the date specified in clause 4.1.9 (as modified or extended) for the relevant Reserve Capacity Cycle:
- (a) the Observed Demand for the RLM Reference Period determined in step B.2.1;
 - (b) the estimated historical and future levels of behind-the-meter photovoltaic capacity in the SWIS that AEMO used to determine the DER Adjusted Demand Profile for the RLM Reference Period in step B.2.2;
 - (c) the DER Adjusted Demand Profile for the RLM Reference Period determined in step B.2.2;
 - (d) The Reference Demand Profile for the ~~RLM Reference Period~~ ELCC Reference Period determined in step B.2.5; and
 - (e) for each Committed Candidate from the previous Reserve Capacity Cycle which is in Commercial Operation:
 - i. the Historical Output values determined in ~~step B.1.4~~ step B.1.4(a) for each Trading Interval in the RLM Reference Period; and
 - ii. the Facility Average Performance Level determined in step B.4.3.

...

Schedule 3: Amending Rules to commence immediately after commencement of Schedule 8 of the Electricity System and Market Amendment (Tranche 8) Rules 2025 on 1 October 2026

...

2.29. Facility Registration Classes

....

Explanatory Note

Clauses 2.29.5AG and 2.29.5AI are amended to remove the requirement for a Market Participant to nominate a Relevant Demand method each year. Instead, the Market Participant must nominate a baseline method ahead of the first Capacity Year it is certified for. In following Capacity Years, the nominated method will be used unless the Market Participant changes methods under clause 2.29.5AI.

Clause 2.29.1J is amended to reflect that AEMO can apply a change in the method for determining the Relevant Demand from the next Trading Day after the change is requested.

2.29.5AG.A Market Participant responsible for a Demand Side Programme that has not previously nominated a method under this clause 2.29.5AG must, no later than five Business Days prior to the start of each a Capacity Year for which the Demand Side Programme is assigned Capacity Credits, nominate either the Adjusted Baseline Method or Unadjusted Baseline Method for the determination of the Relevant Demand of the Demand Side Programme ~~for the relevant Capacity Year~~.

2.29.5AH.AEMO must:

- (a) use the Unadjusted Baseline Method if a Market Participant fails to nominate a method for the determination of the Relevant Demand of the Demand Side Programme in accordance with clause 2.29.5AG; or
- (b) if a Market Participant nominates a method for the determination of the Relevant Demand of the Demand Side Programme in accordance with clause 2.29.5AG:
 - i. acknowledge the receipt of the nomination within two Business Days; and
 - ii. effect the nomination within five Business Days of receipt and notify the Market Participant when the nomination is effective.

2.29.5AI. A Market Participant responsible for a Demand Side Programme may apply to AEMO ~~once during a Capacity Year~~ to change the method for the determination of the Relevant Demand of the Demand Side Programme ~~for that~~ once during each Capacity Year.

2.29.5AJ. If a Market Participant applies to AEMO to change the method for the determination of the Relevant Demand of a Demand Side Programme under clause 2.29.5AI, AEMO must apply the new method from the start of the first Trading Day commencing ~~5 Business Days~~ after AEMO receives the application.

...

4.13A. DSP Reserve Capacity Security

...

Explanatory Note

As set out in Schedule 3 of this exposure draft, clauses 4.13A.5A, 4.13A.5B and 4.13A.15A will be inserted and clause 4.13A.16 will be replaced on 1 January 2026. These changes will supersede the Amending Rules in Schedule 3 of the RCM Sequencing Amendments, which commence on 1 October 2026 and also insert/replace these clauses. The duplicate clauses therefore need to be deleted and clause 4.13A.16 amended.

Additionally, clause 4.13A.5A(a) is amended to reflect that the multiple registered Demand Side Programmes don't have to be registered before Year 3 of the Reserve Capacity Cycle.

4.13A.5A. If a Market Participant has a single certified Demand Side Programme that is subject to clause 4.10.1B:

- (a) that comprises multiple registered Demand Side Programmes for the relevant Capacity Year in Year 1 of the relevant Reserve Capacity Cycle; and
- (b) has previously provided a single DSP Reserve Capacity Security with respect to the certified Demand Side Programme in accordance with clause 4.13A.1,

then the single DSP Reserve Capacity Security is deemed to satisfy the requirement in clause 4.13A.1 with respect to all of the registered Demand Side Programmes the single certified Demand Side Programme comprises.

~~4.13A.5A. If a Market Participant has a single certified Demand Side Programme that is subject to clause 4.10.1B:~~

- ~~(a) that comprises multiple registered Demand Side Programmes in Year 1 of the relevant Reserve Capacity Cycle; and~~
- ~~(b) has previously provided a single DSP Reserve Capacity Security with respect to the certified Demand Side Programme in accordance with clause 4.13A.1,~~

~~then the single DSP Reserve Capacity Security is deemed to satisfy the requirement in clause 4.13A.1 with respect to all of the registered Demand Side Programmes the single certified Demand Side Programme comprises.~~

4.13A.5B. If AEMO:

- (a) holds a single DSP Reserve Capacity Security for multiple registered Demand Side Programmes under clause 4.13A.5A; and
- (b) intends to draw down on DSP Reserve Capacity Security in respect of one of the registered Demand Side Programmes,

then AEMO must apportion the single DSP Reserve Capacity Security across the multiple registered Demand Side Programmes it relates to as follows:

$$DSPRCS(f) = DSPRCS(CF) \times \frac{CC(f)}{\sum_{i \in CF} CC(i)}$$

where:

- (c) DSPRCS(f) denotes the DSP Reserve Capacity Security AEMO apportions to registered Demand Side Programme f under this clause;
- (d) DSPRCS(CF) denotes the single DSP Reserve Capacity Security AEMO holds in respect of certified Demand Side Programme CF under clause 4.13A.5A;
- (e) CC(f) denotes the number of Capacity Credits held by registered Demand Side Programme f;
- (f) CC(i) denotes the number of Capacity Credits held by registered Demand Side Programme i; and
- (g) i ∈ CF denotes the set of registered Demand Side Programmes (i) comprising the certified Demand Side Programme (CF).

~~4.13A.5B. If AEMO:~~

- ~~(a) holds a single DSP Reserve Capacity Security for multiple registered Demand Side Programmes under clause 4.13.5A; and~~
- ~~(b) intends to draw down on DSP Reserve Capacity Security in respect of one of the registered Demand Side Programmes,~~

~~then AEMO must apportion the single DSP Reserve Capacity Security across the multiple registered Demand Side Programmes it relates to as follows:~~

$$~~DSPRCS(f) = DSPRCS(CF) \times \frac{CC(f)}{\sum_{i \in CF} CC(i)}~~$$

~~where:~~

- ~~(a) DSPRCS(f) denotes the DSP Reserve Capacity Security AEMO apportions to registered Demand Side Programme f under this clause;~~
- ~~(b) DSPRCS(CF) denotes the single DSP Reserve Capacity Security AEMO holds in respect of certified Demand Side Programme CF under clause 4.13A.5A;~~
- ~~(c) CC(f) denotes the number of Capacity Credits held by registered Demand Side Programme f;~~

~~(d) — CC(i) denotes the number of Capacity Credits held by registered Demand Side Programme i; and~~

~~(e) — iCCF denotes the set of registered Demand Side Programmes (i) comprising the certified Demand Side Programme (CF).~~

...

Explanatory Note

Clause 4.13A.15 is amended to:

- capture DSPs, which do not have their Capacity Credits assigned under clause 4.20.5A, but have these allocated under clause 2.29.5AB(a)(i). This clause is amended to refer to clause 2.29.5AB(a)(i).
- ensure that a Market Participant does not lose more than 100% of the DSP Reserve Capacity Security for a DSP in a Capacity Year.

4.13A.15. If a Market Participant that provides DSP Reserve Capacity Security in respect of a Demand Side Programme fails to reduce ~~the consumption~~ Withdrawal or increase Injection of the Associated Loads for that Demand Side Programme to a level which is at least equivalent to its Required Level, adjusted to 90 percent of the level of Peak Capacity Credits specified in clause 4.20.5A or allocated under clause 2.29.5AB, in at least two Trading Intervals before the end of the relevant Capacity Year, then the Market Participant must pay to AEMO, as compensation to the market, an amount equal to the DSP Reserve Capacity Security amount for that Demand Side Programme for that Capacity Year less any amount paid for this Demand Side Programme under clause 4.13A.15A in that Capacity Year 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 Reserve Capacity Cycle.

4.13A.15A. If a Demand Side Programme has its Capacity Credits reduced by AEMO under clauses 2.29.5AE, 2.29.5AF or 2.29.5AM, then the Market Participant that provides the DSP Reserve Capacity Security for the Demand Side Programme must pay to AEMO, as compensation to the market:

- (a) if AEMO has reduced the level of Peak Capacity Credits under clauses 2.29.5AE or 2.29.5AM, an amount equal to the product of:
 - i. the shortfall in Peak Capacity Credits calculated by AEMO under clauses 2.29.5AE or 2.29.5AM; and
 - ii. the Floating Daily Peak Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year; and
- (b) if AEMO has reduced the level of Flexible Capacity Credits under clause 2.29.5AF, an amount equal to the product of:
 - i. the shortfall in Flexible Capacity Credits calculated by AEMO under clause 2.29.5AF; and
 - ii. the Floating Daily Flexible Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year.

~~4.13A.15A. If a Demand Side Programme that was subject to clause 4.10.1B in Year 1 of the relevant Reserve Capacity Cycle has its Capacity Credits reduced by AEMO under clause 2.29.5AE or clause 2.29.5AF, then the Market Participant that provides the DSP Reserve Capacity Security for the Demand Side Programme must pay to AEMO, as compensation to the market, either:~~

- ~~(a) — if AEMO has reduced the level of Peak Capacity Credits under clause 2.29.5AE, an amount equal to the product of:
 - ~~i. — the shortfall in Peak Capacity Credits calculated by AEMO under clause 2.29.5AE; and~~
 - ~~ii. — the Floating Daily Peak Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year; or~~~~
- ~~(b) — if AEMO has reduced the level of Flexible Capacity Credits under clause 2.29.5AF, an amount equal to the product of:
 - ~~i. — the shortfall in Flexible Capacity Credits calculated by AEMO under clause 2.29.5AF; and~~
 - ~~ii. — the Floating Daily Flexible Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year.~~~~

~~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.~~

4.13A.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 the single DSP Reserve Capacity Security that AEMO holds under clause 4.13A.5A in accordance with clause 4.13A.5B; 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.

...

Testing, Monitoring and Compliance

4.25. Reserve Capacity Testing

Explanatory Note

Clauses 4.25.1 and 4.25.2 are amended to use the new defined term “DSP Energy Level”, because a DSP may meet its obligations by increasing its Injection level.

- 4.25.1. AEMO must take steps to verify, in accordance with clause 4.25.2, that each Facility or Separately Certified Component of a Facility assigned Peak Capacity Credits can:
- (a) in the case of a Non-Intermittent Generating System or an Electric Storage Resource, during the period the Reserve Capacity Obligations apply, operate at a level equivalent to its Required Level, adjusted to the level of Peak Capacity Credits currently held by the Facility or Separately Certified Component, as applicable, at least once during each of the following periods:
 - i. 1 October to 31 March; and
 - ii. 1 April to 30 September,which for a Non-Intermittent Generating System, must be achieved on each type of fuel detailed under clause 4.10.1(e)(v)(1)(ii); and
 - (b) [Blank]
 - (c) in the case of a Demand Side Programme, during the period the Reserve Capacity Obligations apply, decrease its ~~consumption~~ DSP Energy Level to operate at a level equivalent to its Required Level in that Trading Interval, adjusted to the level of Peak Capacity Credits currently held, at least once during each of the following periods:
 - i. 1 October to 31 March; and
 - ii. 1 April to 30 September.

...

- 4.25.2. AEMO may verify the matters specified in clause 4.25.1 by:

...

- (b) in the case of a Demand Side Programme:
 - i. observing the Facility decrease its ~~consumption~~ DSP Energy Level in response to a Dispatch Instruction issued by AEMO, for at least two consecutive Trading Intervals, as determined from Meter Data Submissions; or

- ii. testing, in accordance with clause 4.25.9, for not less than two consecutive Trading Intervals and the Facility successfully passing that test as determined from Meter Data Submissions;

...

