

ELECTRICITY INDUSTRY ACT 2004**ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY MARKET) REGULATIONS 2004****WHOLESALE ELECTRICITY MARKET RULES****Amending Rules 2016**

I, Dr Mike Nahan, Minister for Energy for the State of Western Australia, under regulation 7(4) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* hereby make the amending rules contained in this document.

Amendments relating to the transfer to System Management functions to AEMO

1. The amending rules set out in Schedule A are to commence at 8:00am (WST) on 1 July 2016.

Amendments relating to the Reserve Capacity Mechanism

2. The amending rules set out in Schedule B, Part 1 are to commence at 8:00am (WST) on 1 June 2016.

3. The amending rules set out in Schedule B, Part 2 are to commence at 8:00am (WST) on 1 October 2016.

4. The amending rules set out in Schedule B, Part 3 are to commence at 8:00am (WST) on 1 October 2017.

5. The amending rules set out in Schedule B, Part 4 are to commence at a time specified by the Minister in a notice published in the Gazette.

Dated at Perth this 26th day of May 2016.

MIKE NAHAN MLA, Minister for Energy.

Schedule A**1. Market Rule 1.16 added**

(1) Insert a new Market Rule 1.16, after Market Rule 1.15, as follows—

1.16 Transition of System Management Functions to AEMO

1.16.1. On and from the System Management Transition Date—

- (a) where System Management is required to do an act, matter or thing under a provision of these Market Rules, and that act, matter or thing was done by Western Power prior to the System Management Transition Date, then the act, matter or thing is deemed to have been done by System Management in accordance with the relevant provision;
- (b) where System Management is required to do an act, matter or thing under a provision of a Market Procedure, and that act, matter or thing was done by Western Power prior to the System Management Transition Date, then the act, matter or thing is deemed to have been done by System Management in accordance with the relevant provision;
- (c) notwithstanding the operation of clauses 1.16.1(a) and 1.16.1(b), System Management is not liable for any act, matter or thing done by Western Power prior to the System Management Transition Date in breach of the Market Rules or any Market Procedure;
- (d) subject to clauses 1.16.1(e) and 1.16.2, where System Management is required to develop or maintain a Market Procedure (including a Power System Operation Procedure), and that Market Procedure was developed or maintained by Western Power prior to the System Management Transition Date, then—
 - i. the Market Procedure is deemed to have been developed or maintained by System Management in accordance with the Market Rules;
 - ii. a reference to Western Power (including in its former capacity as System Management) in that Market Procedure that should be a reference to System Management having regard to System Management's functions, rights and obligations under the Market Rules and any other Market Procedure is deemed to be a reference to System Management;
 - iii. System Management may amend the Market Procedure to refer to AEMO instead of Western Power (including in its former capacity as System Management) (where appropriate) and make any necessary consequential amendments without undertaking the Procedure Change Process; and
 - iv. any Market Procedure which is amended by System Management in accordance with this clause 1.16.1(d) may commence operation on the date and time determined by System Management and published on the Market Web Site;

- (e) AEMO may amend its Monitoring and Reporting Protocol to incorporate its System Management Functions, and until it is amended—
 - i. AEMO must provide to the IMO, on request, all records required to be kept by System Management under the Market Rules and Market Procedures;
 - ii. if AEMO becomes aware of an alleged breach of the Market Rules, then it must record the alleged breach and notify the IMO; and
 - iii. clause 2.13.8 does not apply to AEMO in its capacity as System Management;
- (f) where System Management is required to publish or release any information or document (other than a Power System Operation Procedure) (including, without limitation, a form, protocol or other thing) and that information or document was published or released by Western Power prior to the System Management Transition Date, then—
 - i. the information or document is deemed to have been published or released by System Management in accordance with the Market Rules; and
 - ii. a reference to System Management or Western Power in that information or document that should be a reference to System Management having regard to System Management's functions, rights and obligations under the Market Rules and Market Procedures is deemed to be a reference to System Management; and
- (g) where a person (including, without limitation, a Rule Participant) is required to provide information to, or do an act, matter or thing for, System Management under the Market Rules or a Market Procedure (including a Power System Operation Procedure), and the person has provided that information to, or done that act, matter or thing for, Western Power prior to the System Management Transition Date, then the information, act, matter or thing, is deemed to have been provided to, or done for, System Management in accordance with the relevant Market Rules or Market Procedure.

1.16.2. Where a Market Procedure (including a Power System Operation Procedure) is deemed to have been developed or maintained by System Management under clause 1.16.1(d)—

- (a) in addition to the amendments referred to in clause 1.16.1(d)(iii)—
 - i. System Management may make any such further amendments to the Market Procedure that it considers reasonably necessary to facilitate the transition of System Management Functions from Western Power to AEMO; and
 - ii. any Market Procedure which is amended by System Management in accordance with this clause 1.16.2(a)(i) may commence operation on the date and time determined by System Management and published on the Market Web Site; and
- (b) if System Management amends a Market Procedure under clause 1.16.2(a)(i), then it must promptly (and in any case within 12 months of the System Management Transition Date)—
 - i. publish a report setting out the wording of, and the reasons for, the amendment of the Market Procedure;
 - ii. conduct public consultation in a manner that is consistent with the Procedure Change Process; and
 - iii. consider whether any further amendment should be made (which must be made in accordance with the Procedure Change Process).

1.16.3. Without limiting clause 1.16.1 and despite the terms of any other arrangement, on and from the System Management Transition Date, any contract between Western Power (in its former capacity as "system management") and a third party made prior to the System Management Transition Date is deemed to be a contract made between AEMO (in its capacity as System Management) and that third party, and—

- (a) AEMO (in its capacity as System Management) assumes all of the rights and liabilities of Western Power in respect of the contract;
- (b) any reference to Western Power is deemed to be a reference to AEMO;
- (c) this clause 1.16.3 will apply despite any provision of the contract that would otherwise prevent or limit the operation of this clause 1.16.3; and
- (d) Western Power must deliver up the relevant contract to AEMO and do anything else necessary or desirable to give effect to this clause 1.16.3.

1.16.4. AEMO is required to ensure that the Market Auditor that it appoints to carry out the first audit described in clause 2.14.2 following the System Management Transition Date audits both—

- (a) AEMO in respect of the matters referred to in clause 2.14.3; and
- (b) Western Power in respect of its compliance with the Market Rules and Market Procedures in its former capacity as System Management prior to the System Management Transition Date,

covering the relevant audit period.

1.16.5. For the Review Period from 1 July 2016 to 1 July 2019—

- (a) the Allowable Revenue and Forecast Capital Expenditure submitted by AEMO, the IMO, and System Management are deemed to have been withdrawn;

- (b) AEMO is not required to submit its proposal for Allowable Revenue and Forecast Capital Expenditure for that Review Period until 16 September 2016; and
- (c) the Economic Regulation Authority is not required to determine AEMO's Allowable Revenue and Forecast Capital Expenditure for that Review Period until 16 December 2016.

1.16.6. From the System Management Transition Date and until the Economic Regulation Authority determines AEMO's Allowable Revenue and Forecast Capital Expenditure for the Review Period from 1 July 2016 to 1 July 2019—

- (a) clause 2.22A.3 will continue to apply to AEMO in respect of its Allowable Revenue and Forecast Capital Expenditure for providing the services set out in clause 2.22A.1, except for providing system management services; and
- (b) the Allowable Revenue and Forecast Capital Expenditure approved for System Management for the previous Review Period will be treated as AEMO's Allowable Revenue and Forecast Capital Expenditure in respect of the system management services referred to in clause 2.22A.1(d).

2. Market Rule 2.2 amended

(1) Amend the heading to Market Rule 2.2 by inserting the word "Functions", after the words "System Management".

(2) Delete the existing clause 2.2.1 and replace it with the following—

2.2.1 The function of ensuring that the SWIS operates in a secure and reliable manner for the purposes of regulation 13(1) of the WEM Regulations is conferred on AEMO.

(3) Amend clause 2.2.2(c) by inserting the words "relevant to System Management (including the Power System Operation Procedures and the IMS Interface Procedure)", after the words "to develop Market Procedures".

(4) Amend clause 2.2.2(d) by inserting the words "System Management under", after the words "required to be released by".

(5) Amend clause 2.2.2(f) by deleting the word "it", and replacing it with the words "System Management".

(6) Delete the existing clause 2.2.3 and replace it with the following—

2.2.3. System Management may—

- (a) engage a person as an agent, or appoint a person as a delegate, (including, without limitation, a Network Operator) as it considers competent to exercise, on its behalf, any of or all of its System Management Functions (other than the power to do the things indicated as not able to be delegated in the Regulations) or engage a person it considers competent to provide it with services it requires to enable or assist it to perform System Management Functions (that person being a System Operator); or
- (b) organise, enter into and manage any contractual arrangements with any service provider (including, without limitation, a Network Operator) as it considers competent.

A System Management Function performed by a System Operator as an agent or delegate of System Management, or a service provided by a System Operator to System Management to enable or assist it to perform a System Management Function, is deemed to be a System Management Function conferred on that System Operator under these Market Rules. A System Operator performing such a System Management Function is to be taken to do so in accordance with the terms of the delegation or engagement under which it is undertaken, unless the contrary is shown. Nothing in this clause 2.2.3 limits the ability of System Management to perform a function through an officer, employee or agent.

(7) Insert new clauses 2.2.4, 2.2.5, 2.2.6, 2.2.7 and 2.2.8, after clause 2.2.3, as follows—

2.2.4. System Management must publish on the Market Web Site information as to—

- (a) the engagement or appointment of any System Operator;
- (b) the identity of that System Operator or service provider; and
- (c) the scope of the engagement or appointment, including without limitation, the activities in relation to which the engagement or appointment applies.

2.2.5. A Market Participant must ensure that, where System Management has engaged or appointed a System Operator or service provider under clause 2.2.3, any communications from the Market Participant to System Management under these Market Rules concerning the System Management Functions within the scope of the System Operator's or service provider's engagement or appointment are made through that System Operator or service provider to the extent notified to the Market Participant by System Management.

2.2.6. A System Operator must carry out the System Management Functions, and other rights and obligations, in respect of which it has been engaged or appointed by System Management in accordance with the provisions of the Market Rules, Market Procedures, and the instrument of appointment or delegation.

2.2.7. A System Operator is a "system management participant" for the purposes of section 126 of the Electricity Industry Act to the extent that it performs a System Management Function conferred on it under clause 2.2.3.

2.2.8. Notwithstanding that AEMO may have engaged or appointed a System Operator or service provider under clause 2.2.3 to carry out a System Management Function, System Management remains liable under these Market Rules for performance of that right, function or obligation.

3. Market Rule 2.8 amended

- (1) Amend clause 2.8.13(b) by deleting the words “, 2.31.5(a)”, after the words “2.31.3”.

4. Market Rule 2.10 amended

- (1) Amend clause 2.10.5A by inserting the words “(including in its capacity as System Management)”, after the words “AEMO develops”.
- (2) Amend clause 2.10.12A by inserting the words “(including in its capacity as System Management)”, after the words “AEMO prepares”.
- (3) Amend clause 2.10.13(e) by inserting the word “and” at the end of the clause.
- (4) Amend clause 2.10.17 by deleting the words “clauses” and replacing it with “clause”.
- (5) Amend clause 2.10.17 by deleting the words “or 2.10.14”.
- (6) Amend clause 2.10.18 by deleting the words “or 2.10.15”.

5. Market Rule 2.11 amended

- (1) Amend clause 2.11.1 by deleting the words “clause 2.10.2A(a), 2.10.13 or 2.10.14” and replacing them with “clauses 2.10.2A(a) or 2.10.13”.
- (2) Amend clause 2.11.3 by deleting the words “or 2.10.15(c), as applicable”.

6. Market Rule 2.13 amended

- (1) Amend clause 2.13.6A by deleting the words “System Management”, in the last place where it occurs, and replacing them with the word “AEMO”.
- (2) Amend clause 2.13.6D(b) by deleting the words “submit to AEMO for publication” and replacing them with the word “publish”.
- (3) Amend clause 2.13.6E(b) by deleting the words “submit to AEMO for publication” and replacing them with the word “publish”.
- (4) Amend clause 2.13.6H(a) by deleting the words “the IMO” and replacing them with the word “AEMO”.
- (5) Amend clause 2.13.6H(b)(ii) by deleting the word “and” at the end of the clause.
- (6) Amend clause 2.13.8(b) by deleting “2.13.6” and replacing it with “2.13.6A”.

7. Market Rule 2.15 amended

- (1) Delete the existing clause 2.15.6B and replace it with the following—

2.15.6B. The purpose of AEMO’s Monitoring and Reporting Protocol is to state how AEMO (including in its capacity as System Management) will implement its obligations under these Market Rules to support the IMO’s monitoring of Rule Participants’ behaviour for compliance with the Market Rules in accordance with clauses 2.13.9A and 2.13.6, and with Market Procedures (including the Power System Operation Procedures) developed by AEMO.
- (2) Amend clause 2.15.6C(a) by inserting the words “(including in its capacity as System Management)”, after the words “AEMO’s processes”.
- (3) Amend clause 2.15.7 by deleting the “,” in the first place where it occurs, and inserting the word “and”, after the word “IMO”.
- (4) Amend clause 2.15.7 by deleting the words “, and the Monitoring and Reporting Protocol developed by System Management”.

8. Market Rule 2.16 amended

- (1) Amend clause 2.16.2(m) by deleting the words “System Management” and replacing them with the word “it”.
- (2) Amend clause 2.16.2(m) by inserting the words “as System Management”, after the word “into”.
- (3) Amend clause 2.16.7(b) by inserting the words “(whether held by System Management or which System Management may require from another person under these Market Rules)”, after the words “operational records”.

9. Market Rule 2.17 amended

- (1) Amend clause 2.17.1(n) by deleting the word “2.34.7A(b)(ii)” and replacing it with the word “2.34.7A(c)”.
- (2) Amend clause 2.17.2(b) by deleting the “,” and inserting the word “and”, after the words “clauses 2.10.2A(a)”.
- (3) Amend clause 2.17.2(b) by deleting the words “and 2.10.14”.

10. Market Rule 2.22A amended

- (1) Amend clause 2.22A.1(b) by deleting the word “and” at the end of the clause.
- (2) Amend clause 2.22A.1(c) by deleting the full stop at the end of the clause and inserting “; and” instead.
- (3) Insert a new clause 2.22A.1(d), after clause 2.22A.1(c), as follows—
 - (d) system management services, being AEMO’s (in its capacity as System Management) performance of System Management Functions.