...

Explanatory Note

Clause 4.25.2B(d) is replaced to require AEMO to test a DSP in the event that the DSP has not yet received a non-zero dispatch instruction.

New clause 4.25.2BB is introduced to limit the number of Reserve Capacity Tests for a DSP to four tests per testing period. New clause 2.25.2BF is introduced to ensure that any dispatch of a DSP that lasts at least two Trading Intervals is treated as a reserve Capacity Test.

- 4.25.2B. AEMO must subject a Facility or Separately Certified Component to a Reserve Capacity Test under clauses 4.25.2(a)(ii), 4.25.2(b)(ii) or 4.25.2(e)(ii) if:
- (a) 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;
 - (b) AEMO has determined, in accordance with clauses 4.25.2(a)(i) or 4.25.2(e)(i), that the Facility or Separately Certified Component of the Facility, as applicable, did not operate at the level specified in clause 4.25.1(a) by:
 - i. 31 January, in respect of the immediately preceding period 1 October to 31 January; and
 - ii. 31 July, in respect of the immediately preceding period 1 April to 31 July;
 - (c) AEMO is conducting a re-test in accordance with clauses 4.25.4 and 4.25.6; or
 - (d) ~~a Demand Side Programme has failed to deliver the quantity determined by AEMO under clause 7.13.5-AEMO has not issued the Demand Side Programme with a non-zero Dispatch Instruction by:~~
 - i. 31 January, in respect of the current period 1 October to 31 January; and
 - ii. 31 July, in respect of the current period 1 April to 31 July.

...

Explanatory Note

Clause 4.25.2BB is introduced to allow DSPs which have been subject to a DSP Dispatch Event to request AEMO to re-test the DSP.

Clause 4.25.2BC is introduced to limit the re-tests a Market Participant can request for a DSP to three times every 6-month testing period (periods outlined in clause 4.25.1(c)).

4.25.2BB. Subject to clause 4.25.2BC, in each period outlined in clauses 4.25.1(c)(i) and 4.25.1(c)(ii), at any time after a Demand Side Programme has been subject to a DSP Dispatch Event in that period, the relevant Market Participant may request that AEMO conduct a Reserve Capacity Test of that Demand Side Programme.

4.25.2BC. A Market Participant must not request more than three Reserve Capacity Tests for the same Demand Side Programme under clause 4.25.2BB in each period outlined in clauses 4.25.1(c)(i) and 4.25.1(c)(ii).

...

4.25.2E. AEMO must, in assessing the performance of a Facility or Separately Certified Component tested for Peak Capacity in accordance with clauses 4.25.2(a), 4.25.2(e), 4.25.4 or 4.25.6:

- (a) in the case of an Electric Storage Resource, measure the average performance across its Peak Electric Storage Resource Obligation Duration based on the average performance across the Trading Intervals; and
- (b) in the case of a Non-Intermittent Generating System, measure the maximum performance in each Trading Interval.

4.25.3. AEMO must not subject a Facility to more Reserve Capacity Tests than it considers are required to satisfy the verification requirements of this section 4.25.

4.25.3A. AEMO must not subject a Facility to a Reserve Capacity Test if:

- (a) that Facility is subject to a Planned Outage, or
- (b) the relevant Market Participant has advised AEMO of a Forced Outage for that Facility in accordance with clause 3.21.2; or
- (c) that Facility is undergoing a Commissioning Test approved in accordance with section 3.21A.

Explanatory Note

Clause 4.25.3D is removed because the concept of the Peak DSP Test Shortfall is removed.

~~4.25.3D. If a Demand Side Programme fails a Reserve Capacity Test requested by AEMO under clause 4.25.2, AEMO must determine the Peak DSP Test Shortfall (to apply from the following Trading Day until the end of the Trading Day on which the Demand Side Programme passes a Reserve Capacity Test for Peak Capacity) as the greater of zero and:~~

- ~~(a) the Peak Capacity Credits held by the relevant Market Participant for the Demand Side Programme; less~~
- ~~(b) the greatest difference between the Relevant Demand of the Demand Side Programme in a Trading Interval of a Reserve Capacity Test and the~~

~~Demand Side Programme Load associated with that Demand Side Programme in that Trading Interval.~~

Explanatory Note

Clause 4.25.4(a) is amended to ensure that a Non-Intermittent Generating System that failed a re-test is subject to a reduction of Capacity Credits.

The header paragraph is amended, the references to whole Facilities removed and clause 4.25.4(b) made blank because the re-testing of DSPs is now covered under new clause 4.25.2BB.

- 4.25.4. ~~Subject to clause 4.25.4G, if a Facility, or If~~ a Separately Certified Component of a Facility, fails a Reserve Capacity Test requested by AEMO under clause 4.25.2, AEMO must re-test that ~~Facility, or Separately Certified Component of that Facility, as applicable, Separately Certified Component of the Facility~~ in accordance with clause 4.25.2, not earlier than 14 days and not later than 28 days after the first Reserve Capacity Test. If the ~~Facility, or Separately Certified Component of that Facility, as applicable, Separately Certified Component of the Facility~~ fails this second Reserve Capacity Test, then AEMO must, from the second Trading Day following the Scheduling Day on which AEMO determines that the second Reserve Capacity Test was failed:
- (a) if the Reserve Capacity Test related to a Non-Intermittent Generating System, reduce the number of Peak Capacity Credits held by the relevant Market Participant for ~~that Facility or Separately Certified Component of that Facility the Separately Certified Component of the Facility~~ to the greatest of the values obtained in the failed Trading Intervals in either Reserve Capacity Test performed (after adjusting these results to the equivalent values at a temperature of 41 degrees Celsius and allowing for the capability provided by operation on different types of fuels); or
 - (b) ~~[Blank]if the Reserve Capacity Test related to a Demand Side Programme, calculate the Peak DSP Test Shortfall (to apply from the following Trading Day until the end of the Trading Day on which the Demand Side Programme passes a Reserve Capacity Test for Peak Capacity) as the number of Peak Capacity Credits held by the relevant Market Participant for that Facility less the maximum level of reduction achieved in either of the two Reserve Capacity Tests; or~~
 - (c) if the Reserve Capacity Test related to an Electric Storage Resource, reduce the number of Peak Capacity Credits held by the relevant Market Participant for ~~that Facility or Separately Certified Component of that Facility the Separately Certified Component of the Facility~~ to reflect the higher average performance achieved over the Peak Electric Storage Resource Obligation Duration for the Electric Storage Resource in either Reserve Capacity Test, in accordance with 4.25.2E(a) (after adjusting these results to performance at a temperature of 41 degrees Celsius).
- 4.25.4A A Market Participant may apply to AEMO for a reduction in the number of Capacity Credits the Market Participant holds for a Facility.

4.25.4B. In order for an application under clause 4.25.4A to be assessed by AEMO, it must:

- (a) be in writing;
- (b) relate to:
 - i. a Facility (other than a Demand Side Programme) for which AEMO has notified the Market Participant, in accordance with clause 4.13.14, of its determination that the need to maintain the Reserve Capacity Security for that Facility has ceased; or
 - ii. a Demand Side Programme that AEMO has determined is in Commercial Operation;
- (bA) indicate whether the application relates to Peak Capacity Credits, or both Peak Capacity Credits and Flexible Capacity Credits;
- (c) detail the reasons for the reduction in the number of Capacity Credits;
- (cA) if the Facility contains multiple Separately Certified Components:
 - i. specify how the reduction in the number of Capacity Credits relates to each Separately Certified Component; and
 - ii. ensure that the number of Flexible Capacity Credits associated with the Separately Certified Component is less than or equal to the number of Peak Capacity Credits associated with the Separately Certified Component;
- (cB) ensure that the number of Flexible Capacity Credits associated with the Facility is less than or equal to the number of Peak Capacity Credits associated with the Facility; and
- (d) indicate whether the application relates only to the current Capacity Year or includes subsequent Capacity Years.

4.25.4C. Upon receiving an application under clause 4.25.4A, AEMO must, subject to clause 4.25.4CA:

- (a) assess the application and any supporting documentation;
- (b) within 10 Business Days of receiving the application inform the Market Participant of its decision whether to reduce the Capacity Credits and the reasons for its decision; and
- (c) if applicable and in AEMO's sole discretion, reduce the quantity of Capacity Credits held by the Market Participant in respect of the Facility, or Separately Certified Component of the Facility, to which the application relates.

4.25.4CA. AEMO must not approve an application received under clause 4.25.4A if the reduction of Peak Capacity Credits for the relevant Facility would result in the number of Peak Capacity Credits for the Facility allocated by the relevant Market Participant in Capacity Credit Allocations for a Trading Day exceeding the number

of Peak Capacity Credits for the Facility held for that Trading Day by the Market Participant that are able to be traded bilaterally under the ESM Rules.

Explanatory Note

Clause 4.25.4CC (a) is amended to ensure Demand Side Programmes that were subject to clause 4.10.1B are accounted for appropriately.

Clause 4.25.4CC(b) is deleted because under the new testing and refund regime, the concept of the Peak DSP Test Shortfall is removed.

~~4.25.4CC. If AEMO reduces Peak Capacity Credits for Demand Side Programme f with effect from Trading Day d under clause 4.25.4C(c), AEMO must:~~

~~(a) calculate a Peak Capacity Payment Reduction Ratio as:~~

$$\text{PeakCapacityPaymentReductionRatio}(f,d) = \left(1 - \frac{\text{DaysComplete}(d)}{\text{TDTY}(d)}\right) \times \frac{\text{ReductionQuantity}(f,d)}{\text{InitialQuantity}(f,d)}$$

~~where:~~

- ~~i. DaysComplete(d) is the number of Trading Days up to, but excluding, Trading Day d since 1 October of the Capacity Year in which Trading Day d falls;~~
- ~~ii. TDTY(d) is the number of Trading Days in the Capacity Year in which Trading Day d falls;~~
- ~~iii. ReductionQuantity(f,d) is the quantity of Peak Capacity Credits that AEMO reduced Demand Side Programme f by under clause 4.25.4(b) in Trading Day d which, for the avoidance of doubt, excludes any previous reductions in relation to the same Capacity Year under clause 4.25.4(b); and~~
- ~~iv. InitialQuantity(f,d) is the quantity of Peak Capacity Credits assigned by AEMO to Demand Side Programme f in accordance with clause 4.20.5A in relation to the Capacity Year in which Trading Day d falls;~~

~~(b) recalculate the Peak DSP Test Shortfall (to apply from the Trading Day on which the reduction takes effect) as the greater of zero and:~~

- ~~i. the number of Peak Capacity Credits held by the Market Participant for the Demand Side Programme; less~~
- ~~ii. the greatest difference between the Relevant Demand for the Demand Side Programme in any Trading Interval of a Reserve Capacity Test and its Demand Side Programme Load associated with that Demand Side Programme in that Trading Interval.~~

4.25.4CC. If AEMO reduces Peak Capacity Credits for Demand Side Programme f with effect from Trading Day d under clause 4.25.4C(c), AEMO must calculate a Peak Capacity Payment Reduction Ratio as:

$$\text{PeakCapacityPaymentReductionRatio}(f, d) = \left(1 - \frac{\text{DaysComplete}(d)}{\text{TDTY}(d)}\right) \times \frac{\text{ReductionQuantity}(f, d)}{\text{InitialQuantity}(f, d)}$$

where:

- (a) DaysComplete(d) is the number of Trading Days up to, but excluding, Trading Day d since 1 October of the Capacity Year in which Trading Day d falls;
- (b) TDTY(d) is the number of Trading Days in the Capacity Year in which Trading Day d falls;
- (c) ReductionQuantity(f,d) is the quantity of Peak Capacity Credits that AEMO reduced Demand Side Programme f by under clause 4.25.4C in Trading Day d which, for the avoidance of doubt, excludes any previous reductions in relation to the same Capacity Year under clause 4.25.4C; and
- (d) InitialQuantity(f,d) is the quantity of Peak Capacity Credits assigned by AEMO to Demand Side Programme f in accordance with clauses 2.29.5AB(a)(i) or 4.20.5A in relation to the Capacity Year in which Trading Day d falls.

Explanatory Note

Clause 4.25.4CD(b) is amended to account for the scenarios in which a Demand Side Programme that was assigned Capacity Credits under clause 2.29.5AB(a)(i) does not hold Reserve Capacity Security but gets apportioned a part of the Reserve capacity Security provided for the Demand Side Programme that was assigned capacity credits under 4.10.1B.

4.25.4CD.If AEMO reduces Peak Capacity Credits for Demand Side Programme f with effect from Trading Day d under clause 4.25.4C(c), the relevant Market Participant must, within 10 Business Days of being informed of the reduction by AEMO in accordance with clause 4.25.4C(b), pay to AEMO an amount equal to:

$$\text{PeakCapacityPaymentReductionRatio}(f, d) \times \text{DSPSecurity}(f)$$

where:

- (a) PeakCapacityPaymentReductionRatio(f,d) is the Peak Capacity Payment Reduction Ratio calculated in accordance with clause 4.25.4CC; and
- (b) DSPSecurity(f) is the amount of DSP Reserve Capacity Security originally required by AEMO in relation to Demand Side Programme f in accordance with clause 4.13A.2(b) or apportioned by AEMO to the Demand Side Programme under clause 4.13A.5B which, for the avoidance of doubt, excludes any previous reductions in relation to the same Capacity Year resulting from previous payments made under clause 4.25.4CD.

...

Explanatory Note

Clause 4.25.4F is amended to reflect that loads can be contracted directly for Supplementary Capacity.

Clauses 4.25.4G and 4.25.4H are deleted because the provision for AEMO to request a re-test for a DSP under clause 4.25.2 has been removed and a Market Participant may now apply for a re-test under new clause 4.25.2BB.

4.25.4F. A Market Participant may not offer any Non-Dispatchable Load that was associated with a Demand Side Programme for Supplementary Capacity if the Demand Side Programme has had its Capacity Credits reduced in accordance with clause 4.25.4C for any part of that Capacity Year.

~~4.25.4G. A Market Participant may, for a Demand Side Programme that failed a Reserve Capacity Test requested by AEMO under clause 4.25.2, elect not to subject the relevant Demand Side Programme to a second Reserve Capacity Test in accordance with clause 4.25.4 by providing notice to AEMO in accordance with clause 4.25.4H.~~

~~4.25.4H. A notification provided under clause 4.25.4G must be given to AEMO by 5:00 PM on the second Business Day after receiving notification from AEMO that the relevant Demand Side Programme failed the Reserve Capacity Test requested by AEMO under clause 4.25.2.~~

Explanatory Note

Clause 4.25.4I is removed as these provisions have been included in clause 4.25.2BC – a Market Participant may request that AEMO re-test the Facility up to three times in each 6-month period.

~~4.25.4I. In the event that a Demand Side Programme has failed up to three Reserve Capacity Tests, a Market Participant may request Capacity Year, that AEMO performs a re-test of the Facility during the seven days following that request.~~

...

Explanatory Note

Clause 4.25.6(b) is removed as under the new regime A DSP will be subject to Reserve Capacity Refunds after a failed Reserve Capacity Test and Capacity Credits will not be reduced.

4.25.6. If AEMO receives a request for a Reserve Capacity re-test in accordance with clause 4.25.5, then:

- (a) if the re-test relates to a Non-Intermittent Generating System, AEMO must conduct such a re-test in accordance with clauses 4.25.2(a)(ii) or 4.25.2(e)(ii) and, following the re-test, set the number of Peak Capacity Credits held by the relevant Market Participant for the Facility or Separately Certified Component of the Facility to reflect the maximum capabilities achieved in the re-test (after adjusting these results to the equivalent values at a temperature of 41 degrees Celsius and allowing for the

capability provided by operation on different types of fuel), but not to exceed the number of Peak Capacity Credits originally confirmed by AEMO for the Facility or Separately Certified Component of the Facility under section 4.20 in respect of the relevant Reserve Capacity Cycle; and

- (b) ~~[Blank]if the re-test relates to a Demand Side Programme, AEMO must conduct such a re-test in accordance with clause 4.25.2(b)(ii) and, following the re-test, recalculate the Peak DSP Test Shortfall as the number of Peak Capacity Credits held by the relevant Market Participant for the Facility less the maximum reduction in its consumption achieved in the re-test; and~~
- (c) if the re-test relates to an Electric Storage Resource, AEMO must conduct such a re-test in accordance with clauses 4.25.2(a)(ii) or 4.25.2(e)(ii) and, following the re-test, set the number of Peak Capacity Credits held by the relevant Market Participant for the Facility or Separately Certified Component of the Facility to reflect the average performance achieved over the Electric Storage Resource's Peak Electric Storage Resource Obligation Duration in the re-test (after adjusting these results to performance at a temperature of 41 degrees Celsius) but not to exceed the number of Capacity Credits originally confirmed by AEMO for the Facility or Separately Certified Component of the Facility under section 4.20 in respect of the relevant Reserve Capacity Cycle.

4.25.7. [Blank]

4.25.8. [Blank]

4.25.9. In conducting a Reserve Capacity Test, AEMO must:

- (a) subject to clauses 4.25.9(b), 4.25.9(c) and 4.25.9(dA), endeavour to conduct the Reserve Capacity Test without warning;
- (b) allow sufficient time for the Market Participant to schedule fuel that it is not required under these ESM Rules to be stored on-site;
- (c) allow sufficient time for switching a Facility from one fuel to an alternative fuel if operation using the alternative fuel is being tested;
- (d) [Blank]
- (dA) in the case of a Demand Side Programme, give at least two hours' and no more than three hours' notice to allow for arrangements to be made for the Facility to be triggered;
- (e) deem the Reserve Capacity Test to be cancelled and discard the results if:
 - i. the Facility is constrained during the test period because of an outage of an item of equipment that is part of a Network; or
 - ii. AEMO determines that the Reserve Capacity Test was invalid in accordance with the WEM Procedure referred to in clause 4.25.14;

- (f) maintain adequate records of the Reserve Capacity Test to allow independent verification of the test results including the level of Injection or Withdrawal required during the Reserve Capacity Test; and
- (g) [Blank]
- (h) notify the Market Participant of the time that the Reserve Capacity Test must be performed, and the level of output required by the Separately Certified Component or level of Injection or Withdrawal required by the Facility for the Reserve Capacity Test, as applicable.

...

4.26. Financial Implications of Failure to Satisfy Reserve Capacity Obligations

Explanatory Note

Clause 4.26.1(b)(v) is amended to use the Facility's Peak Demand Side Programme Dispatch Requirement which is the minimum number of Trading Intervals a Facility must be available each year. Prior to the 2024 Reserve Capacity Cycle (RCC) this value was 400 Trading Intervals. This value is now 100 for the 2024 RCC and afterwards this value is determined by AEMO. As this value is no longer set at 400 Trading Intervals, the Facility's Peak Demand Side Programme Dispatch Requirement should be used in this calculation.

4.26.1. If a Market Participant holding Capacity Credits associated with a Facility fails to comply with its Reserve Capacity Obligations applicable to any given Trading Interval then the Market Participant must pay a refund to AEMO calculated in accordance with the following provisions.

- (a) The Trading Interval Refund Rate for a Facility f in the Trading Interval t is determined as follows:

$$\text{Trading Interval Refund Rate}(f,t) = RF(f,t) \times Y(f,t)$$

where:

- i. Trading Interval Refund Rate (f,t) is the Trading Interval Refund Rate for a Facility f in the Trading Interval t ;
 - ii. $RF(f,t)$ is the refund factor for a Facility f in the Trading Interval t and is calculated in accordance with clause 4.26.1(c); and
 - iii. $Y(f,t)$ is the per Trading Interval capacity price associated with a Facility f in the Trading Interval t and is determined in accordance with clause 4.26.1(b).
- (b) For a Facility f , for which a Market Participant holds Capacity Credits, in the Trading Interval t , $Y(f,t)$ is determined as follows:

...

- v. where Facility f is a Demand Side Programme, $Y(f,t)$ equals the Reserve Capacity Price for the Facility divided by ~~400~~ a value equal

to the Facility's Peak Demand Side Programme Dispatch Requirement.

- (c) The refund factor $RF(f,t)$ for a Facility f in the Trading Interval t is the lesser of:
- i. six; and
 - ii. the greater of the dynamic refund factor $RF_{dynamic}(t)$ as determined under clause 4.26.1(d) and the minimum refund factor $RF_{floor}(f,t)$ as determined under clauses 4.26.1(f) or 4.26.1(g) as appropriate.

...

Explanatory Note

Clause 4.26.1A(a)(ii)(5) is amended to:

- introduce the Peak DSP Association Shortfall that accounts for a shortfall in lad associated with the DSP between October and December.
- consolidate the Peak DSP Test Shortfall with the Peak DSP Delivery shortfall.

4.26.1A. AEMO must calculate the Reserve Capacity Deficit refund for each Facility f , for which a Market Participant holds Capacity Credits, ("**Facility Reserve Capacity Deficit Refund**") in each Trading Interval t as the lesser of:

- (a) the product of:
- i. the Trading Interval Refund Rate, calculated under clause 4.26.1(a), applicable to Facility f in Trading Interval t ; and
 - ii. the Reserve Capacity Deficit for Facility f in Trading Interval t , where the Reserve Capacity Deficit for Facility f in Trading Interval t is equal to whichever of the following applies:

...

5. if Facility f is a Demand Side Programme, the capacity shortfall calculated as:

$$\max(\text{PDSPTS}(f,t), \text{PDSPDS}(f,t), \text{PDSPAS}(f,t))$$

where:

- i. ~~PDSPTS(f,t) is the Peak DSP Test Shortfall in MW determined by AEMO under clause 4.25.3D, clause 4.25.4(b) or clause 4.25.6(b)(i), or zero if AEMO has not determined a Peak DSP Test Shortfall; and~~
- ii. ~~PDSPDS(f,t) is the Peak DSP Delivery Shortfall in MW determined by AEMO under clause 4.26.1AA; and~~
- ii. PDSPAS(f,t) is the Peak DSP Association Shortfall in MW calculated by AEMO under clause 4.26.1AB; and

- (b) the Maximum Facility Refund for the Facility in the relevant Capacity Year, less all Facility Reserve Capacity Deficit Refunds applicable to the Facility in previous Trading Intervals falling in the same Capacity Year.

Explanatory Note

Clause 4.26.1AA is amended and new clause 4.26.1AF introduced to introduce a new method of determining the capacity shortfall for a DSP during a DSP Dispatch Event, namely by referring to the lowest shortfall during the relevant Trading Intervals.

~~4.26.1AA. AEMO must determine the Peak DSP Delivery Shortfall as the average of the Peak Capacity Shortfall values for a Demand Side Programme determined under clause 4.26.2D from the first Trading Day of the Capacity Year and ending with and including the relevant Trading Day, but excluding:~~

- ~~(a) Trading Intervals in which the Demand Side Programme failed to deliver its Reserve Capacity Obligation Quantity occurring prior to the Demand Side Programme subsequently passing a Reserve Capacity Test under clause 4.25.2B(d); and~~
- ~~(b) Trading Intervals in which the Demand Side Programme was not subject to a Dispatch Instruction issued under clause 7.6.5A with the quantity determined by AEMO under clause 7.13.5..~~

4.26.1AA. AEMO must determine the Peak DSP Delivery Shortfall for a Demand Side Programme for all Trading Intervals t from the first Trading Day Interval of Dispatch Event e up to but excluding the first Trading interval of the next DSP Dispatch Event e+1 as the minimum of:

- (a) the number of Peak Capacity Credits held by the Market Participant for the Demand Side Programme for Trading Interval t; and
- (b) the Peak DSP Event Shortfall determined under clause 4.26.1AF for DSP Dispatch Event e.

Explanatory Note

Clauses 4.26.1AB and 4.26.1AC are introduced to provide that a DSP is subject to Reserve Capacity Refunds if it has not enough load associated by the start of the Capacity Year.

4.26.1AB. AEMO must calculate the Peak DSP Association Shortfall for each Demand Side Programme for each Trading Interval t from the start of the Capacity Year until the Trading Interval t-1 before the first Trading Interval t, in which one of the following applies:

- (a) the Demand Side Programme is subject to a Dispatch Instruction issued under clause 7.6.5A with a non-zero dispatch quantity determined under clause 7.13.5; or
- (b) the Demand Side Programme is undergoing a Reserve Capacity Test under section 4.25.