(4) Insert a new clause 2.22A.2A, after clause 2.22A.2, as follows—

2.22A.2A. If System Management engages a System Operator, then its proposal for its Allowable Revenue and Forecast Capital Expenditure in respect of system management services must separately itemise the amount payable to the System Operator.

(5) Amend clause 2.22A.4 by inserting the words “(including, without limitation, the amount to be paid to System Operators)”, after the words “Financial Year”.

(6) Amend clause 2.22A.5 by inserting the words “(including, without limitation, the actual amount paid to System Operators compared to the budgeted amount)”, after the words “Financial Year”.

(7) Amend clause 2.22A.12(a)(i) by deleting the words “the functions of System Management”, after the words “transfer of”, and replacing them with the words “System Management Functions”.

11. Market Rule 2.23 deleted

(1) Delete the existing heading “Determination of System Management’s budget”, at the start of Market Rule 2.23, and replace it with “[Blank]”.

12. Market Rule 2.24 amended

(1) Amend clause 2.24.2(a) by inserting the word “and”, at the end of the clause.

(2) Delete the existing clause 2.24.3(b) and replace it with the following—

(b) System Management Fees collected for AEMO’s system management services where the amount to be earned is equal to the relevant costs in AEMO’s budget published in accordance with clause 2.22A.4 or as adjusted under clause 2.24.2A; and

13. Market Rule 2.25 amended

(1) Amend clause 2.25.1A by deleting the words “System Operation Fees and”.

(2) Amend clause 2.25.1B by deleting the words “System Management, the” and replacing them with the word “The”.

(3) Amend clause 2.25.3(a) by deleting the words “, System Management”, and inserting the word “and”, at the end of the clause.

(4) Amend clause 2.25.4 by inserting the words “AEMO in its capacity as”, before the word “System Management” in the first line.

14. Market Rule 2.28 amended

(1) Insert a new clause 2.28.1(dA), after clause 2.28.1(d), as follows—

(dA) System Operator;

(2) Delete the existing clause 2.28.3(a) and replace it with the following—

(a) System Management has determined that it does not require information about the relevant network to ensure Power System Security and Power System Reliability are maintained; and

(3) Insert a new clause 2.28.3A, after clause 2.28.3, as follows—

2.28.3A. System Management must develop a Power System Operation Procedure specifying—

(a) information that a Network Operator must provide to System Management, for each of its Networks, including—

- i. positive, negative and zero sequence network impedances for the network elements;
- ii. information on the network topology;
- iii. information on transmission circuit limits;
- iv. information on security constraints;
- v. overload ratings, including details of how long overload ratings can be maintained; and
- vi. the short circuit capability of facility equipment;

(b) the processes to be followed by a Network Operator to enable System Management to have access to the information specified in clause 2.28.3A(a);

(c) technical and communication criteria that a Network Operator must meet with respect to System Management’s ability to access the information specified in clause 2.28.3A(a); and

(d) the processes to be followed by System Management when accessing the information specified in clause 2.28.3A(a).

(4) Insert a new clause 2.28.14A, after clause 2.28.14, as follows—

2.28.14A. A System Operator is a Rule Participant, but is not required to register and may be registered in another Rule Participant class.

(5) Delete the existing clause 2.28.16B(c) and replace it with the following—

(c) System Management has determined that it does not require information about the relevant generation system to ensure Power System Security and Power System Reliability are maintained;

15. Market Rule 2.29 amended

- (1) Delete the existing clause 2.29.5F and replace it with the following—
- 2.29.5F. If AEMO accepts an application under clause 2.29.5D then AEMO must include in its notification to the applicant—
- (a) the date and time from which the relevant Load will be associated with the Demand Side Programme, as defined under clause 2.29.5G(a); and
 - (b) the date and time from which the relevant Load will cease to be associated with the Demand Side Programme, as defined under clause 2.29.5G(b).

16. Market Rule 2.30 amended

- (1) Amend clause 2.30.4 by deleting the words “System Management and”.
- (2) Amend clause 2.30.5(a) by deleting the word “maintain”, and replacing it with the word “ensure”.
- (3) Amend clause 2.30.5(a) by inserting the words “are maintained”, after the words “Power System Reliability”.
- (4) Amend clause 2.30.5(e) by deleting the words “and AEMO”.
- (5) Amend clause 2.30.8 by deleting the words “, after consultation with System Management,”.
- (6) Amend clause 2.30.11(b) by deleting the words “and System Management”.

17. Market Rule 2.30A amended

- (1) Amend clause 2.30A.5 by deleting the words “, after consultation with System Management,”.
- (2) Amend clause 2.30A.6(b) by deleting the words “and System Management”.

18. Market Rule 2.30B amended

- (1) Amend clause 2.30B.3(b)(ii)(2) by inserting the words “or the relevant Network Operator (as applicable)”, after the words “System Management”.

19. Market Rule 2.31 amended

- (1) Delete the existing clause 2.31.5 and replace it with the following—
- 2.31.5. AEMO may consult with relevant Network Operators with respect to applications for registration, de-registration or transfer of generating works or Loads.
- (2) Delete the existing clause 2.31.22 and replace it with the following—
- 2.31.22. System Management must facilitate participation in a Rule Participant class or Facility Class by an approved applicant as soon as practicable.
- (3) Amend clause 2.31.23(b) by inserting the word “and” at the end of the clause.

20. Market Rule 2.34 amended

- (1) Delete the existing clause 2.34.1 and replace it with the following—
- 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) Delete the existing clause 2.34.7A and replace it with the following—
- 2.34.7A. AEMO must—
- (a) consider whether it is satisfied that a proposed change in LFAS Standing Data meets the LFAS Facility Requirements within ten Business Days; and
 - (b) [Blank]
 - (c) where AEMO rejects the proposed change, advise the Market Participant of the rejection.

21. Market Rule 2.36A added

- (1) Insert a new Market Rule 2.36A, as follows—

2.36A. Network Systems and SCADA

2.36A.1. System Management must develop an IMS Interface Market Procedure prescribing the reasonable arrangement by which Network Operators and AEMO must, subject to clause 2.36A.2, provide each other with information under these Market Rules, including—

- (a) the format, form and manner in which that information must be provided; and
- (b) where the Market Rules do not provide a timeframe for the provision of the information, the time by which such information must be provided.

2.36A.2. Where the IMS Interface Market Procedure is inadequate to enable either System Management or a Network Operator to comply with an obligation to provide information to the other under these Market Rules, and such information is required in a timely manner for the efficient performance of System Management’s functions, then the following process applies until such time as the IMS Interface Market Procedure is amended to correct the inadequacy—

- (a) a senior manager from each of System Management and the Network Operator must meet as soon as possible after the inadequacy in the IMS Interface Market Procedure is identified and seek to agree an amendment to the IMS Interface Market Procedure that addresses the inadequacy and which is consistent with these Market Rules;
- (b) if agreement is reached under clause 2.36A.2(a) within five Business Days of the first meeting, then System Management must seek to develop a Procedure Change Proposal accordingly and, in the interim, act in accordance with that agreement;

- (c) if no agreement is reached under clause 2.36A.2(a), then System Management and the Network Operator must meet as soon as possible and seek to agree an amendment to the IMS Interface Market Procedure that addresses the inadequacy and which is consistent with these Market Rules, and develop a Procedure Change Proposal accordingly;
- (d) if agreement is reached under clause 2.36A.2(c) within five Business Days of the first meeting, then System Management and the Network Operator must seek to develop a Procedure Change Proposal accordingly and, in the interim, act in accordance with that agreement; and
- (e) if no agreement is reached under clause 2.36A.2(c) within five Business Days of the first meeting, then System Management, acting reasonably, must, as soon as practicable, develop and draft a Procedure Change Proposal seeking an amendment to the IMS Interface Market Procedure that addresses the inadequacy and which is consistent with these Market Rules.

2.36A.3. Where reasonably necessary for System Management to discharge its System Management Functions, System Management may direct a Network Operator to—

- (a) install communications or control systems (including to provide access to the Network Operator's SCADA system) which, in System Management's reasonable opinion, is adequate to enable it to remotely monitor the performance of a Network (including its dynamic performance); and
- (b) upgrade, modify or replace any communications or control systems already installed in a Facility providing the existing communications or control systems are, in the reasonable opinion of System Management, no longer fit for the intended purpose.

2.36A.4. If System Management issues a direction under clause 2.36A.3—

- (a) the Network Operator must comply with the direction within the period reasonably specified by System Management; and
- (b) the Network Operator is deemed to be a System Operator to the extent that it complies with a direction in good faith.

2.36A.5 System Management must document in the Power System Operation Procedure the communications and control system requirements necessary to enable it to remotely monitor the performance of a Network described in these Market Rules. System Management, Market Participants and Network Operators must comply with that documented Market Procedure in respect of communications and control system requirements.

22. Market Rule 3.2 amended

- (1) Amend clause 3.2.1 by deleting the words "to System Management by AEMO in accordance with clause 2.34.1(b)".
- (2) Amend clause 3.2.7(d) by deleting the words "operate the SWIS" and replacing them with the words "ensure the SWIS operates".
- (3) Amend clause 3.2.8 by deleting the words "operate the SWIS" and replacing them with the words "ensure the SWIS operates".

23. Market Rule 3.3 amended

- (1) Delete the existing clause 3.3.2(b) and replace it with the following—
 - (b) ensure the overload capacity of Scheduled Generators (as indicated in Standing Data) is not utilised;
- (2) Amend clause 3.3.2(c) by inserting the words "(or cause to be scheduled and dispatched)", after the words "schedule and dispatch".
- (3) Delete the existing clause 3.3.2(e) and replace it with the following—
 - (e) ensure no actions are taken that in its opinion would be reasonably likely to lead to a High Risk Operating State.

24. Market Rule 3.4 amended

- (1) Amend clause 3.4.1 by deleting the word "High-risk" and replacing it with the words "High Risk".
- (2) Amend clause 3.4.1(j) by inserting the words "(including by issuing instructions to a Network Operator) or a Network Operator's ability to control the power system", after the words "power system".
- (3) Amend clause 3.4.2(b) by inserting the words "(or cause to be scheduled and dispatched)", after the words "schedule and dispatch".

25. Market Rule 3.5 amended

- (1) Amend clause 3.5.1 by deleting the word "High-risk", in the opening paragraph, and replacing it with the words "High Risk".
- (2) Amend clause 3.5.1(eA) by deleting the word "High-Risk" and replacing it with the words "High Risk".
- (3) Amend clause 3.5.1(f) by inserting the words "(or a relevant Network Operator's)", after the words "away from its", and deleting the word "or" at the end of the clause.
- (4) Amend clause 3.5.1(g) by deleting the word "and" at the end of the clause and replacing it with the word "or".

(5) Amend clause 3.5.3 by deleting the words “not take any actions” and replacing them with the words “ensure that no actions are taken”.

(6) Delete the existing clause 3.5.5(e) and replace it with the following—

- (e) ensure that such other actions as it considers are required are taken, consistent with good electricity industry practice, to ensure the SWIS is restored to a Normal Operating State, or to ensure the SWIS is restored to a High Risk Operating State where a Normal Operating State is not immediately achievable.

(7) Amend clause 3.5.7 by deleting the words “operate the SWIS” and replacing them with the words “ensure the SWIS operates”.

26. Market Rule 3.6 amended

(1) Amend clause 3.6.5 by deleting the words “approved by AEMO”, in the opening paragraph.

27. Market Rule 3.7 amended

(1) Amend clause 3.7.2 by deleting the words “restart the SWIS” and replacing them with the words “ensure the SWIS is restarted”.

28. Market Rule 3.8 amended

(1) Delete the existing clause 3.8.1 and replace it with the following—

3.8.1. AEMO must investigate any incidents in the operation of equipment comprising the SWIS that—

- (a) endangers Power System Security or Power System Reliability to a significant extent; or
- (b) causes significant disruption to the operation of the dispatch process set out in clauses 7.6 and 7.7; and
- (c) which AEMO considers have had, or had the potential to have had, a significant impact on the effectiveness of the market.

(2) Amend clause 3.8.2(b) by deleting the words “System Management and”.

(3) Amend clause 3.8.2(c) by deleting the words “System Management or a” and replacing them with the word “A”.

29. Market Rule 3.10 amended

(1) Amend clause 3.10.5(b) by deleting the words “cannot meet the standard” and replacing them with the words “considers the standard cannot be met”.

30. Market Rule 3.11 amended

(1) Delete the existing clause 3.11.13 and replace it with the following—

3.11.13. By 1 July each year, System Management must publish the report prepared under clause 3.11.11 or 3.11.12 as soon as practicable.

31. Market Rule 3.12 amended

(1) Amend clause 3.12.1 by inserting the words “(or cause them to be scheduled and dispatched)”, after the words “dispatch facilities”.

32. Market Rule 3.13 amended

(1) Amend clause 3.13.1 by deleting the words “on behalf of System Management”, in the first line.

(2) Amend clause 3.13.2 by deleting the words “by AEMO”.

(3) Amend clause 3.13.3A(a)(i)(2) by inserting the words “(or caused to be scheduled)”, after the words “System Management has scheduled”.

(4) Amend clause 3.13.3A(a)(ii)(2) by inserting the words “(or caused to be scheduled)”, after the words “System Management has scheduled”.

(5) Amend clause 3.13.3AB(d)(ii) by inserting the words “(or caused to be scheduled)”, after the words “System Management has scheduled”.

(6) Amend clause 3.13.3AB(e)(ii) by inserting the words “(or caused to be scheduled)”, after the words “System Management has scheduled”.

33. Market Rule 3.15 amended

(1) Amend clause 3.15.1 by deleting the words “System Management and”, in the opening paragraph.

34. Market Rule 3.16 amended

(1) Amend clause 3.16.9 by deleting the words “provide to AEMO and AEMO must”, in the opening paragraph.

35. Market Rule 3.17 amended

(1) Delete the existing clause 3.17.1 and replace it with the following—

3.17.1. System Management must carry out a Short Term PASA study—

- (a) every Thursday, and publish the Short Term PASA results referred to in clause 3.17.9 by 4:30 PM; and
- (b) on any other day if it determines that changes have occurred that would materially affect market outcomes during the first week of the period covered by the previous Short Term PASA study, and publish the Short Term PASA results referred to in clause 3.17.9 as soon as practicable.

(2) Amend clause 3.17.9 by deleting the words “which it provides to AEMO”, in the opening paragraph.