4.26.1AC. For the purpose of clause 4.26.1AB, AEMO must calculate the Peak DSP Association Shortfall as:

$$\text{PDSPAS}(f,t) = \max(0, \text{PCC}(f,t) - \text{CCTCICL}(f,t))$$

where:

- (a) PCC(f,t) is the total of Peak Capacity Credits held by Facility f in Trading Interval t; and
- (b) CCTCICL(f,t) is the sum of the MW quantities by which each Associated Load is expected to reduce its Withdrawal or increase its Injection, provided under clause 2.29.5B for the Associated Loads of the Demand Side Programme.

...

4.26.1AF. AEMO must calculate the Peak DSP Event Shortfall for each set of contiguous Trading Intervals e during which the Demand Side Programme was subject to a Reserve Capacity Test or a DSP Dispatch Event as follows:

- (a) if the Capacity Shortfall determined under clause 4.26.2D for every Trading Interval in e is zero, the DSP Event Shortfall for e is zero; and
- (b) otherwise, the DSP Event Shortfall equals the lowest, non-zero, Capacity Shortfall of all Trading Intervals in e.

...

Explanatory Note

Clause 4.26.2D(a) is amended to provide that a DSP also incurs a Capacity shortfall if it fails a reserve capacity Test.

4.26.2D. AEMO must determine the shortfall in Peak Capacity ("Capacity Shortfall") supplied by each Market Participant holding Peak Capacity Credits associated with a Demand Side Programme f in each Trading Interval t relative to its Reserve Capacity Obligation Quantity as:

- (a) if ~~AEMO has issued the Demand Side Programme was subject to a Reserve Capacity Test or~~ a Dispatch Instruction with a non-zero MW quantity under section 7.6 to the Demand Side Programme f for the Trading Interval t:

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

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
- (b) zero, ~~if AEMO has issued a Dispatch Instruction with a zero MW quantity under section 7.6 to the Demand Side Programme f for Trading Interval t otherwise.~~

...

4.26.2F. The Trading Interval Capacity Cost Refund for Market Participant p and Trading Interval t is the sum of:

- (a) either:
 - i. where Market Participant p holds Capacity Credits associated with an Energy Producing System, the Generation Capacity Cost Refund for Market Participant p for Trading Interval t, determined in accordance with clause 4.26.3; or
 - ii. zero, otherwise; and
- (b) the sum of the Demand Side Programme Capacity Cost Refunds for Trading Interval t for each Facility with a Facility Class (or, for an unregistered Facility, an indicative Facility Class) of Demand Side Programme for which Market Participant p holds Capacity Credits in Trading Interval t.

...

Explanatory Note

Clause 4.26.3A(b) is amended incorporating the refunds from clause 4.26.1AA.

4.26.3A. The Demand Side Programme Capacity Cost Refund for Trading Interval t for a Facility f with a Facility Class (or, for an unregistered Facility, an indicative Facility Class) of Demand Side Programme is equal to the lesser of:

- (a) the Maximum Facility Refund for Facility f in the Capacity Year the Trading Interval t falls in, less all Demand Side Programme Capacity Cost Refunds applicable to the Facility in previous Trading Intervals falling in the same Capacity Year; and
- (b) the sum of:
 - i. either:
 - 1. if Facility f is a Registered Facility:
 ~~$TIRR(f,t) \times S$~~

where:

~~S is the Capacity Shortfall in MW determined in accordance with clause 4.26.2D in Trading Interval t, and~~

~~TIRR(f,t) is the Trading Interval Refund Rate for Facility f in Trading Interval t; or~~

~~$TIRR(f,t) \times \min(PDSPDS(f,t), RCOQ(f,t))$~~

where:

i. TIRR(f,t) is the Trading Interval Refund Rate for Facility f in Trading Interval t;

ii. PDSPDS(f,t) is the Peak DSP Delivery Capacity Shortfall in MW determined in accordance with clause 4.26.1AA in Trading Interval t, and

iii. RCOQ(f,t) is the Reserve Capacity Obligation Quantity of the Demand Side Programme f for Trading Interval t (in MW); or

2. otherwise, zero; and

ii. the Facility Reserve Capacity Deficit Refund for Trading Interval t for Facility f, determined in accordance with clause 4.26.1A.

...

Settlement and Monitoring Data

7.13. Settlement and Monitoring Data

...

Explanatory Note

Clause 7.13.1G(a)(iii) is removed as the Relevant Demand calculation requires the dispatch time, the Dispatch Instruction time, and the metering data for the Dispatch Interval. None of this data is available at the time AEMO must do determine this value.

7.13.1G. Subject to clause 7.11D.5, AEMO must make available to Market Participants, for each Dispatch Interval of each DSP Pre-Dispatch Schedule or DSP Week-Ahead Schedule, within 30 minutes of determining that DSP Schedule, the following information:

(a) for each Demand Side Programme:

i. DSP Unconstrained Quantity;

ii. DSP Constrained Quantity;

iii. ~~estimated Relevant Demand;~~[Blank]

iv. [Blank]

- v. estimated Reserve Capacity Obligation Quantity;
 - vi. DSP Forecast Capacity; and
 - vii. DSP Forecast Reduction;
- (b) the sum of the DSP Forecast Capacities of each Demand Side Programme; and
 - (c) the sum of the DSP Forecast Reductions of each Demand Side Programme.

...

Explanatory Note

Clause 7.13.5 is amended to:

- correct the clause references;
- extend the scope of the clause to include Reserve Capacity Tests; and
- use the correct defined terms “Peak Reserve Capacity Obligation Quantity” and “Flexible Reserve Capacity Obligation Quantity”.

- 7.13.5. AEMO must, for the purposes of ~~clauses 4.25.2B(d), 4.25.2BA(d), 4.26.1AA(b), 4.26.2CA(a), 4.26.2D, 4.26.14 and 7.13.1E(d)~~ clauses 4.25.2(b), 4.26.2D and 7.13.1E(d), calculate, for each Demand Side Programme for each Trading Interval, the quantity, in MW, by which the Facility was instructed by the applicable Dispatch Instruction or Reserve Capacity Test to amend its DSP Energy Level during that Trading Interval, where the quantity:
- (a) must not exceed the Peak Reserve Capacity Obligation Quantity or Flexible Reserve Capacity Obligation Quantity for the Demand Side Programme (as relevant); and
 - (b) must not take account of the Facility’s actual performance in response to the Dispatch Instruction or Reserve Capacity Test.

...

11. Glossary

...

Explanatory Note

The definition of DSP Dispatch Event is removed from Appendix 10 and moved to the Glossary in Chapter 11.

The definition of Peak DSP Event Shortfall is introduced to the Glossary as it is introduced in clause 4.26.1AB.

DSP Dispatch Event: For a Demand Side Programme, the set of contiguous Trading Intervals during which the Demand Side Programme was subject to a Reserve Capacity Test or a Dispatch Instruction with a non-zero MW quantity.

...

Peak DSP Event Shortfall: The quantity, in MW determined under clause 4.26.1AB.

...

Explanatory Note

The definition of Peak DSP Test Shortfall is removed because the concept is now covered by the DSP Event Shortfall.

~~**Peak DSP Test Shortfall:** For a Demand Side Programme in a Trading Interval, the quantity in MW by which it failed a Reserve Capacity Test for Peak Capacity, calculated under clause 4.25.3D, clause 4.25.4(b) or clause 4.25.6(b)(i).~~

...

Appendix 10: Relevant Demand Determination

This Appendix sets out the method for determining the Relevant Demand for a Demand Side Programme f in a Trading Interval t where one of the following applies:

- The Demand Side Programme is subject to a Dispatch Instruction issued under clause 7.6.5A with a non-zero dispatch quantity determined under clause 7.13.5; or
- The Demand Side Programme is undergoing a Reserve Capacity Test under section 4.25.

Explanatory Note

The definition of DSP Dispatch Event is removed from Appendix 10 and moved to the Glossary in Chapter 11.

~~**A “DSP Dispatch Event” for a Demand Side Programme is a set of contiguous Trading Intervals in which either:**~~

- ~~• The Demand Side Programme is subject to a Dispatch Instruction under clause 7.6.5A with a non-zero dispatch quantity determined under clause 7.13.5; or~~
- ~~• AEMO has subjected the Demand Side Programme to a Reserve Capacity Test in accordance with clause 4.25.2B and/or clause 4.25.2BA.~~

An “**Event Day**” for a Demand Side Programme is a day in which one or more DSP Dispatch Events occur for that Demand Side Programme.

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.

1. Determine Selected Days for a Demand Side Programme

Determine the “**Selected Days**” for a Demand Side Programme f for Event Day d using the following steps:

If Event Day d is a Business Day:

- 1.1 Select the ten most recent days in Demand Side Programme f’s Baseline Window for Event Day d, that are a Business Day and not a previous Event Day. If fewer than ten days are identified, then select as many days that are Business Days and not previous Event Days as possible.
- 1.2 If between five and ten days (inclusive) have been selected, go to step 1.4.
- 1.3 If fewer than five days have been selected in step 1.1, then keep adding the next most recent day(s) in the Baseline Window that is (or are) a Business Day and a previous Event Day until five days have been selected.

Explanatory Note

Steps 1.4 and 1.8 of Appendix 10 are amended to correct typographical errors.

- 1.4 ~~days~~Days selected under steps 1.2 or 1.3, as applicable, are the Selected Days for Demand Side Programme f on Event Day d.

...

- 1.8 ~~days~~Days selected under steps 1.6 or 1.7, as applicable, are the Selected Days for Demand Side Programme f on Event Day d.

...

Schedule 4: Amending Rules to commence immediately after commencement of Schedule 5 of the Electricity System and Market Amendment (Tranche 8) Rules 2025 and Schedule 6 of the Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025 on 1 October 2027

...

1.63. General Transitional Provisions – Operational Matters

...

Explanatory Note

The proposed insertion of clause 1.63.10(e)(ix) in Schedule 1 of this exposure draft will need to be repeated following the replacement of clause 1.63.10(e) on 1 October 2027 by Schedule 4 of the RCM Sequencing Amendments. The clause 1.63.10(e)(ix) inserted by Schedule 4 of the RCM Sequencing Amendments is renumbered to clause 1.63.10(e)(ixA).

- 1.63.10. For the 2025 Reserve Capacity Cycle, if the Flexible Reserve Capacity Price is less than or equal to the Peak Reserve Capacity Price then in respect of the 2027 Capacity Year:
- (a) Market Participants are not required to fulfil any further obligations relating to Flexible Capacity Credits;
 - (b) AEMO must not procure supplementary Flexible Capacity under section 4.24;
 - (c) AEMO must not procure Non-Co-optimised Essential System Services relating to Flexible Capacity for the 2027 Capacity Year;
 - (d) AEMO must not consider Flexible Capacity Outage Capabilities or the availability of Flexible Capacity when conducting Outage Evaluations under section 3.18E;
 - (e) subject to clause 1.64.10(f), AEMO is not required to determine or publish, for the 2027 Capacity Year:
 - i. Flexible Capacity Outage Quantities, Flexible Capacity Adjusted Forced Outage Quantities, and Flexible Capacity Adjusted Planned Outage Quantities under section 3.21;
 - ii. Flexible IRCR Intervals under clause 4.1.23AA;
 - iii. the 3 High-Ramp Trading Days under clause 4.1.23BA;
 - iv. Entity Daily Flexible Reserve Capacity Prices under clause 4.29.1A and the Floating Daily Flexible Reserve Capacity Price under clause 4.29.1F;

- v. Indicative Flexible Individual Reserve Capacity Requirements under clause 4.1.23C(b);
 - vi. Flexible Individual Reserve Capacity Requirements under clause 4.1.24(b) or clause 4.28.11B;
 - vii. Flexible Reserve Capacity Obligation Quantities under clauses 4.12.7, 4.12.8 and 4.12.9 and Flexible Reserve Capacity Obligation Quantity estimates under clause 6.3A.3(h);
 - viii. the Transitional Daily Flexible Reserve Capacity Price under clause 4.29.1G and Fixed Daily Flexible Reserve Capacity Prices under clause 4.29.1H;
 - ~~ix. the Flexible Reserve Capacity Deficit Refund under clause 4.26.4;~~
 - ~~ix. the values described in clauses 4.20.5A(b)(iiiA) and 4.20.5A(b)(v);~~
 - ~~ixA. the Flexible Reserve Capacity Deficit Refund under clause 4.26.4;~~
 - x. the Flexible Targeted Reserve Capacity Cost or Flexible Shared Reserve Capacity Cost under clause 4.28.1A; and
 - xi. the Flexible Capacity Provider Payment or Flexible Capacity Purchaser Payment under clause 9.8.2;
- (f) AEMO must determine and publish:
- i. the forecast highest Four-Hour Demand Increase as required by section 7.3 and section 3.16; and
 - ii. the Flexible Reserve Capacity Price under clause 4.29.1(b)(ii);
- (g) AEMO is not required to update or publish WEM Procedures relating to the activities in clauses 1.63.10(b), 1.63.10(d), 1.63.10(e)(iv) or 1.63.10(e)(viii) until 1 January 2026;
- (h) AEMO must not conduct Reserve Capacity Tests under clause 4.25.1B or clause 4.25.2BA;
- (i) Market Participants must not apply to AEMO for a reduction in Flexible Capacity Credits under clause 4.25.4A;
- (j) Market Participants must not submit Capacity Credit Allocation Submissions in respect of Flexible Capacity Credits; and
- (k) AEMO must not issue Dispatch Instructions under 7.6.11(b)(ii).

...

3.16. Projected Assessment of System Adequacy

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Explanatory Note

Clause 3.16.7A is amended to insert a missing full stop after the clause number.

3.16.7A. The Four-Hour Demand Increase for a Trading Interval is to be calculated as follows:

$$\text{FHDI}(t) = (\text{OPDEM}(t) - |\text{OPWITH}(t)|) - (\text{OPDEM}(t - 8) - |\text{OPWITH}(t - 8)|)$$

where:

- (a) FHDI(t) is the Four-Hour Demand Increase for Trading Interval t;
- (b) OPDEM(t) is the Operational Demand for the last Dispatch Interval in Trading Interval t;
- (c) OPWITH(t) is the Operational Withdrawal for the last Dispatch Interval in Trading Interval t.

...

4.13A. DSP Reserve Capacity Security

...

Explanatory Note

Clause 4.13A.15A will be replaced on 1 October 2027 by Schedule 4 of the RCM Sequencing Amendments. The clause will require further amendment to restore the references to clause 2.29.5AF that will be included by the Amending Rules in Schedule 3 of this exposure draft.

4.13A.15A. If a Demand Side Programme ~~that was subject to clause 4.10.1B in Year 1 of the relevant Reserve Capacity Cycle~~ has its Capacity Credits reduced by AEMO under clauses 2.25.5AE, 2.29.5AF or 2.29.5AM ~~clause 2.29.5AE or clause 2.29.5AF~~, then the Market Participant that provides the DSP Reserve Capacity Security for the Demand Side Programme must pay to AEMO, as compensation to the market, either:

- (a) If AEMO has reduced the level of Peak Capacity Credits under clauses 2.29.5AE or 2.29.5AM, the product of:
 - i. the shortfall in Peak Capacity Credits calculated by AEMO under clause 2.29.5AE; and
 - ii. the Floating Daily Peak Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year;
- (b) If AEMO has reduced the level of Flexible Capacity Credits under clause 2.29.5AF, the product of:
 - i. the shortfall in Flexible Capacity Credits calculated by AEMO under clause 2.29.5AF; and
 - ii. the Floating Daily Flexible Reserve Capacity Price multiplied by the number of Trading Days in the relevant Capacity Year.

...

4.26. Financial Implications of Failure to Satisfy Reserve Capacity Obligations

Explanatory Note

Clauses 4.26.1(e)(i)(3) and 4.26.1(e)(iA)(3) are amended to use the correct defined term.

4.26.1. If a Market Participant holding Capacity Credits associated with a Facility fails to comply with its Reserve Capacity Obligations applicable to any given Trading Interval then the Market Participant must pay a refund to AEMO calculated in accordance with the following provisions.

...

(e) For Registered Facility f in the Trading Interval t , $\text{Spare}(f,t)$ is determined as follows:

- i. if Facility f is a Scheduled Facility, the greater of zero and:
 - 1. the Peak Reserve Capacity Obligation Quantity determined for the Facility f in Trading Interval t ; less
 - 2. the Peak Capacity Adjusted Forced Outage Quantity for Facility f in Trading Interval t calculated in 3.21.7B; less
 - 3. the ~~Peak~~ Sent Out Metered Schedule for Facility f in Trading Interval t multiplied by two so as to be a MW quantity;
- iA. if Facility f is a Semi-Scheduled Facility, the greater of zero and:
 - 1. the Peak Reserve Capacity Obligation Quantity determined for Facility f in Trading Interval t ; less
 - 2. the Peak Capacity Adjusted Forced Outage Quantity for Facility f in Trading Interval t calculated in 3.21.7B; less
 - 3. the ~~Peak~~ Sent Out Metered Schedule for Facility f in Trading Interval t multiplied by two so as to be a MW quantity;

...

...

...

Explanatory Note

Clause 4.26.1A(a)(ii)(3)(i) is amended to use the correct variable name.

4.26.1A. AEMO must calculate the Peak Reserve Capacity Deficit refund for each Facility f , for which a Market Participant holds Peak Capacity Credits, ("**Peak Facility Reserve Capacity Deficit Refund**") in each Trading Interval t as the lesser of:

(a) the product of:

...

- ii. the Peak Reserve Capacity Deficit for Facility f in Trading Interval t, where the Peak Reserve Capacity Deficit for Facility f in Trading Interval t is equal to whichever of the following applies:

...

3. if Facility f is considered by AEMO to have been in Commercial Operation in Trading Interval t and is either a Scheduled Facility or a Semi-Scheduled Facility:

$$\min(\text{PCCIG}(f,t), \max(0, \min(\text{RL}(f,t) - 2 \times \text{MAX2}(f,t), \text{RL}(f,t) - A(f,t)))) + \text{PRTMRCD}(f,t)$$

where:

- i. ~~CCIG(f,t)~~ PCCIG(f,t) is the number of Peak Capacity Credits held for Facility f associated with Separately Certified Components of Facility f which are Intermittent Generating Systems of the Facility in Trading Interval t;

...

...

...

...

4.28. Funding Reserve Capacity Purchased by AEMO

...

Explanatory Note

Clause 4.28.4D(a) is amended to correct a typographical error.

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, 4.13A.15A or 4.13A.16; and
- (c) any amounts paid under clauses 4.25.4CD or 4.25.4CE,

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

...

Explanatory Note

Clause 4.28.13 is amended to:

- reflect the replacement of NTDL_Ratio, TDL_Ratio and Total_Ratio with a single Peak IRCR adjustment factor (Total_Ratio); and
- use the correct defined terms.

~~4.28.13. AEMO must publish on the WEM Website the following ratios calculated by it when it determines the Indicative Individual Reserve Capacity Requirements or the Individual Reserve Capacity Requirements for a Trading Month, or recalculates the Individual Reserve Capacity Requirements for a Trading Month as required by clause 4.28.11A:~~

- ~~(a) NTDL_Ratio as calculated in accordance with Step 8A of Appendix 5;~~
- ~~(b) TDL_Ratio as calculated in accordance with Step 8C of Appendix 5; and~~
- ~~(c) Total_Ratio as calculated in accordance with Step 10 of Appendix 5.~~

4.28.13. AEMO must publish on the WEM Website the TDL_Ratio values calculated by it in accordance with Step 3 of Appendix 5 when it:

- (a) determines the Indicative Peak Individual Reserve Capacity Requirements or the Peak Individual Reserve Capacity Requirements for a Trading Month; or
- (b) recalculates the Peak Individual Reserve Capacity Requirements for a Trading Month as required by clause 4.28.11A.

...

4.29. Settlement Data

...

Explanatory Note

Paragraph 19.17 of Schedule 4 of the Wholesale Electricity Market Amendment (RCM Reviews Sequencing) Rules 2025 attempted to insert a new clause 4.29.3(d)(vii) but failed due to an error in the Ministerial Instrument. Clause 4.29.3(d) is amended to insert the sub-clause as intended.

4.29.3. AEMO must determine the following information in time for settlement of each Trading Day d:

...

(d) for each Market Participant p and for Trading Day d:

...

- vi. the total Peak Capacity Cost Refund to be paid by Market Participant p to AEMO for all Trading Intervals in Trading Day d; and
- vii. the total Flexible Capacity Cost Refund to be paid by Market Participant p to AEMO for all Trading Intervals in Trading Day d;

- (dA) for each Market Participant, the sum over all of Market Participant p's Intermittent Loads, deemed to be Intermittent Loads under clause 1.48.2, of the Intermittent Load Refund payable to AEMO by Market Participant p in respect of each of its Intermittent Loads for Trading Day d; and

...

...

11. Glossary

...

Explanatory Note

The definition of Post Hot Season New Notional Wholesale Meter is deleted from the Glossary and embedded in clause 3 of Appendix 5 as this definition is only used in Appendix 5.

~~**Post Hot Season New Notional Wholesale Meter:** A notional interval meter representing Non-Dispatchable Loads that are deemed as non-interval meters that are served by Synergy and which came into existence after the end of the previous Hot Season.~~

...

Explanatory Note

The definitions of Real-Time Market Offer Shortfall and Real-Time Market Reserve Capacity Deficit are deleted as the terms are no longer used.

~~**Real-Time Market Offer Shortfall:** Has the meaning given in clause 4.26.1G.~~

~~**Real-Time Market Reserve Capacity Deficit:** Has the meaning given in clause 4.26.1B.~~

...

Appendix 1: Standing Data

...

Explanatory Note

Appendix 1(c)(xiiA) is amended to correct a typographical error.

...

- (c) For a Semi-Scheduled Facility:
- i. the total nameplate capacity of the Facility's Energy Producing System, expressed in MW;

...

- xiiA. if the Facility has a Separately Certified Component that is an Electric Storage Resource, the maximum sent out capacity, net of embedded and Parasitic Loads, that can be available for supply across the Peak Electric Storage Resource Obligation Duration to the relevant Network from the Electric Storage Resource under optimal conditions, while meeting the requirements determined under clause 4.10.1A(a)(iii), ~~expressed in MW~~, expressed in MW;

...

...

...

Appendix 5: Peak Individual Reserve Capacity Requirements

This Appendix presents the method that must be used by AEMO to determine, for a Trading Month n:

Explanatory Note

The following bullet point is amended as Peak Individual Reserve Capacity Requirement Contributions are no longer required for determination of Relevant Demand under Appendix 10. This value is now required for AEMO to assign Peak and Flexible Certified Reserve Capacity for Demand Side Programmes under clauses 4.11.1(j) and 4.11.1(jA).

- Peak Individual Reserve Capacity Requirement Contributions as required for ~~the determination of Relevant Demands under clause 4.26.2CA~~; assigning Certified Reserve Capacity and Flexible Certified Reserve Capacity to Demand Side Programmes for a Reserve Capacity Cycle under clauses 4.11.1(j) and 4.11.1(jA);
- Indicative Peak Individual Reserve Capacity Requirements as required under clause 4.28.6;
- Peak Individual Reserve Capacity Requirements as required under clause 4.28.7; and
- revised Peak Individual Reserve Capacity Requirements as required under clause 4.28.11A.

AEMO must perform steps ~~1 to 3~~ 1 to 4 to determine the Indicative Peak Individual Reserve Capacity Requirements, Peak Individual Reserve Capacity Requirements or revised Peak Individual Reserve Capacity Requirements for Trading Month n.

Explanatory Note

Previously Peak IRCR Contributions were used for Relevant Demand calculations, which required the use of Indicative Peak IRCR inputs. However, in future Peak IRCR Contributions will be used for certification and calculated for the first Trading Month of the current Capacity Year at the time of certification. By this time the October Peak IRCR values will have been determined and revised for at least one Settlement Adjustment.

The following paragraph is amended to require AEMO to use the most up to date Peak IRCR inputs to calculate Peak IRCR Contributions.