36. Market Rule 3.18 amended

(1) Amend clause 3.18.2(a) by inserting the words “, and publish,”, after the words “System Management must compile”.

(2) Amend clause 3.18.2(b) by inserting a new sentence, at the end of the clause, as follows—
“System Management must publish any such updates.”

(3) Amend clause 3.18.11(d) by deleting the words “operate the power system” and replacing them with the words “ensure the power system is operated”.

(4) Delete the existing clause 3.18.17 and replace it with the following—

3.18.17. System Management must keep records of all of its outage evaluations and decisions made in accordance with this clause 3.18, together with the reasons for each outage evaluation and decision.

(5) Amend clause 3.18.21 by deleting the words “, and AEMO”.

37. Market Rule 3.19 amended

(1) Amend clause 3.19.6(c) by deleting the words “operate the power system” and replacing them with the words “ensure the power system is operated”.

(2) Delete the existing clause 3.19.13 and replace it with the following—

3.19.13. System Management must keep records of all of its outage evaluations and decisions made in accordance with this clause 3.19, together with the reasons for each outage evaluation and decision.

38. Market Rule 3.21 amended

(1) Delete the existing clause 3.21.11 and replace it with the following—

3.21.11. System Management must retain the notices it receives under clause 3.21.8.

39. Market Rule 3.22 amended

(1) Amend clause 3.22.1(g)(ii) by deleting the words “as advised in accordance with clause 3.22.3(b)”.

40. Market Rule 3.23 amended

(1) Delete the existing clause 3.23.1 and replace it with the following—

3.23.1. System Management must, by 12:00 PM on each Tuesday during a Hot Season, prepare and publish on the Market Web Site a LoadWatch Report, providing the following information for each Business Day of that week—

(a) System Management’s estimate of—

- i. daily maximum temperature;
- ii. daily minimum temperature; and
- iii. daily maximum load in MW; and

(b) other data published by System Management from time to time for the purpose of the LoadWatch Report.

Where available, System Management must also publish in the LoadWatch Report the following information for each Business Day of the previous week—

- (c) maximum and minimum temperatures;
- (d) total generation capacity and total Demand Side Management capacity;
- (e) total MW quantity of Outages;
- (f) total available generation capacity and total Demand Side Management capacity after accounting for total Outages;
- (g) maximum Operational System Load Estimate; and
- (h) total available generation capacity and total Demand Side Management capacity after accounting for total Outages and the maximum Operational System Load Estimate.

41. Market Rule 4.1 amended

(1) Amend clause 4.1.26(b)(ii) by deleting the words “or clause 4.27.11B”.

(2) Amend clause 4.1.26(c)(ii) by deleting the words “or clause 4.27.11B”.

42. Market Rule 4.10 amended

(1) Amend clause 4.10.1(e)(iv)(2) by inserting the words “or the relevant Network Operator (as applicable)”, after the words “System Management”.

43. Market Rule 4.12 amended

(1) Delete the existing clause 4.12.6(b) and replace it with the following—

(b) during Trading Intervals where there is a Consequential Outage or a Planned Outage in respect of a Facility in the schedule maintained by System Management in accordance with clause 7.3.4, AEMO must reduce the Reserve Capacity Obligation Quantity for that Facility and that Trading Interval, after taking into account adjustments in accordance with clause 4.12.6(a), to reflect the amount of capacity unavailable due to that outage; and

44. Market Rule 4.18 amended

- (1) Amend clause 4.18.1(b) by deleting the word “identify” and replacing it with the word “identity”.
- (2) Amend clause 4.18.1(b) by deleting the word “and”, at the end of the clause.

45. Market Rule 4.23A amended

- (1) Amend clause 4.23A.3 by deleting the words “System Management”, in the opening paragraph, and replacing them with the word “AEMO”.

46. Market Rule 4.24 amended

- (1) Amend clause 4.24.3(b) by deleting the full stop at the end of the clause and replacing it with a “;”.
- (2) Amend clause 4.24.3(c)(i) by deleting the “(i)” at the start of the clause and replacing it with “i.”.
- (3) Amend clause 4.24.3(c)(ii) by deleting the “(ii)” at the start of the clause and replacing it with “ii.”.
- (4) Amend clause 4.24.3(c)(iii) by deleting the “(iii)” at the start of the clause and replacing it with “iii.”.
- (5) Amend clause 4.24.3(c)(iii) by deleting the “;” at the end of the clause and replacing it with a “,”.
- (6) Amend clause 4.24.3(c)(iv) by deleting the “(iv)” at the start of the clause and replacing it with “iv.”.
- (7) Amend clause 4.24.18 by deleting the words “AEMO and System Management”, in the final paragraph.

47. Market Rule 4.25 amended

- (1) Delete the existing clause 4.25.2(a)(ii) and replace it with the following—
 - ii. testing (in its capacity as System Management), in accordance with clause 4.25.9, the Facility’s ability to operate at a level equivalent to its Required Level, adjusted to the level of Capacity Credits currently held, for not less than two Trading Intervals and the Facility successfully passing that test; or
- (2) Delete the existing clause 4.25.2(b)(ii) and replace it with the following—
 - ii. testing (in its capacity as System Management), in accordance with clause 4.25.9, the Facility’s ability to reduce demand to a level equivalent to its Required Level, adjusted to the level of Capacity Credits currently held, for not less than one Trading Interval and the Facility successfully passing that test; or
- (3) Delete the existing clause 4.25.2(c) and replace it with the following—
 - (c) in the case of an Interruptible Load or Dispatchable Load, testing (in its capacity as System Management), in accordance with clause 4.25.9, the Facility’s ability to reduce demand to a level equivalent to its Required Level, adjusted to the level of Capacity Credits currently held, for not less than one Trading Interval and the Facility successfully passing that test.
- (4) Amend clause 4.25.4 by deleting the words “must require System Management to” and replacing them with the words “(in its capacity as System Management) must”.
- (5) Amend clause 4.25.5 by deleting the words “AEMO require System Management to” and replacing them with the words “System Management”.
- (6) Delete the existing clause 4.25.6 and replace it with the following—

4.25.6. If System Management receives a request for a Reserve Capacity re-test in accordance with clause 4.25.5, then System Management must conduct such a re-test, and AEMO must set the number of Capacity Credits held by the relevant Market Participant for that Facility to reflect the maximum capabilities achieved in the re-test (after adjusting these results to the equivalent values at a temperature of 41°C and allowing for the capability provided by operation on different types of fuel), but not to exceed the number of Capacity Credits originally confirmed by AEMO for that Facility under clause 4.20 in respect of the relevant Reserve Capacity Cycle.
- (7) Amend clause 4.25.9(f) by inserting the word “and”, at the end of the clause.
- (8) Delete the existing clause 4.25.11(b) and replace it with the following—
 - (b) whether any of those Reserve Capacity Tests were delayed and the reasons for the delay.
- (9) Amend clause 4.25.14 by deleting the words “, System Management,”.

48. Market Rule 4.26 amended

- (1) Amend clause 4.26.2(e)(v) by deleting the words “provided to AEMO by System Management”, in the second paragraph commencing “BSFO(p,d,t)”, and replacing them with the word “recorded”.
- (2) Amend clause 4.26.2(e)(v) by deleting the words “provided to AEMO by System Management”, in the third paragraph commencing “RTFO(p,d,t)”, and replacing them with the word “recorded”.
- (3) Amend clause 4.26.2D(a) by deleting the words “advised to AEMO by System Management”, in the opening paragraph, and replacing them with the word “determined”.
- (4) Amend clause 4.26.2D(b) by deleting the words “advised to AEMO by System Management” and replacing them with the word “determined”.
- (5) Amend clause 4.26.5(a)(ii) by deleting the words “provided by System Management” and replacing them with the words “measured by the SCADA system”.

49. Market Rule 4.27 amended

- (1) Amend clause 4.27.11A by inserting the words “unless, in its opinion, the Facility, or part of the Facility, is unlikely to have completed all Commissioning Tests by that date”, after the word “report” in the last place where it occurs.
- (2) Amend clause 4.27.11C by deleting the word “4.27.11B”, in the first line, and replacing it with the word “4.27.11A”.
- (3) Amend clause 4.27.12 by deleting the words “, System Management,”.

50. Market Rule 4.28A amended

- (1) Amend clause 4.28A.2(a)(ii) by deleting the words “provided by System Management” and replacing them with the words “measured by the SCADA system”.

51. Market Rule 6.3A amended

- (1) Amend clause 6.3A.1(a) by deleting the words “as provided to AEMO by System Management in accordance with clause 7.2.3B”.
- (2) Delete the existing clause 6.3A.2(a)(i) and replace it with the following—
 - i. less an allowance for Outages in the schedule maintained in accordance with clause 7.3.4; and
- (3) Amend clause 6.3A.2(a)(ii) by deleting the words “as provided to AEMO by System Management in accordance with clause 7.2.3B”.
- (4) Delete the existing clause 6.3A.2(b) and replace it with the following—
 - (b) the Maximum Consumption Capability where this equals the maximum Loss Factor adjusted quantity of energy, in units of MWh, that could be consumed during a Trading Interval by that Market Participant’s Non-Dispatchable Loads, Interruptible Loads and Dispatchable Loads based on the Standing Data maximum consumption quantities for those Facilities and Non-Dispatchable Loads, less an allowance for Outages in the schedule maintained in accordance with clause 7.3.4;
- (5) Delete the existing clause 6.3A.2(c) and replace it with the following—
 - (c) for each Scheduled Generator and Non-Scheduled Generator that is registered as being able to run on Liquid Fuel only, the maximum Loss Factor adjusted quantity of energy, in units of MWh, that could be supplied during the Trading Interval based on the Standing Data of that Scheduled Generator or Non-Scheduled Generator less an allowance for Outages in the schedule maintained in accordance with clause 7.3.4;
- (6) Delete the existing clause 6.3A.2(d) and replace it with the following—
 - (d) for each Scheduled Generator and Non-Scheduled Generator that is registered as being able to run on both Liquid Fuel and Non-Liquid Fuel, the maximum Loss Factor adjusted quantity of energy, in units of MWh, that could be supplied during the Trading Interval when run on each of Liquid Fuel and Non-Liquid Fuel based on the Standing Data of that Scheduled Generator or Non-Scheduled Generator less an allowance for Outages in the schedule maintained in accordance with clause 7.3.4; and
- (7) Amend clause 6.3A.2(e)(ii) by deleting the “,” at the end of the clause and replacing it with a full stop.
- (8) Amend clause 6.3A.2(e) by deleting the words “as provided to AEMO by the System Management in accordance with clause 7.2.3B”.
- (9) Amend clause 6.3A.3(a) by deleting the word “The” in the first place where it occurs, and replacing it with the word “the”.
- (10) Amend clause 6.3A.3(b) by deleting the word “The” in the first place where it occurs, and replacing it with the word “the”.
- (11) Delete the existing clause 6.3A.3(c) and replace it with the following—
 - (c) the total quantity of Planned Outages and Consequential Outages for that Market Participant in the schedule maintained in accordance with clause 7.3.4, in units of MW;
- (12) Amend clause 6.3A.3(d) by deleting the word “The” in the first place where it occurs, and replacing it with the word “the”.
- (13) Amend clause 6.3A.3(e) by deleting the word “The” in the first place where it occurs, and replacing it with the word “the”.

52. Market Rule 6.4 amended

- (1) Amend clause 6.4.2 by deleting the words “communicate to System Management” and replacing them with the word “determine”.
- (2) Amend clause 6.4.6 by deleting the word “receiving” and replacing it with the word “preparing”, and deleting the word “7.2.3B” and replacing it with the word “7.2.1”.

53. Market Rule 6.13 amended

- (1) Amend clause 6.13.1 by deleting the words “provide AEMO with” and replacing them with the word “maintain”.

54. Market Rule 6.15 amended

- (1) Amend clause 6.15.3(a)(i) by deleting the words “received from System Management” and replacing them with the word “maintained”.
- (2) Amend clause 6.15.3(a)(ii) by deleting the words “after receiving” and replacing them with the word “using” and inserting the word “maintained” after the words “applicable SCADA data”.

(3) Amend clause 6.15.3(b) by deleting the words “after receiving a relevant” and replacing them with the word “using the” and inserting the word “maintained” after the words “schedule of Outages”.

55. Market Rule 6.16A amended

(1) Amend clause 6.16A.2(b)(iv) by deleting the words “provided AEMO with” and replacing them with the word “determined”.

56. Market Rule 6.17 amended

(1) Amend clause 6.17.6(a)(i)(1) by deleting the words “in the Dispatch Instruction provided to AEMO” and replacing them with the words “of the value determined”.

(2) Amend clause 6.17.6(b)(i)(1) by deleting the words “in the Dispatch Instruction provided to AEMO” and replacing them with the words “of the value determined”.

(3) Delete the existing clause 6.17.6A and replace it with the following—

6.17.6A. System Management must, for each Trading Interval in which a Dispatchable Load was subject to a Dispatch Instruction, determine the non-Loss Factor adjusted quantity, in MWh, by which the Dispatchable Load was dispatched, where this must be a positive number, together with information regarding whether it was dispatched upwards or downwards from its Resource Plan.

(4) Amend clause 6.17.9(a) by deleting the words “provided by System Management to AEMO for the Facility under clause 2.13.6L” and replacing them with the words “determined by System Management under clause 2.13.6D”.

57. Market Rule 6.19 amended

(1) Amend clause 6.19.1 by deleting the words “, Network Operators and System Management” and replacing them with the words “and Network Operators”.

(2) Amend clause 6.19.4 by deleting the words “, Network Operators and System Management” and replacing them with the words “and Network Operators”.

(3) Amend clause 6.19.9 by deleting the words “, Network Operators and System Management” and replacing them with the words “and Network Operators”.

(4) Amend clause 6.19.10(b) by deleting the words “and System Management”.

58. Market Rule 7.1 amended

(1) Amend clause 7.1.1(jA) by deleting the words “received from AEMO” and replacing them with a “,”.

(2) Amend clause 7.1.1(k) by deleting the words “received from AEMO in accordance with clause 7.5”.

(3) Amend clause 7.1.1(l) by deleting the words “received from AEMO”.

59. Market Rule 7.3 amended

(1) Amend clause 7.3.4 by deleting the words “provide to AEMO” and replacing them with the word “prepare”.

60. Market Rule 7.4 amended

(1) Amend clause 7.4.4 by deleting the words “from AEMO”.