AEMO must perform step 1 as required to determine the Peak Individual Reserve Capacity Requirement Contribution of an individual metered Associated Load for Trading Month n, using as input the relevant values calculated by AEMO when it determined the Indicative Peak Individual Reserve Capacity Requirements for Trading Month n using as input the relevant values calculated by AEMO in its most recent determination of the Peak Individual Reserve Capacity Requirements for Trading Month n.

For the purpose of this Appendix:

Explanatory Note

Clauses 1, 2 and 3 are amended to use the defined term 'Interval Meter' instead of 'interval meter'.

Clauses 2 and 3 are amended to clarify that these meters, which make up aspects of the Notional Wholesale Meter (NWM), are registered to Synergy for the purposes of calculations under this Appendix.

Clause 3A is added to introduce a new variable. This variable accounts for meters which were captured within the NWM in step 1(a) but became Interval Meters following the last Hot Season and so are also captured under step 1(b). The peak contribution of these meters will be subtracted from Synergy's total peak contribution to prevent these meters from being counted twice.

Clause 4 is amended to correct a cross-reference error.

Clauses 4, 5, 8 and 9 are amended to refer to 'metered energy' instead of 'metered consumption' in recognition that these meters could be Injecting.

Clause 5 is amended to align the wording with the wording of clause 2.30B.6.

1. All references, apart from those in step 1(c), to meters are ~~interval meters~~ to Interval Meters.
2. The Notional Wholesale Meter is to be treated as ~~a registered interval meter~~ an Interval Meter registered to Synergy during Trading Month n. This meter is denoted by meter $m=m^*$.
3. The ~~Post Hot Season New Notional Wholesale Meter~~ "Post Hot Season New Notional Wholesale Meter", determined in accordance with step 1(c), is to be treated as ~~a registered interval meter~~ an Interval Meter registered to Synergy during Trading Month n. This meter is denoted by $m=m^+$.
- 3A. The "Ex-NWM New Interval Meter", determined in accordance with step 1(cA), is to be treated as an Interval Meter registered to Synergy during Trading Month n. This meter is denoted by $m=m^\#$.
4. A meter measuring a Facility containing an Intermittent Load, that is and continues to be deemed to be an Intermittent Load under clause 1.48.2, is to be included in these calculations as if it were two meters, one representing the Intermittent Load and processed in step 1(d) and one representing other load at the Facility and processed in step 1(a), with metered ~~consumption energy~~ calculated according to clause 2.30B.10 and ~~clause 9~~ clause 10 of this Appendix 5.

5. A meter measuring a Facility containing an Intermittent Load, for which an application was ~~approved-accepted~~ under clause 2.30B.6 on or after New WEM Commencement Day, is to be included in these calculations as a single meter representing a Non-Dispatchable Load, with metered ~~consumption-energy~~ calculated according to clause 2.30B.11 and clause 10 of this Appendix 5.
6. The meter registration data to be used in the calculations is to be the most current complete set of meter registration data as at the time of commencing the calculations.
7. When calculating the Indicative Peak Individual Reserve Capacity Requirements AEMO must assume all meters registered to a Market Participant on the day of calculation will remain registered to that Market Participant for all future Trading Intervals.
8. A meter measuring a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility not containing an Intermittent Load is to be included in these calculations with metered ~~consumption-energy~~ calculated in accordance with clause 10 of this Appendix 5.
9. Each meter measuring an Aggregated Facility is to be included as a separate meter with metered ~~consumption-energy~~ calculated in accordance with clause 10 of this Appendix 5.

Explanatory Note

Clause 10 is amended to remove the zero floor applied to metered energy for meters which are not associated with a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility (i.e. Non-Dispatchable Loads).

This amendment means that Non-Dispatchable Load meters which Inject during the Peak IRCR Intervals will have a negative metered energy value. The Injecting meters can offset the Withdrawal of other meters registered to the same Market Participant. This can reduce the Market Participant's IRCR.

The changes extend the IRCR benefit of Injecting Non-Dispatchable Loads, which currently only applies to Non-Dispatchable Loads in the NWM, to all Market Participants.

Clauses 10 and 11 have been combined to improve clarity around the calculation of metered energy. The calculations for Associated Loads of Demand Side Programmes have also been amended to ensure the results have the correct sign, i.e. negative for Injection and positive for Withdrawal.

- ~~10. Metered consumption for meter m, in Trading Interval t, is zero when AEMO issues a direction under clause 7.7.5 in respect of an Electric Storage Resource associated with m for a Dispatch Interval within t, otherwise it is $-1 \times \min(0, \text{SOMS}(m, t))$, where $\text{SOMS}(m, t)$ is the Sent Out Metered Schedule of m in t.~~
- ~~11. If meter m measures an Associated Load of a Demand Side Programme then:~~
 - ~~(a) if the Demand Side Programme was issued a Dispatch Instruction under clause 7.6.5A for a non-zero MW quantity in a Peak IRCR Interval t, then the metered consumption in Trading Interval t equals the Unadjusted Baseline Energy for that load in the Trading Interval as calculated in Step 2.2 of Appendix 10,~~

- (b) ~~otherwise, the metered consumption of meter m equals its Sent Out Metered Schedule in Trading Interval t.~~

10. Metered energy for meter m, in Trading Interval t is:

- (a) zero, if AEMO has issued a direction under clause 7.7.5 in respect of an Electric Storage Resource associated with m for a Dispatch Interval within Trading Interval t;
- (b) if meter m measures an Associated Load of a Demand Side Programme which was issued a Dispatch Instruction under clause 7.6.5A for a non-zero MW quantity in Trading Interval t:
 $-1 \times UBE$
where UBE is the Unadjusted Baseline Energy for the Associated Load in Trading Interval t as calculated in step 2.2 of Appendix 10;
- (c) if meter m is associated with a Scheduled Facility, Semi-Scheduled Facility or Non-Scheduled Facility:
 $-1 \times \min(0, SOMS(m, t))$
where SOMS(m,t) is the Sent Out Metered Schedule of meter m in Trading Interval t; and
- (d) otherwise:
 $-1 \times SOMS(m, t)$
where SOMS(m,t) is the Sent Out Metered Schedule of meter m in Trading Interval t.

Explanatory Note

Step 1(cA) is included to account for meters which have moved out of the NWM since the last hot season and are now captured under step 1(b). This step is needed because these meters are still being included in the NWM calculation in Step 1(a). The amendment, which is similar to step 7 in the current IRCR calculations, avoids double-counting of these meters.

Reference to 'metered consumption' has been amended to instead refer to 'metered energy' in recognition that the values can in some circumstances be negative (indicating Injection).

Step 1: Determine the contribution of each meter m to the Peak Reserve Capacity Requirement as:

- (a) for a meter, including the Notional Wholesale Meter, that is not an Intermittent Load meter and for which Sent Out Metered Schedules exist for all Peak IRCR Intervals for the relevant Capacity Year_i:

$$PRCRC(m) = 2 \times MedianIRCRIntervals(m)$$
where MedianIRCRIntervals(m) is the median metered ~~consumption~~ energy of meter m in the Peak IRCR Intervals for the relevant Capacity Year_i;
- (b) for a meter, excluding the Post Hot Season New Notional Wholesale Meter and the Ex-NWM New Interval Meter, that is not an Intermittent Load meter

and for which Sent Out Metered Schedules do not exist for all of the Peak IRCR Intervals, but for which Sent Out Metered Schedules do exist for all Trading Intervals in Trading Month n-3:

$$PRCRC(m) = 2 \times \max_{M \in PTM} (Median4Peaks(m, M))$$

where:

- i. $M \in PTM$ refers to all Trading Months from the first month after the end of the previous Hot Season to Trading Month n-3 inclusive; and
- ii. $Median4Peaks(m, M)$ is the median metered ~~consumption energy~~ of meter m in the 4 Peak SWIS Trading Intervals of Trading Month M;

(c) for the Post Hot Season New Notional Wholesale Meter:

$$PRCRC(m^+) = \frac{PRCRC(m^*)}{NIMCount(FMPHS)} \times (NIMCount(n-3) - NIMCount(FMPHS))$$

where:

- i. $PRCRC(m^*)$ is the contribution to the Peak Reserve Capacity Requirement by the Notional Wholesale Meter calculated under ~~step 2(a), step 1(a)~~;
- ii. $NIMCount(n-3)$ is the number of non-interval or accumulation meters that existed at the end of Trading Month n-3; and
- iii. $NIMCount(FMPHS)$ is the number of non-interval or accumulation meters that existed at the end of the final Trading Month of the previous Hot Season; ~~and~~

(cA) for the Ex-NWM New Interval Meter:

$$PRCRC(m\#) = -1 \times \sum_{m \in NM} PRCRC(m)$$

where:

- i. $m \in NM$ denotes all meters identified in step 1(b) of this Appendix 5 which measured energy that was measured by meter $m=m^*$ during the preceding Hot Season; and
- ii. $PRCRC(m)$ is the contribution to the Peak Individual Reserve Capacity Requirement by meter m calculated under step 1(b); and

(d) for an Intermittent Load meter defined under clause 2.30B.9(b):

- i. if the Intermittent Load is registered and operating or AEMO reasonably expects it to be registered and operating during ~~the relevant Trading Month~~ Trading Month n based on information provided to AEMO in accordance with clause 4.28.8:

$$PRCRC(m) = MaxL(m) \times RM$$

$$PRCRC(m) = MaxL(m) \times \left(\frac{PRCR}{EPD} - 1 \right)$$

where:

1. $\text{MaxL}(m)$ is the nominated load level for Intermittent Load m to apply for ~~Trading Day d~~ Trading Month n as specified in clause 4.28.8; ~~and~~
- ~~2. RM is the reserve margin for the Reserve Capacity Cycle defined as negative one plus the ratio of the Peak Reserve Capacity Requirement for the relevant Capacity Year as described in clause 4.6.1 and the expected peak demand for the relevant Capacity Year as described in clause 4.6.2; and~~
- ~~2. PRCR is the Peak Reserve Capacity Requirement for the Capacity Year in which Trading Month n falls; and~~
- ~~3. EPD is the expected peak demand corresponding to the Peak Reserve Capacity Requirement for the Capacity Year in which Trading Month n falls, as described in clause 4.6.2; and~~
- ii. otherwise ~~zero~~ ;
 $\text{PRCRC}(m) = 0$

Explanatory Note

Step 1A is included to pro-rata the IRCR contribution of a Market Participant based on the number of days a meter was registered to the Market Participant. This accounts for situations in which a meter moved to a different Market Participant during the Trading Month. This ensures Market Participants are not assigned IRCR for Trading Days in which a meter was not registered to the Market Participant.

Step 2 is amended to be consistent with the inclusion of step 1A, and to ensure that the $\text{PRCRC}(p)$ value for a Market Participant can never be negative.

Step 1A: For each meter m and each Market Participant p , calculate the value of $d(m,p)$ as:

$$d(m,p) = \frac{\text{RegDays}(m,p)}{\text{TMDays}}$$

where:

- (a) $\text{RegDays}(m,p)$ is the number of full Trading Days that meter m was registered to Market Participant p in Trading Month n ; and
- (b) TMDays is the number of Trading Days in Trading Month n .

Step 2: For each Market Participant p , calculate the contribution to the Peak Reserve Capacity Requirement as:

$$\text{PRCRC}(p) = \sum_{m \in \text{Meters}(p)} \text{PRCRC}(m)$$

$$\text{PRCRC}(p) = \max(0, \sum_{m \in \text{Meters}} (\text{PRCRC}(m) \times d(m,p)))$$

where:

- (a) $PRCRC(m)$ is the contribution to the Peak Reserve Capacity Requirement by meter m calculated under step 1; ~~and~~
- ~~(b) $m \in Meters(p)$ refers to all meters registered to Market Participant p .~~
- ~~(b) $m \in Meters$ denotes all meters for which a value was determined under step 1 of this Appendix 5; and~~
- ~~(c) $d(m,p)$ is the value calculated for meter m and Market Participant p under step 1A.~~

Explanatory Note

Step 3 is amended and new step 4 inserted to explicitly calculate the adjustment factor applied to Peak Reserve Capacity contributions to ensure that the sum of the Peak IRCR values equals the lesser of the Peak Reserve Capacity Requirement and the number of Peak Capacity Credits in the Trading Month.

~~Step 3: For each Market Participant p , calculate the Indicative Peak Individual Reserve Capacity Requirement or Peak Individual Reserve Capacity Requirement, as applicable, as:~~

$$PIRCR(p) = \frac{PRCRC(p)}{\sum_p PRCRC(p)} \times \min(PRCR, PCC)$$

~~where:~~

- ~~(a) $PRCRC(p)$ is the contribution to the Peak Reserve Capacity Requirement by Market Participant p calculated under step 2;~~
- ~~(b) $PRCR$ is the Peak Reserve Capacity Requirement for the Capacity Year in which the relevant Trading Month falls;~~
- ~~(c) PCC is the number of Peak Capacity Credits held by Market Participants for the relevant Trading Month.~~

Step 3: Calculate:

$$Total\ Ratio = \frac{\min(PRCR, PCC)}{\sum_{p \in MP} PRCRC(p)}$$

where:

- (a) $PRCR$ is the Peak Reserve Capacity Requirement for the Capacity Year in which Trading Month n falls;
- (b) PCC is the number of Peak Capacity Credits held by Market Participants for Trading Month n at the time of the calculation;
- (c) $p \in MP$ denotes all Market Participants; and
- (d) $PRCRC(p)$ is the contribution to the Peak Reserve Capacity Requirement by Market Participant p calculated under step 2.

Step 4: For each Market Participant p, calculate the Indicative Peak Individual Reserve Capacity Requirement or Peak Individual Reserve Capacity Requirement, as applicable, as:

$$PIRCR(p) = PRCRC(p) \times Total\ Ratio$$

where:

- (a) PRCRC(p) is the contribution to the Peak Reserve Capacity Requirement by Market Participant p calculated under step 2; and
- (b) Total Ratio is the value determined under step 3.

...

Appendix 10: Relevant Demand Determination

...

Explanatory Note

The definition of DSP Dispatch Event in Appendix 10 is amended to correct a typographical error.

A “**DSP Dispatch Event**” for a Demand Side Programme is a set of contiguous Trading Intervals in which either:

- The Demand Side Programme is subject to a Dispatch Instruction under clause 7.6.5A with a non-zero dispatch quantity determined under clause 7.13.5; or
- AEMO has subjected the Demand Side Programme to a Reserve Capacity Test in accordance with clause 4.25.2B and/or clause 4.25.2BA~~and/or clause 4.25.2BA~~.

...

Schedule 5: Amending Rules to commence at a time specified by the Minister in a notice published in the Gazette

...

Explanatory Note

The following clauses contain proposed changes to ensure that Market Participants have the opportunity to disagree with changes to meter data submitted to AEMO after Settlement Adjustment Date 2.

These rules intend to prevent a situation in which meter data is submitted by Western Power to AEMO after the Settlement Disagreement Deadline and used in the final settlement adjustment (Settlement Adjustment Date 3) without the opportunity for a Market Participant to disagree with the meter data.

New clause 8.4.3 introduces a requirement for Western Power to notify a Market Participant if changes are made to meter data after the Settlement Adjustment Date 2. In its notification, Western Power will outline the NMI, Trading Intervals, new quantity and previous quantity. This ensures that Market Participants are made aware of any changes made to meter data after the Settlement Statement for the Settlement Adjustment Date 2 is issued.

New clause 8.6.1A is introduced to introduce a deadline 'Pre Disagreement Interval Meter Deadline' for Western Power to provide updates to meter data. After the Pre Disagreement Interval Meter Deadline, Market Participants will have approximately two weeks to raise a disagreement with Western Power under new section 9.16A before the Settlement Disagreement Deadline. This new meter data disagreement framework will now be used for all disagreements with meter data (previously, meter data disagreements reflected on Settlement Statements were disagreed via the framework in section 9.16).

New clause 8.6.1B introduces a deadline 'Post Disagreement Interval Meter Deadline' for Western Power to update meter data to resolve a disagreement. If a disagreement is submitted, Western Power will be required to respond to a disagreement either within 60 days, or the Post Disagreement Interval Meter Deadline, to ensure that updated meter data can be submitted ahead of Settlement Adjustment Date 3.

In the event that Western Power provides updated meter data after the two deadlines, clause 9.16.1A introduced to ensure that AEMO does not use the meter data provided in error for Settlement Adjustment Date 3.

8.4. Meter Data Submission

...

Explanatory Note

The blank clauses 8.4.3, 8.4.4 and 8.4.5 are removed.

New clauses 8.4.3 and 8.4.4 are introduced to ensure the Metering Data Agent notifies a Market Participant if its meter data is adjusted after Settlement Adjustment Date 2. This change ensures that the Market Participant is aware of any meter data adjustments and has the opportunity to dispute meter data with the Metering Data Agent.

~~8.4.3. [Blank]~~

~~8.4.4. [Blank]~~

~~8.4.5. [Blank]~~

~~8.4.3. If a Meter Data Submission referred to in clauses 8.6.1A or 8.6.1B is submitted after the Settlement Adjustment Date 2 for the relevant Trading Week, then within 1 Business Day the Metering Data Agent must notify via email the Market Participants whose injection or consumption is measured by a meter providing the information outlined in clause 8.4.4.~~

~~8.4.4. The information provided under clause 8.4.3 must include for each Interval Meter, for which meter data has been adjusted:~~

~~(a) the NMI;~~

~~(b) the Trading Interval in the Trading Week for which the meter data has been adjusted;~~

~~(c) the kWh quantity, previously provided;~~

~~(d) the adjusted kWh quantity; and~~

~~(e) the reason for the change in the kWh quantity.~~

Explanatory Note

Section 8.5 is removed as Notices of Disagreements and Notices of Dispute do not apply anymore to meter data disagreements. These are now covered by the new Notices of Meter Data Disagreements.

8.5. ~~Notices of Disagreement and Disputed Meter Data~~[Blank]

~~8.5.1. In the event of a Notice of Disagreement or Notice of Dispute that relates to meter data, AEMO must notify the Metering Data Agent responsible for that data of the Notice of Disagreement or Notice of Dispute.~~

~~8.5.2. A Metering Data Agent must respond to the notification described in clause 8.5.1 in accordance with the Metering Protocol referred to in clause 8.1.3 and must include any revised meter data in the first Meter Data Submission made to AEMO following any correction of the meter data.~~

8.6. Format of Meter Data Submissions

Explanatory Note

Clause 8.6.1 is amended to reflect that disagreements concerning meter data will now be subject to a different process.

New clauses 8.6.1A is introduced to establish that, for the purpose of WEM Settlement, meter data can only be updated until the Pre Disagreement Interval Meter Deadline for updates due to new meter data becoming available.

This ensures that actual or revised meter data is only updated up until the Meter Data Deadline which falls on the Tuesday prior to the Settlement Disagreement Deadline.

New clauses 8.6.1B is introduced to establish that, for the purpose of WEM Settlement, meter data can only be updated until the Post Disagreement Interval Meter Deadline for updates due the resolution of a disagreement.

8.6.1. A Meter Data Submission must comprise:

- (a) the identity of the Metering Data Agent;
- (b) the Trading Week to which the meter data relates; and
- (c) for each Interval Meter and each Trading Interval in the Trading Week in the Meter Data Submission described in clause 8.6.1(b):
 - i. the identity of the meter;
 - ii. the kWh quantity measured by the meter; and
 - ~~iii. whether the quantity described in clause 8.6.1(c)(ii) is based on an actual meter reading or an estimate, and if based on an estimate, the applicable code describing the reason for the estimate;~~
 - iii. the applicable code describing whether the quantity described in clause 8.6.1(c)(ii) is based on an actual meter reading, an estimate, substituted data, or data revised from the resolution of:
 - 1. a dispute concerning meter data in accordance with the dispute resolution process in the applicable Metering Protocol; or
 - 2. resolution of Notice of Meter Data Disagreement.
- ~~(d) [Blank]; and~~
- ~~(e) meter adjustments that stem from:~~
 - ~~i. if applicable, for each interval meter and each Trading Interval in the Trading Week to which a Meter Dispute has resulted in changes to meter data:~~
 - ~~1. the kWh quantity for that meter;~~
 - ~~2. whether the quantity described in clause 8.6.1(e)(i)(1) is based on an actual meter reading or an estimate, and if based on an estimate, the applicable code describing the reason for the estimate; and~~
 - ~~3. the applicable code describing the reason for the change in the kWh quantity relative to the previously stated value.~~

8.6.1A. Subject to clause 8.6.1B, Meter Data Submissions that include actual or revised meter data for one or more Trading Intervals in a Trading Week must be provided to AEMO no later than the Pre Disagreement Interval Meter Deadline for the relevant Trading Week.

8.6.1B. Meter Data Submissions that include actual or revised meter data as the resolution of a dispute concerning meter data in accordance with the dispute resolution process in the applicable Metering Protocol or Notice of Meter Data Disagreement, must be provided to AEMO no later than the Post Disagreement Interval Meter Deadline for the relevant Trading Week.

8.6.2. AEMO must document in a WEM Procedure:

- (a) the format of Meter Data Submissions to be provided by Metering Data Agents; and
- (b) the processes that must be followed by Metering Data Agents when making Meter Data Submissions.

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9.3. Settlement Timeline

Explanatory Note

Clause 9.3.1 is amended to introduce two new deadlines for the provision of meter data to AEMO in the ESM Rules.

- The Pre Disagreement Interval Meter Deadline is the deadline for Western Power to provide AEMO and Rule Participants with updated meter data because new data became available.
- The Post Disagreement Interval Meter Deadline is the deadline for Western Power to provide AEMO and Rule Participants with updated meter data to resolve a dispute.

The intent is for the Pre Disagreement Interval Meter Deadline and Post Disagreement Interval Meter Deadline to fall on the same time and date as the Interval Meter Deadline for that week.

The Pre Disagreement Interval Meter Deadline falls more than 2 weeks before the Settlement Disagreement Deadline, allowing Rule Participants to submit a Notice of Meter Data Disagreement ahead of the deadline.

The Post Disagreement Interval Meter falls on the commencement date of Settlement Adjustment 3 so the updated meter data can be used for Settlement Adjustment 3.

9.3. Settlement Timeline

9.3.1. The settlement timeline for settlement of amounts payable under these ESM Rules for each Trading Week within a Financial Year must be published by AEMO at least one calendar month prior to the commencement of that Financial Year. This settlement timeline must include for each Trading Week:

- (a) the Interval Meter Deadline, being 5:00 PM on the seventeenth (17th) day following the end of a Trading Week;
- (aA) the Pre Disagreement Interval Meter Deadline, being 5:00 PM on two hundred and ninetieth (290th) day following the end of the relevant Trading Week;
- (aB) the Post Disagreement Interval Meter Deadline, being 5:00 PM on the three hundred and forty-fourth (344th) day following the end of the relevant Trading Week;
- (b) the Settlement Statement Date, being the Business Day by which AEMO must issue Settlement Statements for a Trading Week, which Business Day must be no later than the fourth Business Day following the Interval Meter Deadline for a Trading Week;
- (c) the Invoicing Date, being the Business Day by which AEMO must issue Invoices for Settlement Statements for a Trading Week, which Business

Day must be no later than the fourth Business Day following the Interval Meter Deadline for a Trading Week;

- (d) the Settlement Date, being the Business Day on which the transactions covered by a Settlement Statement for a Trading Week are settled, which Business Day must be no later than the second Business Day following the date of issue of the Invoice described in clause 9.3.3(b);
- (e) the commencement date for each settlement Adjustment Process for a Trading Week;
- (f) each Relevant Settlement Adjustment Date for a Trading Week;
- (g) each Settlement Statement Date for the Adjustment Process for a Trading Week, being the Business Day by which AEMO must issue Settlement Statements for each Adjustment Process for a Trading Week, which Business Day is determined in accordance with clause 9.15.1(b);
- (h) each Invoicing Date for the Adjustment Process for a Trading Week, being the Business Day by which AEMO must issue Invoices for each Adjustment Process for a Trading Week, which Business Day is determined in accordance with clause 9.15.6;
- (i) each Settlement Date for the Adjustment Process for a Trading Week, being the Business Day on which the transactions covered by a Settlement Statement for each Adjustment Process are settled, which Business Day is determined in accordance with clause 9.15.7; and
- (j) the Settlement Disagreement Deadline.