61. Market Rule 7.6 amended

(1) Delete the existing clause 7.6.1D(d) and replace it with the following—

(d) ensure a High Risk Operating State or an Emergency Operating State is avoided; or

(2) Amend clause 7.6.1D(e) by deleting the words “return the SWIS” and replacing them with the words “enable the SWIS to be returned”.

(3) Delete the existing clause 7.6.2B(a) and replace it with the following—

(a) the BMO determined by AEMO under clause 7A.3.6;

(4) Delete the existing clause 7.6.2B(b) and replace it with the following—

(b) if no such BMO is determined, the most recent Forecast BMO for that Trading Interval determined under clause 7A.3.16; and

(5) Amend clause 7.6.2B(c) by deleting the word “provided” and replacing it with the word “determined”.

(6) Delete the existing clause 7.6.11 and replace it with the following—

7.6.11. Where AEMO has entered into Supplementary Capacity Contracts, AEMO (in its capacity as System Management) may, by issuing an Operating Instruction, call upon the relevant resource to provide services under any Supplementary Capacity Contract in accordance with the terms of the contract.

62. Market Rule 7.6A amended

(1) Amend clause 7.6A.2(e) by deleting the words “provide to AEMO” and replacing them with the word “determine”.

(2) Amend clause 7.6A.5(d) by deleting the words “and AEMO”.

(3) Amend clause 7.6A.5(e) by deleting the words “or AEMO” in the first place where it appears.

(4) Amend clause 7.6A.5(e) by deleting the words “or AEMO, as applicable”.

63. Market Rule 7.10 amended

- (1) Amend clause 7.10.7(a) by deleting the words “, in the time, form and manner prescribed in the IMS Interface Market Procedure, report the deviation to AEMO” and replacing them with the words “prepare a report of the deviation”.
- (2) Amend clause 7.10.7(b) by deleting the words “provide a report to AEMO” and replacing them with the words “prepare a report”.
- (3) Amend clause 7.10.8 by deleting the words “receives a report from System Management” and replacing them with the words “(in its capacity as System Management) prepares a report”.

64. Market Rule 7.11 amended

- (1) Delete the existing clause 7.11.1 and replace it with the following—
 - 7.11.1. A Dispatch Advisory is a communication by System Management to Market Participants, Network Operators and the IMO that there has been, or is likely to be, an event that will require dispatch of Facilities Out of Merit or will restrict communication between System Management and any of the Market Participants, Network Operators or the IMO.
- (2) Amend clause 7.11.4 by deleting the words “, the IMO and AEMO” and replacing them with the words “and the IMO”.
- (3) Amend clause 7.11.6A by deleting the words “or AEMO” in each place where it occurs.
- (4) Amend clause 7.11.9 by deleting the words “, the IMO and AEMO” and replacing them with the words “and the IMO”.

65. Market Rule 7.12 amended

- (1) Amend clause 7.12.1 by deleting the words “and AEMO”, in the first line.

66. Market Rule 7.13 amended

- (1) Amend clause 7.13.1 by deleting the words “provide AEMO with”, in the first line, and replacing it with the word “prepare”.
- (2) Amend clause 7.13.1(a) by deleting the words “, including the information specified in the IMS Interface Market Procedure or as agreed between AEMO and System Management”.
- (3) Amend clause 7.13.1(c) by deleting the words “, or as agreed between AEMO and System Management”.
- (4) Amend clause 7.13.1(cB) by deleting the words “System Management’s” and replacing them with the words “a relevant”.
- (5) Amend clause 7.13.1(cC) by deleting the words “or as agreed between AEMO and System Management,”.
- (6) Amend clause 7.13.1A by deleting the words “provide AEMO with” and replacing them with the word “record”.
- (7) Delete the existing clause 7.13.1B and replace it with the following—
 - 7.13.1B. If System Management is prevented from completing the relevant processes that enable the recording of the data described in clause 7.13.1, System Management may delay the recording of the data by up to two business days.
- (8) Amend clause 7.13.1C by deleting the words “AEMO may request, and System Management must provide, within 10 Business Days of receipt of a request from AEMO”, in the opening paragraph, and replacing them with the words “System Management must record”.
- (9) Amend clause 7.13.1C by deleting the words “during the time period specified by AEMO in its request”, at the end of the clause.
- (10) Amend clause 7.13.1D by deleting the final paragraph commencing with “provide to AEMO” and replacing it with the words “record any relevant new or amended information outlined in clause 7.13.1E”.
- (11) Amend clause 7.13.1E by deleting the word “provided”, in the first line, and replacing it with the word “recorded”.
- (12) Amend clause 7.13.1E by deleting the words “to AEMO”, in the opening paragraph.
- (13) Amend clause 7.13.1E(d) by inserting a full stop at the end of the clause.
- (14) Amend clause 7.13.1F by deleting the final paragraph commencing with “provide to AEMO” and replacing it with the words “record any relevant new or amended information outlined in clause 7.13.1G”.
- (15) Amend clause 7.13.1G by deleting the word “provided”, in the first line, and replacing it with the word “recorded”.
- (16) Amend clause 7.13.1G by deleting the words “to AEMO”, in the opening paragraph.
- (17) Amend clause 7.13.1G(d) by inserting a full stop at the end of the clause.
- (18) Amend clause 7.13.3 by inserting the words “by Rule Participants” after the words “to be followed”.
- (19) Amend clause 7.13.3 by deleting the words “System Management and”, at the start of the second sentence.
- (20) Delete the existing clause 7.13.4 and replace it with the following—
 - 7.13.4. System Management must maintain SCADA data by Facility and the Operational System Load Estimate.

67. Market Rule 7A.2 amended

(1) Amend clause 7A.2.18(c) by deleting the words “System Management” and replacing them with the words “AEMO (in its capacity as System Management)”.

68. Market Rule 7A.3 amended

(1) Amend clause 7A.3.2(b) by deleting the words “System Management provides” and replacing them with the words “AEMO (in its capacity as System Management) prepares”.

(2) Amend clause 7A.3.3 by inserting a “,” after the word “BMO”.

(3) Delete the existing clause 7A.3.6 and replace it with the following—

7A.3.6. AEMO must determine the BMO under clause 7A.3.2 for a Trading Interval using the most recent, valid Balancing Submissions available to it.

(4) Amend clause 7A.3.7 by deleting the words “provide AEMO with” and replacing them with the word “prepare”.

(5) Amend clause 7A.3.7A by deleting the words “provide to AEMO” and replacing them with the word “prepare”.

(6) Amend clause 7A.3.8 by deleting the word “been provided with” and replacing it with the word “prepared”.

(7) Delete the existing clause 7A.3.9 and replace it with the following—

7A.3.9. System Management must, as soon as reasonably practicable but in any event no later than 24 hours after the start of the Business Day following the time specified in clause 7A.3.7, make updated adjustments to the information recorded under clause 7A.3.7 and AEMO must use any such updated SOI Quantity and EOI Quantity information to revise the Provisional Pricing BMO accordingly.

(8) Amend clause 7A.3.11 by deleting the words “, subject to clause 7A.3.12,”.

(9) Amend clause 7A.3.13 by deleting the words “, including because it has not received the information required to be provided by System Management under clauses 7A.3.7 or 7A.3.9”, in the opening paragraph.

(10) Delete the existing clause 7A.3.15 and replace it with the following—

7A.3.15. System Management must, for each future Trading Interval in the Balancing Horizon, prepare a forecast of the Relevant Dispatch Quantity, and may prepare a forecast of the EOI Quantity for Non-Scheduled Generators, each determined in accordance with the Power System Operation Procedure. System Management must, each time it has new information on which to determine these quantities, update these forecasts, but is not required to do so more than once per Trading Interval.

(11) Delete the existing clause 7A.3.17 and replace it with the following—

7A.3.17. Where AEMO determines a Forecast BMO under clause 7A.3.16, AEMO must provide to each Market Participant the Balancing Quantities expected to be provided by that Market Participant for each future Trading Interval in the Balancing Horizon.

(12) Amend clause 7A.3.21(c) by deleting the words “received from System Management” and replacing them with the words “determined (in its capacity as System Management)”.

69. Market Rule 7A.4 amended

(1) Delete the existing clause 7A.4.2 and replace it with the following—

7A.4.2. Subject to clause 7A.4.3, AEMO must, as soon as reasonably practicable after receiving the information specified in clause 7A.4.1—

(a) determine whether the Facility should be rejected as a Stand Alone Facility due to potential impacts on the performance of System Management Functions in relation to the SWIS if the Facility were to become a Stand Alone Facility, and if not, must otherwise accept the nomination; and

(b) [Blank]

(c) [Blank]

(d) [Blank]

(e) notify Synergy of AEMO’s decision.

(2) Delete the existing clause 7A.4.6(a) and replace it with the following—

(a) determine whether it should reject the nomination in light of the trial, having regard to any potential impacts on the performance of its functions in relation to the SWIS if the nominated Stand Alone Facility permanently becomes a Stand Alone Facility, and if not, must otherwise accept the nomination; and

(3) Delete the existing clause 7A.4.7 and replace it with the following—

7A.4.7. AEMO must, as soon as practicable after receiving a notice by Synergy under clause 7A.4.6(a)—

(a) consider all information reasonably available to it, including—

i. the potential impacts on the performance of System Management Functions in relation to the SWIS (if the nomination of the Stand Alone Facility is accepted or rejected), including system constraint impacts; and

ii. impacts on the provision of Ancillary Services; and

(b) prepare reasons for its decision to reject or accept the nomination.

70. Market Rule 7B.1 amended

- (1) Amend clause 7B.1.4 by deleting the words “provide AEMO with System Management’s” and replacing them with the words “prepare a”.
- (2) Amend clause 7B.1.5 by deleting the word “provided”, in the first line, and replacing it with the word “made”.

71. Market Rule 7B.2 amended

- (1) Delete the existing clause 7B.2.7(c) and replace it with the following—
 - (c) abide by any enablement or quantity restrictions specified under clause 2.34.7A.
- (2) Delete the existing clause 7B.2.18 and replace it with the following—

7B.2.18. Where an LFAS Facility is selected under clauses 7B.3.4(b) or 7B.3.4(c) to provide LFAS in a Trading Interval, then a Market Participant must, as soon as it becomes aware that the LFAS Facility is physically unable to provide some or all of the LFAS Quantity for which it has been selected, advise System Management, in the manner and form prescribed by System Management, whether the LFAS Facility is physically able to provide any LFAS in that Trading Interval and if so, the quantity, in MW.
- (3) Amend clause 7B.2.19 by deleting the words “AEMO and”.

72. Market Rule 7B.3 amended

- (1) Amend clause 7B.3.4(d) by deleting the words “provide to System Management”, in the first line, and replacing them with the word “determine”.
- (2) Delete the existing clause 7B.3.5 and replace it with the following—

7B.3.5. AEMO must, to the extent it is reasonably able, notify the Market Participant with the LFAS Facility or Facilities selected under clauses 7B.3.4(b) and 7B.3.4(c) of that selection and the associated LFAS Facility quantities to be provided by Trading Interval, within 15 minutes of the LFAS Gate Closure for that Trading Interval.
- (3) Amend clause 7B.3.7 by deleting the word “publish” and replacing it with the word “determine”.
- (4) Amend clause 7B.3.8 by deleting the words “operate the SWIS” and replacing them with the words “ensure the SWIS is operated”.
- (5) Amend clause 7B.3.15(b) by deleting the words “provided to AEMO” and replacing them with the word “forecast”.

73. Market Rule 7B.4 amended

- (1) Amend clause 7B.4.2 by deleting the words “advise AEMO of” and replacing them with the words “make a record of”.

74. Market Rule 9.3 amended

- (1) Amend clause 9.3.4 by deleting the words “received from”, after the words “SCADA data” in the final paragraph, and replacing them with the words “maintained by”.

75. Market Rule 9.9 amended

- (1) Amend clause 9.9.2(q) by deleting the words “provided by System Management in accordance with clause 3.22.3(b)(ii)”, in the 18th paragraph commencing “ASP_SRQ(c,t)”, and replacing them with the words “determined by System Management”.
- (2) Delete the existing clause 9.9.4(a) and replace it with the following—
 - (a) the applicable monthly dollar value for that Trading Month under the Ancillary Service Contract; or
- (3) Delete the existing clause 9.9.4(b) and replace it with the following—
 - (b) where no value is specified under clause 9.9.4(a), the product of the applicable price for that Trading Month and the sum over Trading Intervals in that Trading Month of the applicable quantities under the Ancillary Service Contract.

76. Market Rule 9.13 amended

- (1) Amend clause 9.13.1 by deleting the words “System Management’s”, in the fifth paragraph commencing “System Operation Fee rate”, and replacing them with the words “AEMO’s system management”.

77. Market Rule 9.15 amended

- (1) Amend clause 9.15.1 by deleting the words “System Management”, in the fourth paragraph commencing “u indicates”, and replacing them with the words “AEMO (in its capacity as System Management)”.

78. Market Rule 9.20 amended

- (1) Amend clause 9.20.5 by deleting the words “System Management”, where it first occurs in the opening paragraph, and replacing it with the words “SCADA data provided by a Network Operator”.
- (2) Amend clause 9.20.5(a) by deleting the words “System Management” and replacing them with the words “Network Operator”.
- (3) Amend clause 9.20.5(b) by deleting the words “System Management” and replacing them with the words “Network Operator”.
- (4) Amend clause 9.20.5(c) by deleting the words “System Management”, in each place where they appear, and replacing them with the words “Network Operator”.

(5) Amend clause 9.20.7(a) by deleting the words “System Management” and replacing them with the words “Network Operators”.

79. Market Rule 9.24 amended

(1) Amend clause 9.24.3A(a)(i) by deleting the words “, System Management”.

(2) Amend clause 9.24.3A(a)(ii) by deleting the words “System Management” and replacing them with the words “AEMO (in its capacity as System Management)”.

80. Market Rule 10.2 amended

(1) Insert a new clause 10.2.2(c)(iiB), after clause 10.2.2(c)(iiA), as follows—

iiB. a Network Operator;

(2) Amend clause 10.2.2(d)(ii) by inserting the words “and any System Operator”, after the words “System Management”.

(3) Insert a new clause 10.2.2(d)(iiA), after clause 10.2.2(d)(ii), as follows—

iiA. a Network Operator;

(4) Amend clause 10.2.2(e)(i) by deleting the words “System Management” and replacing them with the words “AEMO (including in its capacity as System Management)”.

(5) Insert a new clause 10.2.2(e)(iA), after clause 10.2.2(e)(i), as follows—

iA. a System Operator (but only to the extent necessary for it to carry out activities as a System Operator);

(6) Amend clause 10.2.2(g)(iii) by deleting the words “System Management” and replacing them with the words “AEMO (including in its capacity as System Management)”.