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9.15. Adjustment Process

Explanatory Note

Clause 9.15.2A is introduced to ensure that AEMO does not use meter data for settlement which has been submitted in error by Western Power after the Final Interval Meter Deadline and Post Disagreement Interval Meter Deadline.

Clause 9.15.1(a) is amended to reflect the introduction of 9.15.2A.

9.15.1. When undertaking an Adjustment Process AEMO must:

- (a) recalculate the amounts included in the Relevant Settlement Statements in accordance with this Chapter 9 but taking into account any:
 - i. subject to clause 9.15.2A, revised meter data which has been provided by Metering Data Agents;
 - ii. actions arising from a Notice of Disagreement;
 - iii. resolution of a Notice of Dispute;

- iv. revised Market Participant Market Fee rate or Market Participant Regulator Fee rate;
 - v. adjustment required for GST purposes under clause 9.1.3;
 - vi. revised value that AEMO reasonably considers to be in compliance with these ESM Rules and accurate; and
 - vii. other relevant value that has been revised in accordance with the ESM Rules; and
- (b) provide adjusted Settlement Statements to Rule Participants for Relevant Settlement Statements on the Relevant Settlement Adjustment Date.
- 9.15.2. Where AEMO decides that it will use a revised value, as contemplated under clause 9.15.1(a)(vi), in the final adjusted Settlement Statement (to be issued on Settlement Adjustment Date 3 for a Trading Week), AEMO must, as soon as practicable, notify the relevant Rule Participant of the proposed revised value and the reason for its decision.

9.15.2A. AEMO must not take into account any revised meter data under clause 9.15.1(a)(i), if the revised meter data was not provided by the Metering Data Agent by the deadline in clauses 8.6.1A or 8.6.1B.

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9.16. Notices of Disagreement

Explanatory Note

Clause 9.16.1A is introduced to exclude disagreements with meter data from the Notice of Disagreement process.

Clause 9.16.1 is amended to reflect the introduction of 9.16.1A.

- 9.16.1. A-Subject to clause 9.16.1A, a Rule Participant may under this section 9.16 issue a Notice of Disagreement in respect of a Settlement Statement by the relevant Settlement Disagreement Deadline.

9.16.1A. A Notice of Disagreement must not relate to a disagreement regarding meter data provided by the relevant Metering Data Agent.

- 9.16.2. The Settlement Disagreement Deadline for a Trading Week is 5:00 PM on the first Business Day of the forty-fifth (45th) week following that Trading Week. A Rule Participant has until this time to lodge a Notice of Disagreement with AEMO pertaining to any amount related to the relevant Settlement Statement for that Trading Week including, for the avoidance of doubt, an adjusted Settlement Statement in relation to that Trading Week issued on any of Settlement Adjustment Date 1 or Settlement Adjustment Date 2.

- 9.16.3. A Notice of Disagreement must be submitted to AEMO in accordance with the WEM Procedure specified in clause 9.2.1.
- 9.16.4. Upon receipt of a Notice of Disagreement, AEMO must confirm receipt within one Business Day.
- 9.16.5. A Notice of Disagreement must include:
- (a) details of the Settlement Statement and Trading Day to which the Notice of Disagreement relates;
 - (b) details of the Rule Participant to which the Notice of Disagreement relates; and
 - (c) a list of information in the Settlement Statement with which the Rule Participant disagrees, including:
 - i. the reason for the disagreement; and
 - ii. what the Rule Participant believes the correct value should be, if this is known,
- and must comply with any format that may be specified in the WEM Procedure specified in clause 9.2.1.
- 9.16.6. AEMO may, if it reasonably considers it is required to assess or resolve a Notice of Disagreement, request clarification or further information regarding any aspect of the Notice of Disagreement submitted under this section 9.16 from the submitting Rule Participant. A Rule Participant must comply with a request under this clause 9.16.6.

Explanatory Note

Clauses 9.16.7 and 9.16.9 are amended as Notices of Disagreements are no longer used to resolve meter data disagreements. In this case, Notices of Meter Data Disagreements should be used. This clause is amended to remove reference to Metering Data agent.

- 9.16.7. If a Notice of Disagreement relates to ~~information provided to AEMO by a Metering Data Agent or~~ SCADA data provided by a Network Operator then as soon as practicable, but not later than five Business Days after AEMO confirms receipt of the Notice of Disagreement, AEMO must:
- (a) notify the ~~Metering Data Agent or~~ Network Operator ~~(as applicable)~~ of any item of information provided by them to which the Notice of Disagreement relates;
 - (b) notify the ~~Metering Data Agent or~~ Network Operator ~~(as applicable)~~ of the time and date by which AEMO requires a response, where the date is to be no later than 60 days after the date on which AEMO confirmed receipt of the Notice of Disagreement; and

- (c) require the ~~Metering Data Agent or~~ Network Operator ~~(as applicable)~~ to investigate the accuracy of the item and to provide a response by the time specified under clause 9.16.7(b):
 - i. reporting on the actions taken to investigate the accuracy of the item; and
 - ii. if applicable, providing a revised value for the item that the ~~Metering Data Agent or~~ Network Operator ~~(as applicable)~~ considers to be in compliance with these ESM Rules and accurate.
- 9.16.8. If a Notice of Disagreement relates to any item of information developed by AEMO, then:
 - (a) if the information relates to values that are inputs to the settlement process AEMO must determine a value for the item, which may be a revised value, that it reasonably considers to be in compliance with these ESM Rules and accurate; or
 - (b) if the information relates to values that are outputs to the settlement process AEMO must review its settlement calculations and assess whether any errors were made.
- 9.16.9. AEMO must, as soon as practicable, but within 20 Business Days of receipt of a Notice of Disagreement respond to a Rule Participant who issued a Notice of Disagreement indicating the actions (if any) AEMO will take in response to the Notice of Disagreement, where such actions may include:
 - (a) revising information provided to AEMO by ~~Metering Data Agents and~~ Network Operators ~~(as applicable)~~, and the reasons provided to AEMO for those revisions, in accordance with clause 9.16.7;
 - (b) revising information developed by AEMO and used as an input to the settlement process, and the reason for the revision, as determined in accordance with clause 9.16.8; and
 - (c) indicating whether AEMO considers an error was made in the settlement calculations that has produced an incorrect Settlement Statement.
- 9.16.10. AEMO may extend the deadline to respond to a Notice of Disagreement in clause 9.16.9 where it requires additional time to respond to the Notice of Disagreement, including additional time to assess relevant information or determine the actions it will take. Where AEMO decides to extend the deadline to respond to a Notice of Disagreement, it must notify the Rule Participant that submitted the Notice of Disagreement within 20 Business Days of receiving the Notice of Disagreement:
 - (a) that AEMO has decided to extend the deadline to respond to the Notice of Disagreement in clause 9.16.9;
 - (b) the reasons for its decision; and

- (c) subject to clause 9.16.11, the time by which AEMO will respond to the Notice of Disagreement.
- 9.16.11. AEMO must not extend the deadline to respond to a Notice of Disagreement under clause 9.16.10 to a date that is later than the earlier to occur of:
- (a) 60 Business Days after the receipt of the Notice of Disagreement; and
 - (b) Settlement Adjustment Date 3.
- 9.16.12. If a Rule Participant is not satisfied with AEMO's response to a Notice of Disagreement, it may issue a Notice of Dispute to AEMO in accordance with section 9.17.

Explanatory Note

Section 9.16A is introduced to introduce a new framework for Rule Participants to disagree with meter data.

A Rule Participant may submit a Notice of Meter Data Disagreement to Western Power regarding meter data. This process replaces meter data disagreements submitted through Notices of Disagreement and will be actioned directly with Western Power instead of going through AEMO.

Western Power will be required to respond to disagreements and will be able to update meter data, if required, ahead of the Post Disagreement Interval Meter Deadline.

9.16A. Notices of Meter Data Disagreement

- 9.16A.1. A Rule Participant may issue to the relevant Metering Data Agent a Notice of Meter Data Disagreement in respect of meter data reflected in a Settlement Statement or provided under clause 8.4.3 by the relevant Settlement Disagreement Deadline for the Trading Week for which the disagreement applies.
- 9.16A.2. Each Metering Data Agent must document the process to be followed in relation to Notices of Meter Data Disagreement in a WEM Procedure.
- 9.16A.3. A Notice of Meter Data Disagreement submitted under clause 9.16A.1 must include:
- (a) the identity of the meter;
 - (b) the details of the Rule Participant issuing the Notice of Meter Data Disagreement;
 - (c) the Trading Intervals in each Trading Week to which the Notice of Meter Data Disagreement applies; and
 - (d) the meter data subject to the disagreement, including:
 - i. the reason for the disagreement; and
 - ii. what the Rule Participant believes the correct value should be, if this is known.

9.16A.4. The Metering Data Agent must confirm receipt of a Notice of Meter Data Disagreement submitted under clause 9.16A.1 within one Business Day of receiving it.

9.16A.5. The Metering Data Agent may, if it reasonably considers it is required to assess or resolve a Notice of Meter Data Disagreement submitted under clause 9.16A.1, request clarification or further information regarding any aspect of the Notice of Meter Data Disagreement from the submitting Rule Participant, and the Rule Participant must comply with the request.

9.16A.6. The Metering Data Agent must, as soon as practicable but no later than 20 Business Days following receipt of a Notice of Meter Data Disagreement submitted under clause 9.16A.1:

(a) respond to the Rule Participant who issued it outlining the actions (if any) the Metering Data Agent will take, which may include providing a Meter Data Submission to AEMO with revised meter data in accordance with clause 8.6.1B; and

(b) send a copy of the response provided in clause 9.16A.6(a) to AEMO.

9.16A.7. Subject to clause 9.16A.8, the Metering Data Agent may extend the deadline in clause 9.16A.6 if it requires additional time to respond to the Notice of Meter Data Disagreement submitted under clause 9.16A.1 and must notify the Rule Participant:

(a) that it has decided to extend the deadline;

(b) the reasons for its decision; and

(c) subject to clause 9.16A.8, the time by which it will respond to the Notice of Meter Data Disagreement.

9.16A.8. The Metering Data Agent must not extend a deadline under clause 9.16A.7 to a date that is later than the earlier of:

(a) 60 Business Days after the receipt of the Notice of Meter Data Disagreement submitted under clause 9.16A.1; and

(b) the Post Disagreement Interval Meter Deadline.

9.17. Settlement Disputes

9.17.1. Subject to clause 9.17.2, a Rule Participant may only issue a Notice of Dispute in regard to a Settlement Statement after:

(a) having raised a Notice of Disagreement with respect to a Settlement Statement; and

(b) AEMO having given a response under clause 9.16.9 in respect of the Notice of Disagreement with which the Rule Participant is not satisfied.

- 9.17.2. A Rule Participant may issue a Notice of Dispute in regard to an adjusted Settlement Statement for a Trading Week issued on Settlement Adjustment Date 3, but only in respect of an adjustment first made by AEMO to that Settlement Statement and not in respect of any other matter.

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11. Glossary

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Explanatory Note

The definition of Meter Data Submission is amended to refer to section rather than clause.

Meter Data Submission: A submission of meter data by a Metering Data Agent to AEMO in accordance with ~~clause 8.4~~ section 8.4.

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Explanatory Note

The definition of Meter Dispute is removed because it is no longer used.

~~**Meter Dispute:** Has the meaning given in clause 8.6.1(e).~~

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Explanatory Note

The definition of Notice of Meter Data Disagreement is introduced as the new process is introduced in section 9.16.

Notice of Meter Data Disagreement: A notice issued by a Rule Participant to the relevant Metering Data Agent under clause 9.16A.1.

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Explanatory Note

The Post Disagreement Interval Meter Deadline is introduced which is the deadline for Western Power to provide AEMO and the Rule Participant with revised meter data resulting from a disagreement or dispute process.

Post Disagreement Interval Meter Deadline: The date determined in accordance with clause 9.3.1(aB).

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Explanatory Note

The definition of Pre Disagreement Interval Meter Deadline is introduced which is the deadline for Western Power to provide AEMO and the Rule Participant with revised meter data, unless the revised meter data is to resolve a dispute.

Pre Disagreement Interval Meter Deadline: The date determined in accordance with clause 9.3.1(aA).

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