(7) Insert a new clause 10.2.2(g)(iiiA), after clause 10.2.2(g)(iii), as follows—

iiiA. a System Operator (but only to the extent necessary for it to carry out activities as a System Operator);

(8) Amend clause 10.2.3(f) by deleting the word “of” and replacing it with the words “relating to”.

81. Market Rule 10.5 amended

(1) Amend clause 10.5.1(j)(ii) by deleting the words “System Management” and replacing them with the words “AEMO (in its capacity as System Management)”.

(2) Amend clause 10.5.1(o) by deleting “3.17.2” and replacing it with “3.17.9”.

(3) Amend clause 10.5.1(t) by deleting the “,” and replacing it with the word “and”.

(4) Amend clause 10.5.1(t) by deleting the words “and System Management”.

(5) Amend clause 10.5.1(v)(iv) by deleting the words “, System Management”.

(6) Amend clause 10.5.1(y)(iii) by deleting the words “, taken directly from System Management’s EMS/SCADA system”.

(7) Amend clause 10.5.1(zA) by deleting the words “, including the information provided to AEMO in accordance with clause 2.13.6D”.

(8) Delete the existing clause 10.5.1(zB) and replace it with the following—

(zB) any Facility Tolerance Ranges determined by System Management in accordance with clause 2.13.6E, and, if applicable, any Facility Tolerance Ranges which System Management has varied in accordance with clause 2.13.6H;

(9) Amend clause 10.5.1(zH) by deleting the words “which is supplied under clause 3.21A.16 by System Management”.

82. Glossary definitions amended

(1) Delete the existing definitions, shown below, from the Glossary and replace them with the following—

Allowable Revenue: Means, with respect to—

(a) the IMO, the allowable revenue for the IMO in providing the services set out in clause 2.22.1 as approved by the Economic Regulation Authority in accordance with clause 2.22.12; and

(b) [Blank]

(c) AEMO, the allowable revenue for AEMO in providing the services set out in clause 2.22A.1 as approved by the Economic Regulation Authority in accordance with clause 2.22A.14.

Equipment Limit: Any limit on the operation of a Facility’s equipment that is recorded in the Standing Data for the Facility.

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

LoadWatch Report: A report prepared and published by AEMO weekly during the Hot Season pursuant to clause 3.23.1.

Monitoring and Reporting Protocol: The Market Procedures developed by AEMO, and approved by the IMO in accordance with clause 2.15.6A.

Rule Participant: Any person registered as a Rule Participant in accordance with Chapter 2, the IMO, AEMO, System Management and any System Operator.

System Management: AEMO in its capacity as System Management.

(2) Delete the existing definition, shown below, from the Glossary—

System Operation Fees: The fees determined by AEMO in accordance with clause 2.24, and payable by Market Participants to AEMO for the services provided by System Management in accordance with these Market Rules.

(3) Insert new definitions in the Glossary as follows in their appropriate alphabetical order—

System Management Fees: The fees determined by AEMO in accordance with clause 2.24, and payable by Market Participants to AEMO for the services provided by System Management in accordance with these Market Rules.

System Management Function: The functions referred to in clause 2.2.1 and 2.2.2, together with any function conferred on System Management under these Market Rules.

System Management Transition Date: Means 8:00 AM on 1 July 2016.

System Operator: A person appointed as a delegate or agent, or engaged to undertake services, by System Management under clause 2.2.3(a).

83. Appendix 9 amended

(1) Amend Appendix 9 by deleting the words “or clause 4.27.11B”, in the second bulleted point commencing “the date provided” in the second opening paragraph.

(2) Amend Appendix 9 by deleting the words “provided AEMO with” and replacing them with the word “made”, in clause (a)(i) for Step 4.

(3) Amend Appendix 9 by deleting the word “provided” and replacing it with the word “determined”, in clause (b)(ii) for Step 4.

(4) Amend Appendix 9 by deleting the words “to AEMO”, in clause (b)(ii) for Step 4.

(5) Amend Appendix 9 by deleting the word “provided” and replacing it with the word “determined”, in clause (c)(i) for Step 4.

(6) Amend Appendix 9 by deleting the words “to AEMO”, in clause (c)(i) for Step 4.

(7) Amend Appendix 9 by deleting the word “provided” and replacing it with the word “determined”, in clause (c)(ii) for Step 4.

(8) Amend Appendix 9 by deleting the word “provided” and replacing it with the word “recorded”, in clause (a) for Step 5.

(9) Amend Appendix 9 by deleting the words “to AEMO”, in clause (a) for Step 5.

(10) Amend Appendix 9 by deleting the word “provided” and replacing it with the word “determined”, in clause (a) for Step 6.

(11) Amend Appendix 9 by deleting the words “to AEMO”, in clause (a) for Step 6.

(12) Amend Appendix 9 by deleting the word “provided” and replacing it with the word “recorded”, in paragraph (c) for Step 6.

(13) Amend Appendix 9 by deleting the word “provided” and replacing it with the word “recorded”, in the sixth paragraph commencing “Interruptible_Reduction” for Step 7.

(14) Amend Appendix 9 by deleting the words “to AEMO”, in the sixth paragraph commencing “Interruptible_Reduction” for Step 7.

(15) Amend Appendix 9 by deleting the word “provided” and replacing it with the word “recorded”, in the seventh paragraph commencing “Involuntary_Reduction” for Step 7.

(16) Amend Appendix 9 by deleting the words “to AEMO”, in the seventh paragraph commencing “Involuntary_Reduction” for Step 7.

(17) Amend Appendix 9 by deleting the words “provided AEMO with” and replacing them with the word “determined”, in clause (a) for Step 9A.

(18) Amend Appendix 9 by deleting the words “received the revised estimate from System Management” and replacing them with the words “revised the estimate”, in clause (c) for Step 9A.

84. Various references to System Operation Fee amended

(1) In each place in the Market Rules listed in the Table, delete the word “Operation” and replace it with the word “Management”.

Table

Clause 2.24.1(a)
Clause 2.24.2 (in the first place where it occurs)
Clause 2.24.2A
Clause 2.24.2B (in each place where it occurs)
Clause 2.24.3 (in the first place where it occurs)
Clause 2.24.4
Clause 2.25.1
Clause 2.25.2

Clauses 2.25.4 (in each place where it occurs)

Clause 9.1.2(g)(ii)

Clause 9.13.1 (in each place where it occurs)

Clause 9.16.3(d)

Clause 9.19.1(a)(v)

Clause 10.5.1(v)(ii)

85. Various references to AEMO amended

- (1) In each place in the Market Rules listed in the Table, after “AEMO” insert the following—
“(including in its capacity as System Management)”

Table

Clause 2.10.13(g)

Clause 2.14.3 (in the first place where it occurs)

Clause 10.2.2(c)(iiA)

Clause 10.2.2(f)(iiA)

- (2) In each place in the Market Rules listed in the Table, delete the word “AEMO” and replace it with the words “the IMO”.

Table

Clause 2.13.6H (in each place where it occurs)

Clause 2.13.6I

Clause 3.11.6 (in the first place where it occurs)

Clause 3.11.10

Clause 3.11.11

Clause 3.11.12 (in the second and fourth places where it occurs)

- (3) In each place in the Market Rules listed in the Table, delete the word “AEMO” and replace it with “The IMO”.

Table

Clause 3.11.6 (in the second place where it occurs)

Clause 3.11.12 (in the first and third places where it occurs)

86. Various references to returning the SWIS amended

- (1) In each place in the Market Rules listed in the Table, delete the words “return the SWIS” and replace them with the words “ensure the SWIS returns”.

Table

Clause 3.4.4

Clause 3.4.5

Clause 3.4.6(b)

Clause 3.5.6

Clause 3.5.8(b)

87. Various clauses deleted

- (1) In each of the existing clauses listed in the Table, delete the existing text and replace it with “[Blank]”.

Table

Clause 1.14.6

Clause 2.2.2(b)

Clause 2.10.4

Clause 2.10.11

Clause 2.10.13(f)

Clauses 2.10.14 to 2.10.16 (inclusive)

Clause 2.13.6J

Clause 2.13.6L

Clause 2.14.1A

Clauses 2.14.6 to 2.14.9 (inclusive)

Clause 2.15.3(b)

Clauses 2.15.4 to 2.15.6 (inclusive)

2. Market Rule 1.15 inserted

(1) Insert new section 1.15 after section 1.14 as follows—

1.15 Specific transition provisions for 2016 Reserve Capacity Mechanism amendments

1.15.1 In this section 1.15, “**Amending Rules**” means the amending rules set out in Schedule B to the Amending Rules 2016 published in the *Government Gazette* on 31 May 2016.

1.15.2 Section 25 of the *Interpretation Act 1984* applies in respect of the Amending Rules, as though references in that section to an “Act” included a reference to the Amending Rules and the Market Rules.

1.15.3 A reference in the Market Rules to the “Benchmark Reserve Capacity Price” in connection with a period before 8:00am (WST) on 1 June 2016 is to be read as including a reference to the “Maximum Reserve Capacity Price” (as it then was) for the period.

3. Market Rule 2.13 amended

(1) Delete clause 2.13.9(h) and replace it with “[Blank]”.

4. Chapter 2 amended

(1) In the heading before Market Rule 2.26, delete “Maximum and Minimum” and replace it with “Administered”.

5. Market Rule 2.26 amended

(1) In the heading to Market Rule 2.26, delete “Maximum and Minimum” and replace it with “Administered”.

(2) Amend clause 2.26.1 by deleting the word “Maximum” and replacing it with “Benchmark” in each place where it occurs.

(3) Amend clause 2.26.2 by deleting the word “Maximum” and replacing it with “Benchmark”.

(4) Amend clause 2.26.3 by deleting the word “Maximum” and replacing it with “Benchmark” in each place where it occurs.

(5) Amend clause 2.26.3(d) by inserting the words “, in the case of Reserve Capacity Cycles up to and including 2014”, after the words “Reserve Capacity Price”.

(6) Insert a new clause 2.26.3(dA) after clause 2.26.3(d) as follows—

(dA) historical Reserve Capacity Offers and the proportion of Reserve Capacity Offers with prices equal to 110 percent of the Benchmark Reserve Capacity Price, in the case of Reserve Capacity Cycles from 2015 onwards;

6. Market Rule 2.33 amended

(1) Amend clause 2.33.5(f) by deleting the words “or Long Term Special Price Arrangements”.

7. Market Rule 4.1 amended

(1) Amend clause 4.1.13(b)(i) by inserting the words “or acquired by AEMO under clause 4.14.1(ca)” after the words “in accordance with clause 4.14.1(c)”.

(2) Amend clause 4.1.13(b)(ii) by deleting the words “none of the Facility’s Certified Reserve Capacity is specified to be traded bilaterally in accordance with clause 4.14.1(c)” and replacing them with “clause 4.1.13(b)(i) does not apply”.

(3) Amend clause 4.1.14 by deleting the words “much of its Certified Reserve Capacity will be traded bilaterally and how much will be offered to AEMO in the Reserve Capacity Auction held in Year 1 of the relevant Reserve Capacity Cycle” and replacing them with “its Certified Reserve Capacity will be dealt with”.

(4) Amend clause 4.1.15 by deleting the word “bilaterally”.

(5) Amend clause 4.1.19 by deleting the word “Maximum” and replacing it with “Benchmark”.

(6) Delete the existing clause 4.1.20 and replace it with the following—

4.1.20. Each Market Participant holding Certified Reserve Capacity which has been scheduled by AEMO in a Reserve Capacity Auction must provide to AEMO notification, in accordance with clause 4.20, of how many Capacity Credits each Facility will provide not later than 5:00 PM on the last Business Day falling on or before 21 September of Year 1 of the relevant Reserve Capacity Cycle.

(7) Amend clause 4.1.32 by deleting the words “(except the dates and times set by clause 4.1.18, 4.1.26, 4.1.29 and 4.1.30)”.

(8) Insert new clause 4.1.33 as follows—

4.1.33. The IMO must—

(a) develop an auction process to replace the administered pricing provisions currently contained in section 4.29; and

(b) propose a rule change under section 2.5 seeking to implement the auction process, allowing reasonable time for the rule change process to be completed and any resulting rule changes to come into effect, in time for any resulting auction process to be used to determine the Monthly Reserve Capacity Price for the 2024 Reserve Capacity Year.

8. Market Rule 4.2 amended

(1) Amend clause 4.2.7(e) by deleting the word “and” at the end of the clause.

(2) Amend clause 4.2.7(f) by deleting the full stop and inserting “; and” instead.

(3) Insert a new clause 4.2.7(g) as follows—

- (g) AEMO's preliminary estimate for each Capacity Year in the Long Term PASA Study Horizon of the DSM Reserve Capacity Price, based on—
 - i. the preliminary DSM Activation Price that was included in the Request for Expression of Interest; and
 - ii. the preliminary Expected DSM Dispatch Quantity that was included in the Request for Expression of Interest, updated to account for any additional capacity that may be provided by Demand Side Programmes based on the Expressions of Interest.

9. Market Rule 4.3 amended

(1) Delete the existing clause 4.3.1(b) and replace it with the following—

- (b) the preliminary Reserve Capacity Requirement, the preliminary Expected DSM Dispatch Quantity and the preliminary DSM Activation Price for the Reserve Capacity Cycle, all determined in accordance with section 4.6;

(2) Amend clause 4.3.1(c)(v) by deleting the word "Maximum" and replacing it with "Benchmark".

(3) Amend clause 4.3.1(c)(vi) by deleting the word "and" at the end of the clause.

(4) Amend clause 4.3.1(c)(vii) by deleting the full stop and inserting "; and" instead.

(5) Insert a new clause 4.3.1(c)(viii) as follows—

viii. for Year 1 in each Reserve Capacity Cycle—

- A. the Expected DSM Dispatch Quantity;
- B. the DSM Activation Price; and
- C. the sum, across all Demand Side Programmes and Trading Intervals in the Capacity Year, Deemed DSM Dispatch.

(6) Amend clause 4.3.1(d) by inserting the words "in accordance with clause 4.14.1(c) or acquired by AEMO under clause 4.14.1(ca)" at the end of the clause.

(7) Amend clause 4.3.1(f) by deleting the word "Maximum" and replacing it with "Benchmark".

(8) Delete the existing clause 4.3.1(i)(iv) and replace it with the following—

- iv. the date and time by which a Market Participant which holds Certified Reserve Capacity must notify AEMO in accordance with clause 4.14.1 as to how its Reserve Capacity will be dealt with;

(9) Delete clause 4.3.1(i)(ix)(1) and replace it with "[Blank]".

10. Market Rule 4.5 amended

(1) Delete clause 4.5.12(a) and replace it with "[Blank]".

(2) Amend clause 4.5.12(b) by deleting the word "generation" and replacing it with "Availability Class 1" in each place where it occurs.

(3) Amend clause 4.5.12(b) by deleting the word "generating" and replacing it with "Availability Class 1".

(4) Amend clause 4.5.12(b)(i) by deleting the words "Demand Side Management" and replacing them with "Availability Class 2".

(5) Amend clause 4.5.12(b)(i) by deleting the word "year" in the second place it occurs and replacing it with "Capacity Year".

(6) Delete the existing clause 4.5.12(c) and replace it with the following—

- (c) the capacity associated with Availability Class 2, where this is equal to the Reserve Capacity Target for the Capacity Year less the minimum capacity required to be provided by Availability Class 1 capacity under clause 4.5.12(b).

(7) Insert new clauses 4.5.13(h), (i), (j) and (k) as follows—

- (h) the Expected DSM Dispatch Quantity for each Capacity Year in the Long Term PASA Study Horizon other than the 2016 Capacity Year;
- (i) the DSM Reserve Capacity Price for the Capacity Year commencing on the next 1 October after the Statement of Opportunities Report is published;
- (j) an estimate of the DSM Reserve Capacity Price for each Capacity Year in the Long Term PASA Study Horizon other than the 2016 Capacity Year; and
- (k) the DSM Activation Price for the Capacity Year commencing on the next 1 October after the Statement of Opportunities Report is published.

(7A) Amend clause 4.5.13(f) by deleting the word "and" at the end of the clause.

(7B) Amend clause 4.5.13(g) by deleting the full stop and inserting a semi-colon instead.

(8) Insert new clauses 4.5.14A-4.5.14F after clause 4.5.14 as follows—

4.5.14A. AEMO must, for each Capacity Year other than the 2016 Capacity Year, calculate the Expected DSM Dispatch Quantity and the DSM Activation Price, in accordance with clauses 4.5.14B, 4.5.14C, 4.5.14D, 4.5.14E and 4.5.14F.

4.5.14B. AEMO must, on or before 31 December 2016, document the procedure it follows in calculating—

- (a) the Expected DSM Dispatch Quantity; and
- (b) the DSM Activation Price,

and Rule Participants, including AEMO, must follow that documented Market Procedure.

4.5.14C. The Market Procedure under clause 4.5.14B(a) is to provide for the Expected DSM Dispatch Quantity to be calculated by—

- (a) estimating the amount of Unserved Energy which would be expected to occur in a Capacity Year if no Demand Side Programmes were dispatched; and
- (b) estimating the amount of Unserved Energy which would be expected to occur in the Capacity Year if each Demand Side Programme to which DSM Capacity Credits are (or are forecast to be) assigned, were dispatched for 200 hours; and
- (c) determining the difference between the estimates in clauses 4.5.14C(a) and (b); and
- (d) dividing the difference in clause 4.5.14C(c) by the total of all DSM Capacity Credits assigned to all Demand Side Programmes as at 1 October of Year 3 of the relevant Reserve Capacity Cycle.

4.5.14D. The Market Procedure under clause 4.5.14B(b) is to provide for the DSM Activation Price to be calculated—

- (a) in a manner consistent with the way in which AEMO estimates the value of customer reliability under the National Electricity Rules; but
- (b) using data suitable for Western Australia.

4.5.14E. Until AEMO first publishes a Market Procedure under clause 4.5.14B(a), it must calculate the Expected DSM Dispatch Quantity for Capacity Year by dividing—

- (a) the relevant value in the third column of the following table; by
- (b) the total of all DSM Capacity Credits assigned to all Demand Side Programmes as at 1 October of Year 3 of the relevant Reserve Capacity Cycle—

EXPECTED DSM DISPATCH TABLE

Reserve Capacity Cycle	Capacity Year	Total Unserved Energy deemed to be avoided by dispatch of Facilities with DSM Capacity Credits (MWh)
2015	2017	6.1
2016	2018	9.1
2017	2019	13.7
From 2018	2020	22.2

4.5.14F. Until AEMO first publishes a Market Procedure under clause 4.5.14B(b), the DSM Activation Price is \$33,460/MWh.

11. Market Rule 4.6 amended

(1) Insert new clauses 4.6.4 and 4.6.5 as follows—

4.6.4. The preliminary Expected DSM Dispatch Quantity for a Reserve Capacity Cycle to be included in the relevant Request for Expression of Interest may be the value reported in the Statement of Opportunities Report for the preceding Reserve Capacity Cycle.

4.6.5. The preliminary DSM Activation Price for a Reserve Capacity Cycle to be included in the relevant Request for Expression of Interest may be the value reported in the Statement of Opportunities Report for the preceding Reserve Capacity Cycle.

12. Market Rule 4.7 amended

(1) Amend clause 4.7.3(b) by deleting the word “bilaterally”.

13. Market Rule 4.9 amended

(1) Delete the existing clause 4.9.3(a) and replace it with the following—

(a) the data specified in clause 4.10.1, in the format specified in the Market Procedure referred to in clause 4.9.10;

(2) Amend clause 4.9.9 by inserting the words “AEMO must decide whether or not to assign Certified Reserve Capacity to a Facility in respect of a Reserve Capacity Cycle, and if so, the quantity to be assigned.” at the beginning of the clause.

(3) Amend clause 4.9.9 by deleting the words “If AEMO assigns” and inserting instead the words “If AEMO decides to assign”.

(4) Amend clause 4.9.9A by inserting a full stop after the clause number.

14. Market Rule 4.10 amended

(1) Amend clause 4.10.1 by inserting the word “and” after the words “to which the certification relates,”.

(2) Amend clause 4.10.1 by inserting the words “except to the extent that it is already accurately provided in Standing Data,” after the words “where applicable,”.

- (3) Delete the existing clause 4.10.1(e)(v) and replace it with the following (including the footnote)—
- v. details of primary and any alternative fuels,¹ including—
 - 1. where the Facility has primary and alternative fuels—
 - i. the process for changing from one fuel to another; and
 - ii. the fuel or fuels which the Facility is to use in respect of the application for Certified Reserve Capacity; and
 - 2. details acceptable to AEMO together with supporting evidence of both firm and any non-firm fuel supplies and the factors that determine restrictions on fuel availability that could prevent the Facility operating at its full capacity for Peak Trading Intervals on Business Days;
- (4) Delete the existing clause 4.10.1(f) and replace it with the following—
- (f) for Interruptible Loads, Demand Side Programmes and Dispatchable Loads—
 - i. the Reserve Capacity the Market Participant expects to make available from each of up to three blocks of capacity;
 - ii. the maximum number of hours the Interruptible Load, Demand Side Programme or Dispatchable Load is available to provide Reserve Capacity during a Capacity Year, which must be at least 200 hours;
 - iii. the maximum number of hours per day that the Facility is available to provide Reserve Capacity if issued a Dispatch Instruction, where this must be not less than twelve hours;
 - iv. [Blank]
 - v. the minimum notice period required for dispatch under clause 7.6.1C(e) of the Facility;
 - vi. the periods when the Facility can be dispatched, which must include the period between 8:00 AM and 8:00 PM on all Business Days; and
 - vii. the proposed DSP Ramp Rate Limit for the Facility;
- (5) Delete clause 4.10.2 and replace it with “[Blank]”.

15. Market Rule 4.11 amended

- (1) Amend clause 4.11.1(c)(iv) by deleting the word “or” at the end of the clause.
- (2) Amend clause 4.11.1(c)(v) by inserting the word “or” at the end of the clause.
- (3) Insert new clause 4.11.1(c)(vi) as follows—
- vi. that 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 7.6.1C(e) of more than two hours.
- (4) Delete the existing clause 4.11.1(h) and replace it with the following—
- (h) subject to clauses 4.11.1B and 4.11.1C, AEMO may decide not to assign any Certified Reserve Capacity to a Facility, or to assign a lesser quantity of Certified Reserve Capacity to a Facility than it would otherwise assign in accordance with this clause 4.11.1, if—
 - i. the Facility has been in Commercial Operation for at least 36 months and has had a Forced Outage rate or a combined Planned Outage rate and Forced Outage rate greater than the applicable percentage specified in the table in clause 4.11.1D, over the preceding 36 months; or
 - ii. the Facility has been in Commercial Operation for less than 36 months, or is yet to commence Commercial Operation, and AEMO has cause to believe that over the first 36 months of Commercial Operation the Facility is likely to have a Forced Outage rate or a combined Planned Outage rate and Forced Outage rate greater than the applicable percentage specified in the table in clause 4.11.1D,
- where the Planned Outage rate and the Forced Outage rate for a Facility for a period are calculated in accordance with the Power System Operation Procedure specified in clause 3.21.12;
- (5) Amend clause 4.11.1(i) by deleting the word “and” at the end of the clause.
- (6) Delete the existing clause 4.11.1(j) and replace it with the following—
- (j) the Certified Reserve Capacity for a Demand Side Programme for a Reserve Capacity Cycle must not exceed either of the following limits—
 - i. AEMO’s reasonable expectation of the amount of capacity likely to be available from that Facility during the periods specified in clause 4.10.1(f)(vi), after netting off capacity required to serve Minimum Consumption for each of the Facility’s Associated Loads, from the Trading Day starting on 1 October in Year 3 of the Reserve Capacity Cycle to the end of July in Year 4 of the Reserve Capacity Cycle; and
 - ii. AEMO’s reasonable expectation of the amount by which the Facility could reduce its consumption, measured as a decrease from the Facility’s Relevant Demand, by the end of one Trading Interval in response to a Dispatch Instruction requiring it to reduce consumption from the beginning of the Trading Interval at the ramp rate proposed for the Facility under clause 4.10.1(f)(vii), for which purpose AEMO may have regard to the ramp rate proposed under clause 4.10.1(f)(vii) and any other information AEMO considers relevant.

¹ A Facility may satisfy its fuel obligations using a combination of primary and alternative fuels.

(7) Insert new clauses 4.11.1A-4.11.1E after clause 4.11.1 as follows—

4.11.1A. AEMO must publish the reasons for a decision made under clause 4.11.1(h) on the Market Web Site to the extent those reasons do not contain any confidential information.

4.11.1B. In making a decision under clause 4.11.1(h) or 4.11.1(j), and without limiting the ways in which AEMO may inform itself in either case, AEMO may—

- (a) seek such additional information from the Market Participant that AEMO considers is relevant to the exercise of its discretion;
- (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—
 - i. System Management; and
 - ii. any person AEMO considers suitably qualified to provide an opinion or information on issues relevant to the exercise of AEMO's discretion.

4.11.1C. In making a decision under clause 4.11.1(h), AEMO—

- (a) must be satisfied that its decision under clause 4.11.1(h) would not, on balance, be contrary to the Wholesale Market Objectives;
- (b) may—
 - i. consider the extent to which the Reserve Capacity that can be provided by the Facility is necessary to meet the Reserve Capacity Target;
 - ii. consider whether the Reserve Capacity provided by the Facility is of material importance to the SWIS, having regard to—
 - 1. the size of the Facility;
 - 2. the operational characteristics of the Facility;
 - 3. the extent to which the Facility contributes to the Power System Security or Power System Reliability through fuel diversity or location; and
 - 4. the demonstrated reliability of the Facility;
 - iii. assess the effectiveness of strategies undertaken by the applicant in the previous three years to reduce outages, and consider the likelihood that strategies proposed by the applicant to maximise the availability of the Facility in the relevant Capacity Cycle will be effective;
 - iv. consider whether a decision to not assign Certified Reserve Capacity to the Facility is likely to result in a material decrease in competition in at least one market;
 - v. consider any positive or negative impacts on the long term price of electricity supplied to consumers that might arise if Certified Reserve Capacity was not assigned to the Facility; and
 - vi. consider any other matter AEMO determines to be relevant.

4.11.1D. The relevant outage criteria to apply under clause 4.11.1(h) in a particular Capacity Year is set out in the following table—

OUTAGE RATE LIMIT TABLE

For AEMO decisions related to the Capacity Cycle	Forced Outage rate greater than	Combined Planned Outage rate and Forced Outage rate greater than
Prior to 2015	15%	30%
2015	14%	28%
2016	13%	26%
2017	12%	24%
2018	11%	22%
2019 onwards	10%	20%

4.11.1E. IMO must undertake a review, to be completed by 31 December 2019, of the operation of clause 4.11.1(h) in which it must consider the appropriate thresholds under clause 4.11.1D for Capacity Years from and including the 2021 Capacity Year. The review must include, at a minimum, an assessment of—

- (a) the availability performance of the generation sector in the Wholesale Electricity Market compared with analogous generating plants in other markets;
- (b) the number of Facilities in the SWIS to which the criteria in clause 4.11.1(h) have applied in each of the previous five Capacity Years; and
- (c) the impact on the Wholesale Electricity Market of decisions made by AEMO under clause 4.11.1(h) in the previous five Capacity Years.

(8) Delete the existing clause 4.11.4 and replace it with the following—

4.11.4. Subject to clause 4.11.12, when assigning Certified Reserve Capacity to an Interruptible Load, Demand Side Programme or Dispatchable Load, AEMO must assign an Availability Class to apply to that Certified Reserve Capacity as follows—

- (a) Availability Class 1 where AEMO reasonably expects the Facility to be available to be dispatched for all Trading Intervals in a Capacity Year, allowing for Outages and any restrictions on the availability specified by the applicant under clause 4.10.1(g); or
- (b) Availability Class 2 otherwise.

16. Market Rule 4.12 amended

(1) Delete the existing clause 4.12.2(a) and replace it with the following—

(a) the Market Participant must comply with the Outage planning obligations specified in sections 3.18, 3.19, 3.20 and 3.21;

(2) Amend clause 4.12.2(b) by inserting the word “and” at the end of the clause.

(3) Amend clause 4.12.2(c) by deleting “; and” and inserting a full stop instead.

(4) Delete clause 4.12.2(d).

(5) Amend clause 4.12.6 by deleting “4.28C.4” and inserting “4.28C.11” instead.

(6) Delete the existing clause 4.12.6(b) and replace it with the following—

(b) where System Management notifies AEMO under clause 7.3.4 of a Consequential Outage or a Planned Outage in respect of a Facility and a Trading Interval, AEMO must reduce the Reserve Capacity Obligation Quantity for that Facility and that Trading Interval, after taking into account adjustments in accordance with clause 4.12.6(a), to reflect the amount of capacity unavailable due to that outage; and

(7) Insert a footnote after clause 4.12.7 as follows—

See clause 4.26.1 in relation to the refund payable where a Market Participant holding Capacity Credits associated with a Facility fails to comply with its Reserve Capacity Obligations.

17. Market Rule 4.13 amended

(1) Amend clause 4.13.2 by deleting the word “clause” and replacing it with “this section”.

(2) Amend clause 4.13.2 by deleting the words “twenty-five” and replacing them with “25” in each place they occur.

(3) Amend clause 4.13.2 by deleting the word “Maximum” and replacing it with “Benchmark” in each place where it occurs.

(4) Amend clauses 4.13.9(a) and (b) by inserting the words “or acquired by AEMO under clause 4.14.1(ca),” after the words “in accordance with clause 4.14.1(c).”

18. Market Rule 4.14 amended

(1) Amend clause 4.14.1(b) by inserting the words “in accordance with clause 4.14.1(c) or acquired by AEMO under clause 4.14.1(ca)” at the end of the clause.

(2) Insert a new clause 4.14.1(ca) after clause 4.14.1(c) as follows—

(ca) for DSM Capacity Credits only, the total amount of Reserve Capacity the Market Participant intends to supply to AEMO under clause 4.28.2(aA);

(3) Amend clause 4.14.1 by inserting “, (ca)” after the words “clause 4.14.1(a), (b), (c)”.

(4) Insert new clause 4.14.1A after clause 4.14.1 as follows—

4.14.1A. A Market Participant holding Certified Reserve Capacity associated with a Demand Side Programme must not nominate any of that Certified Reserve Capacity under clause 4.14.1(a), (b) or (c).

(5) Amend clause 4.14.6 by deleting the words “clause 4.14.1(c)” and inserting the words “either or both of clause 4.14.1(c) or 4.14.1(ca)”.

(6) Amend clause 4.14.7 by inserting the words “the relevant part of” after the words “by clause 4.14.7(a), then”.

(7) Delete the existing clause 4.14.7(c)(i) and replace it with “[Blank]”.

(8) Amend clause 4.14.7(c)(ii) by deleting the words “not covered by pre-existing Long Term Special Price Arrangements”.

(9) Delete the existing clause 4.14.9 and replace it with the following—

4.14.9. AEMO must notify each Market Participant that specified a non-zero amount under clause 4.14.1(c) or 4.14.1(ca) by the date and time specified in clause 4.1.15 of the quantity of Certified Reserve Capacity held by the Market Participant in respect of each Facility that it can trade (either bilaterally, in the case of amounts specified under clause 4.14.1(c), or by supply to AEMO, in the case of amounts specified under clause 4.14.1(ca)), where this quantity must—

- (a) exclude Certified Reserve Capacity to which clause 4.14.8 relates; and
- (b) be determined using the methodology described in Appendix 3.

(10) Amend clause 4.14.10(b) by deleting “(c)” and inserting an “(a)” instead.

(11) Amend clause 4.14.10(d)(iii) by deleting the words “bilaterally; less” and replacing them with a semicolon instead.

(12) Delete clause 4.14.10(d)(iv) and replace it with “[Blank]”.

(13) Amend clause 4.14.11 by deleting the words “bilateral trade”

(14) Amend clause 4.14.11 by inserting the words “under this clause 4.14” after the word “declaration”.

19. Market Rule 4.15 amended

(1) Delete the existing clause 4.15.2(b)(ii) and replace it with the following—

- ii. the total amount of Certified Reserve Capacity which AEMO has notified Market Participants can be traded under clause 4.14.9; less

20. Market Rule 4.16 amended

(1) Delete the existing heading “The Maximum Reserve Capacity Price”, and replace it with the heading “The Benchmark Reserve Capacity Price”.

(2) Amend clause 4.16.1 by deleting the word “Maximum” and replacing it with “Benchmark”.

(3) Amend clause 4.16.2 by deleting the word “Maximum” and replacing it with “Benchmark”.

(4) Amend clause 4.16.3 by deleting the words “reviewing the methodology used to determine” and replacing them with “determining, and in reviewing the methodology and process used to determine, the”.

(5) Amend clause 4.16.3 by inserting a colon after the words “Reserve Capacity Price and”.

(6) Amend clause 4.16.3 by deleting the word “Maximum” and replacing it with “Benchmark” in each place where it occurs.

(7) Amend clause 4.16.5 by deleting the word “Maximum” and replacing it with “Benchmark”.

(8) Amend clause 4.16.6 by deleting the words “Web-Site” and replacing them with “Web Site”.

(9) Amend clause 4.16.6 by deleting the word “Maximum” and replacing it with “Benchmark”.

(10) Amend clause 4.16.7 by deleting the word “Maximum” and replacing it with “Benchmark”.

(11) Amend clause 4.16.7 by deleting the words “Web-Site” and replacing them with “Web Site”.

(12) Amend clause 4.16.8 by inserting the words “date and” after the words “with effect from the”.

(13) Amend clause 4.16.8 by deleting the word “Maximum” and replacing it with “Benchmark” in each place where it occurs.

21. Market Rule 4.17 amended

(1) Insert clause 4.17.10 as follows—

4.17.10. A Demand Side Programme may not participate in a Reserve Capacity Auction.

22. Market Rule 4.18 amended

(1) Amend clause 4.18.1(c) by deleting the words “, Demand Side Programmes”.

(2) Amend clause 4.18.2(b) by inserting the words “110 percent of” after the words “between zero and”.

(3) Amend clause 4.18.2(b) deleting the word “Maximum” and replacing it with “Benchmark”.

(4) Amend clause 4.18.2(d) by deleting the words “, Demand Side Programme”.

23. Market Rule 4.20 amended

(1) Amend clause 4.20.1(c)(i) by deleting the word “bilaterally”.

(2) Delete the existing clause 4.20.1(c)(iii) and replace it with “[Blank]”.

(3) Delete the existing clause 4.20.1(d)(ii) and replace it with “[Blank]”.

(4) Amend clause 4.20.1(d)(iii) by inserting the words “or acquired by AEMO under clause 4.14.1(ca)” at the end of the clause.

(5) Amend clause 4.20.1(e) by deleting the word “bilaterally”.

(6) Amend clause 4.20.5A(b) by inserting the words “and specify the Facility Class” after the words “assigned to each Facility”.

(7) Delete the existing clause 4.20.5B(b) and replace it with the following—

(b) if—

1. the Market Participant specified a non-zero amount for the Facility under clause 4.14.1(c) or 4.14.1(ca);

2. [Blank]

24. Market Rule 4.21 amended

(1) Amend clause 4.21.1(c) by deleting the words “, less the quantity of Capacity Credits associated with the same Reserve Capacity Offer which are to be covered by Long Term Special Price Arrangements in accordance with clauses 4.22.1 and 4.22.4” at the end of the clause.

25. Market Rule 4.22 amended

(1) Delete Market Rule 4.22 and replace it with “[Blank]”.

26. Market Rule 4.25A amended

(1) Amend clause 4.25A.5 by deleting the word “Participant” and replacing it with “Customer”.

(2) Amend clause 4.25A.5 by deleting the word “Reserve”.

27. Market Rule 4.28 amended

- (1) Delete clause 4.28.2(b) and replace it with “[Blank]”.

28. Market Rule 4.28B amended

- (1) Amend clause 4.28B.8(a) by inserting the words “(as defined in clause 4.14.2)”.
- (2) Amend clause 4.28B.8(b) by deleting the words “Long Term Special Price Arrangements”.

29. Market Rule 4.28C amended

- (1) Amend clause 4.28C.4 by inserting the words “as defined in clause 4.14.2” at the end of the clause.
- (2) Amend clause 4.28C.9 by deleting the words “twenty-five” and replacing them with “25”.
- (3) Amend clause 4.28C.9 by deleting the word “Maximum” and replacing it with “Benchmark”.
- (4) Amend clause 4.28C.9 by deleting the word “either”.
- (5) Amend clause 4.28C.14(b) by deleting the words “Long Term Special Price Arrangements or”.

30. Market Rule 4.29 amended

- (1) Amend clause 4.29.1(b) by deleting the word “Maximum” and replacing it with “Benchmark” in each place where it occurs.

31. Market Rule 10.5 amended

- (1) Amend clause 10.5.1(e)(i) by deleting the word “Maximum” and replacing it with “Benchmark”.

32. Glossary definitions amended

- (1) Insert new definitions in the Glossary as follows in their appropriate alphabetical order—

Availability Class 1: The Availability Class assigned by AEMO to Certified Reserve Capacity that includes all generation capacity, and any other capacity that is expected to be available to be dispatched for all Trading Intervals in a Capacity Year, under clause 4.11.4(a).

Availability Class 2: The Availability Class assigned by AEMO to Certified Reserve Capacity that is not expected to be available to be dispatched for all Trading Intervals in a Capacity Year, under clause 4.11.4(b).

Benchmark Reserve Capacity Price: In respect of a Reserve Capacity Cycle, the price in clause 4.16.2 as revised in accordance with section 4.16.

Deemed DSM Dispatch: The quantity (in MWh) for a Demand Side Programme for a Trading Interval equal to the least of—

- (a) half of the Facility’s DSM Capacity Credits;
- (b) the requested decrease in consumption specified under clause 7.13.1(eG); and
- (c) the greater of zero and the difference between—
 - i. half of the Relevant Demand set in clause 4.26.2CA; and
 - ii. the Demand Side Programme Load measured in the Trading Interval.

Dispatch Quantity: The value specified for the Capacity Year in the Statement of Opportunities Report most recently published before the start of the Capacity Year.

DSM Activation Price: An estimate, expressed in dollars per MWh, of the value of customer reliability in the SWIS for a Capacity Year, to be calculated by AEMO under clause 4.5.14A. For a given Capacity Year, the **DSM Activation Price** is the value specified for the Capacity Year in the Statement of Opportunities Report most recently published before the start of the Capacity Year.

DSM Capacity Credits: Capacity Credits assigned to a Demand Side Programme.

DSM Reserve Capacity Price: The price that will be paid per DSM Capacity Credit for a Capacity Year. It equals—

- (a) the Expected DSM Dispatch Quantity for that Capacity Year plus 0.5 MWh; multiplied by
- (b) the DSM Activation Price for that Capacity Year.

DSP Ramp Rate Limit: For a Demand Side Programme, the Market Participant’s best estimate of the rate, in MW per minute, on a linear basis, at which the Facility is physically able to decrease its consumption, as specified in the Standing Data from time to time.

Expected DSM Dispatch Quantity: A forecast, expressed on a MWh per DSM Capacity Credit basis, of the quantity of Unserved Energy which might be expected to be avoided in a Capacity Year by dispatch of all Facilities which have been assigned DSM Capacity Credits for the Capacity Year, to be calculated by AEMO under clause 4.5.14A based on the scenario described in clause 4.5.10(a)(iv). For a given Capacity Year, the **Expected DSM Dispatch Quantity** is the value specified for the Capacity Year in the Statement of Opportunities Report most recently published before the start of the Capacity Year.

National Electricity Rules: The rules so named having effect under the National Electricity Law as that law applies in Western Australia.

New Contract Information: Is defined in clause 2.25.5LA.

Unserved Energy: An estimate, expressed in MWh, of energy demanded, but not supplied, as a result of involuntary load shedding in the SWIS.

(2) For each of the following defined terms, delete the existing definition from the Glossary and replace it with the new definition set out below—

Availability Class: Means the annual availability of Certified Reserve Capacity set out in clause 4.5.12, as either Availability Class 1 or Availability Class 2, as applicable.

Ramp Rate Limit: Means the Market Participant's best estimate, in MW per minute, on a linear basis, of a Facility's physical ability to increase or decrease its output from the commencement of a Trading Interval, and includes a DSP Ramp Rate Limit.

Special Price Arrangement: An arrangement under section 4.21 whereby a Market Participant can secure a price for Reserve Capacity that may differ from the Reserve Capacity Price.

(3) Delete the following definitions from the Glossary—

Long Term Special Price Arrangement

Maximum Reserve Capacity Price

Refund Table

(4) Amend the definition of "Reserve Capacity Price" in the Glossary by deleting the word "Maximum" and replacing it with "Benchmark".

33. Appendix 1 amended

(1) Amend clause (k)(i)(7) by deleting the words "and Long Term Special Price Arrangement".

34. Appendix 3 amended

(1) Delete the existing Appendix 3 and replace it with the following—

Appendix 3: Reserve Capacity Auction and Trade Methodology

In this Appendix 3, a supply to AEMO proposed under clause 4.14.1(ca) is called a "DSM trade".

This appendix describes a single algorithm which performs two functions. One version of the algorithm is used to prevent AEMO accepting bilateral trades (as defined in clause 4.14.2) and DSM trades that have insufficient availability to usefully address the Reserve Capacity Requirement. Another version of the algorithm is used in the conduct of the Reserve Capacity Auction as required by clause 4.19.1.

The parameter "a" denotes the active Availability Class where "a" can have a value of {1, or 2}. Availability Class 1 has the highest availability requirement, followed by Availability Class 2. All Certified Reserve Capacity is assigned an Availability Class. However the algorithms in this appendix allow capacity from Availability Class 1 to be used in place of capacity from Availability Class 2. Any capacity accepted from Availability Class 1 that is in excess of the capacity requirement for Availability Class 1 will be available to meet the capacity requirement for Availability Class 2.

The following algorithm applies for both the testing of bilateral trades and DSM trades on one hand and for the auction on the other. Terminology that differs in each case is

- "offers"
 - For the testing of a bilateral trade under clause 4.14.1(c) or DSM trade under clause 4.14.1(ca), the "offer" is the proposed transaction (as specified under clause 4.14.1(c) or (ca), as applicable, for each Facility or block).
 - For an auction an "offer" is a "Reserve Capacity Offer".
- the capacity requirements of Availability Class "a"
 - For the testing of bilateral trades and DSM trades, for Availability Class a = 1 this is the greater of zero and $Q[a] - X[a]$ while for Availability Classes a = this is the greater of zero and $(Q[a] - X[a] - Y[a-1])$ where—
 - Q[a] is the quantity associated with Availability Class "a" in clause 4.5.12(b) or clause 4.5.12(c).
 - X[a] is the total quantity of—
 - i. Certified Reserve Capacity to be provided by Facilities subject to Network Control Service Contracts during the period to which the Reserve Capacity Requirement applies; plus
 - ii. the amount of Capacity Credits assigned under section 4.28C for the period to which the Reserve Capacity Requirement applies
 where the capacity is certified as belonging to Availability Class "a" and is not subject to a bilateral trade or DSM trade.
 - Y[a] represents the amount by which $(X[a] + Y[a-1])$ exceeds Q[a], with the exception that $Y[0] = 0$.
 - For an auction this is the same as the capacity requirement for the case of bilateral trades and DSM trades except that it is reduced by the amount of capacity accepted as a bilateral trade or DSM trade.

The algorithm is as follows—

Step 1: Start with a = 1

Step 2: Let the set of active offers comprise all offers from Availability Class "a".

Step 2A: In the case of bilateral trade and DSM trade offers, accept offers from operating facilities and committed facilities and remove them from the set of active offers.

Step 3: Accept offers from the set of active offers in order of—

- In the case of testing bilateral trades and DSM trades, decreasing availability.
- In the case of the Reserve Capacity Auction, increasing price

until the capacity requirements of Availability Class “a” are fully covered or until there are no offers left unaccepted in the set of active offers.

Where two or more offers are tied with respect to the selection criteria such that accepting all but one of them would result in the total capacity selected exceeding the total capacity requirement of the Availability Class then the tied offers are to be accepted according to the following rules until the tie is resolved.

- In the case of the Reserve Capacity Auction, offers from operating facilities and committed facilities are to be accepted ahead of facilities that are not yet committed; then
- Offers are to be accepted in decreasing order of capacity offered; then
- Offers for capacity that was included in an Expression of Interest are to be accepted ahead of capacity that was not; then
- Offers are to be accepted in the order of the time the offers were received, with the earlier offer being taken first; and then
- Offers are to be accepted in the order the capacity secured Certified Reserve Capacity;

Step 4: If all offers in the set of active offers have been accepted but the capacity requirements of Availability Class “a” have not been covered, then record the difference as the capacity shortfall for Availability Class “a”.

Step 5: Remove all offers accepted in Step 3 from the set of active offers.

Step 6: If $a = 2$ then go to Step 8A otherwise increase a by 1.

Step 7: Add all offers from Availability Class “a” to the set of active offers.

Step 8: Return to Step 2A.

Step 8A: In the case of the auction only—

- The Reserve Capacity Price must equal the price of the highest priced offer accepted; and
- In the special case where the Reserve Capacity Price is zero and there are offers with a price of zero that have not been accepted, then accept those offers with zero price.

Step 9: Report the offers accepted

Step 10: For each Availability Class report the capacity shortfall—

- In the case of testing bilateral trades and DSM trades, this indicates the amount to be procured in the auction.
- In the case of the Reserve Capacity Auction, this indicates the amount to be procured through supplementary capacity.

Step 11: End.

In the case of the auction only—

- While leaving the Reserve Capacity Price unchanged, AEMO must exchange one or more offers not accepted for one or more offers accepted in the auction if—
 - the total capacity scheduled in the auction exceeds the Reserve Capacity Auction Requirement by more than 100 MW;
 - the Reserve Capacity Price exceeds zero;
 - the exchange produces the maximum possible reduction in the total value of offers accepted;
 - the exchange does not create an overall Reserve Capacity shortfall where none existed;
 - in the event that a capacity shortfall exists in one or more Availability Classes, the exchange will not shift a shortfall from an Availability Class with low availability to an Availability Class with high availability; and
 - this would not result in an existing facility, or a committed facility being excluded.

35. Various references to “clause” amended

(1) In each place in the Market Rules listed in the Table, “clause” is deleted and replaced with “section”.

Clause 2.26.1 (in each place where it occurs)

Clause 2.26.2

Clause 2.26.3(f)

Clause 4.12.2 (in each place where it occurs)

Clause 4.13.2

Clause 4.16.1

Clause 4.16.3(b)

Clause 4.17.2

Clause 4.17.4(b)

Clause 4.18.2(d)

36. All references to “the Reserve Capacity Procedure” amended

(1) In each place in the Market Rules listed in the Table, “the Reserve Capacity Procedure” is deleted and replaced with “a Market Procedure”.

Clause 4.5.14
Clause 4.5.16
Clause 4.5.17
Clause 4.5.20
Clause 4.9.3(a)
Clause 4.9.10
Clause 4.13.10C
Clause 4.17.9
Clause 4.24.18
Clause 4.25.14
Clause 4.25A.1
Clause 4.27.12
Clause 4.28.12
Clause 4.28A.3
Clause 4.28B.9
Clause 4.28C.15

PART 2**37. Market Rule 2.29 amended**

(1) Amend clause 2.29.5B by deleting the words “minimum consumption” and replacing them with “Minimum Consumption”.

(2) Insert a new clause 2.29.5E(f) as follows—

(f) During the same Capacity Year, the relevant 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 Reserve Capacity Security associated with the other Demand Side Programme was returned or relinquished under clause 4.13.14 by operation of clause 4.13.13.

(3) Amend clause 2.29.5G by converting the words “Association Load” and “Association Period” to bold type where they first occur.

(4) Insert new clauses 2.29.5LA, 2.29.5LB, and 2.29.5LC after clause 2.29.5L as follows—

2.29.5LA. If AEMO becomes aware that information of the type listed in clause 2.29.5B regarding an Associated Load differs from that provided under clause 2.29.5B or previously the subject of a redetermination under this clause 2.29.5LA (“**New Contract Information**”), then AEMO must make a fresh determination under clause 2.29.5D taking into account the New Contract Information, as a result of which AEMO must, as appropriate—

- (a) reduce the Associated Load’s Association Period; or
- (b) take other measures in respect of the Associated Load including cancelling its association; or
- (c) make no change to its previous determination or redetermination.

2.29.5LB. AEMO may from time to time request a Market Customer with a Demand Side Programme to provide evidence to AEMO’s reasonable satisfaction that information provided under clause 2.29.5B or previously the subject of an adjustment under clause 2.29.5LA, remains accurate, and the Market Customer must comply as soon as reasonably practicable and in any event within 10 Business Days of the request.

2.29.5LC. If AEMO takes action under clause 2.29.5LA(a) or (b), it must notify the Market Customer of the action and its reasons within five Business Days after the action.

(5) Amend clause 2.29.5N by deleting the words “Demand Side Programme Facilities” in the first place where they occur and replacing them with “Demand Side Programmes”.

(6) Amend clause 2.29.5O by deleting the words “Demand Side Programme Facilities” in the first place where they occur and replacing them with “Demand Side Programmes”.

(7) Delete clause 2.29.9A.

38. Appendix 1 amended

(1) Insert new clause (h)(xiv) as follows—

- xiv. the information for each Associated Load described in clauses 2.29.5B (b) to (f).

(2) Delete the existing clause (h)(viii) and replace it with the following—

- viii. details of the real-time telemetry capabilities of the Facility;

PART 3**39. Market Rule 2.34 amended**

- (1) Amend clause 2.34.3 by deleting the words “or 6.5C” and replacing them with “, 6.5C or 6.11A”.
- (2) Amend clause 2.34.7(a)(ii) by inserting the words “except in relation to Consumption Decrease Price or an Extra Consumption Decrease Price,” at the beginning of the clause.
- (3) Amend clause 2.34.8 by deleting the words “or 6.5C” and replacing them with “, 6.5C or 6.11A”.
- (4) Delete the existing clause 2.34.14(a)(ii) and replace it with the following—
 - ii. Consumption Increase Prices, Consumption Decrease Prices and Extra Consumption Decrease Prices; and

40. Market Rule 3.2 amended

- (1) Amend clause 3.2.5(a) by deleting the word “Balancing”.

41. Market Rule 3.19 amended

- (1) Amend clause 3.19.3A(c) by deleting the words “Reserve Capacity refunds” and replacing them with “Capacity Cost Refunds”

42. Market Rule 4.5 amended

- (1) Amend clauses 4.5.13(h) and (j) and 4.5.14A by deleting the words “ other than the 2016 Capacity Year” in each clause.
- (2) Amend clause 4.5.14B by deleting the words “, on or before 31 December 2016,”.

43. Market Rule 4.12 amended

- (1) Amend clause 4.12.4(c)(i) by inserting the words “or 7.6.1C(e)” after the words “clause 7.6.1C(d)”.
- (2) Amend clause 4.12.4(c)(ii) by inserting the words “or 7.6.1C(e)” after the words “clause 7.6.1C(d)”.
- (3) Delete clause 4.12.4(c)(iii) and replace it with “[Blank]”.
- (4) Delete clause 4.12.8.

44. Market Rule 4.25 amended

- (1) Amend clause 4.25.1 by deleting the words “operation must be achieved on each type of fuel available to that Facility” and replacing them with “level of operation during those periods must be achieved on each type of fuel”.
- (2) Amend clause 4.25.4B(d) by deleting the word “Reserve” after the words “to the current”.
- (3) Delete the existing clause 4.25.4E and replace it with one of the following—

If at the time this amending rule commences, Schedule B Part 4 of these amending rules has already commenced or is concurrently commencing, replace clause 4.25.4E with the following—

4.25.4E. Where the Capacity Credits associated with a Demand Side Programme are reduced in accordance with clause 4.25.4C or 4.11.13 the Market Participant must pay a refund of an amount equal to all Reserve Capacity payments associated with the reduced Capacity Credits minus the prorated amount of all Capacity Cost Refunds already paid by the Market Participant for the relevant Capacity Year to AEMO calculated in accordance with the provisions of clause 4.26.

Otherwise, replace clause 4.25.4E with the following—

4.25.4E. Where the Capacity Credits associated with a Demand Side Programme are reduced in accordance with clause 4.25.4C the Market Participant must pay a refund of an amount equal to all Reserve Capacity payments associated with the reduced Capacity Credits minus the prorated amount of all Capacity Cost Refunds already paid by the Market Participant for the relevant Capacity Year to AEMO calculated in accordance with the provisions of clause 4.26.

- (4) Delete clause 4.25.13 and replace it with “[Blank]”.

45. Market Rule 4.25A amended

- (1) Amend clause 4.25A.1 by deleting the word “Reserve” after the words “In each”.

46. Market Rule 4.26 amended

- (1) Delete the existing clause 4.26.1 and replace it with the following—

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—

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

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* is the per interval Reserve Capacity Price associated with the Trading Interval *t* for a Facility *f* and is determined in accordance with clause 4.26.1(b).

- (b) For a Facility f in the Trading Interval t , Y is determined as follows—
- i. for a Non-Scheduled Generator, Y equals zero if AEMO has determined that in Trading Interval t the Non-Scheduled Generator is in Commercial Operation under clause 4.13.10B and one of the following applies—
 1. the Non-Scheduled Generator has operated at a level equivalent to its Required Level in at least two Trading Intervals, adjusted to 100 percent of the level of Capacity Credits currently held; or
 2. the Market Participant has provided AEMO with a report under clause 4.13.10C specifying that the Facility can operate at a level equivalent to its Required Level, adjusted to 100 percent of the level of Capacity Credits currently held;
 - ii. for a Demand Side Programme, Y equals the DSM Reserve Capacity Price divided by 400.
 - iii. subject to clause 4.26.1(b)(i) and (ii), for a Facility f in the Trading Interval t , Y equals—
 1. the Monthly Reserve Capacity Price; divided by
 2. the number of Trading Intervals in the relevant Trading Month the Trading Interval t falls in.

- (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.
- (d) The dynamic refund factor $RF\ dynamic(t)$ in the Trading Interval t is determined as follows—

$$RF\ dynamic(t) = 11.75 - \left(\frac{5.75}{750}\right) \times \sum_{f \in F} Spare(f, t)$$

where—

- i. F is the set of Facilities for which Market Participants hold Capacity Credits in the Trading Interval t and f is a Facility within that set;
 - ii. $Spare(f, t)$ is the available capacity related to the Capacity Credits of the Facility f , which is not dispatched in the Trading Interval t determined in accordance with clause 4.26.1(e)—
- (e) For a Facility f in the Trading Interval t , $Spare(f, t)$ is determined as follows—
- i. for each Scheduled Generator, the greater of zero and—
 1. the MW quantity of Capacity Credits; less
 2. the MW quantity of Outage provided under clause 7.13.1A(b); less
 3. the Sent Out Metered Schedule multiplied by two so as to be a MW quantity;
 - ii. for each Non-Scheduled Generator is Zero; and
 - iii. for each Demand Side Programme which has a Reserve Capacity Obligation Quantity in the Trading Interval t , $Spare(t)$ is determined as follows—

$$DSP\ A(t) = \max\{0, \min\left(RCOQ(t), (DSP\ Load(t) - DSP\ MinLoad(t))\right)\}$$

where—

1. $DSP\ A(t)$ is the total available quantity of consumption which can be reduced via the dispatch of the Demand Side Programme in MW in the Trading Interval t ;
 2. $RCOQ(t)$ is the Demand Side Programme's Reserve Capacity Obligation in the Trading Interval t ;
 3. $DSP\ Load(t)$ is the Demand Side Programme's Demand Side Programme Load in the Trading Interval t as determined under clause 6.16.2 multiplied by two so as to be a MW quantity; and
 4. $DSP\ MinLoad(t)$ is the sum of the Minimum Consumption of each Associated Load of the Demand Side Programme in MW in the Trading Interval t ;
- (f) Subject to clause 4.26.1(g), the minimum refund factor $RF\ floor(f, t)$ in the Trading Interval t is determined as follows—

$$RF\ floor(f, t) = 1 - 0.75 \times Dispatchable(f, t)$$

where—

- i. $Dispatchable(f, t)$ for a Facility f in the Trading Interval t is its portion of capacity which is not subject to a Forced Outage over the 4,320 previous Trading Intervals pt prior to and including the Trading Interval t and is determined as follows—

$$Dispatchable(f, t) = 1 - \left(\frac{\sum_{pt \in PT} FO(f, pt)}{\sum_{pt \in PT} CC(f, pt)}\right)$$

where—

1. PT is the set of 4,320 Trading Intervals immediately prior to and including the Trading Interval t and pt is a Trading Interval within that set;
 2. FO(f,pt) is the quantity of Forced Outage for a Facility f in the Trading Interval pt, provided in accordance with clause 7.13.1A(b); and
 3. CC(f,pt) is the number of Capacity Credits a Market Participant holds for Facility f in the Trading Interval pt; and
- (g) RF floor(f,t) is equal to one in the Trading Interval t for a Facility f to which any of the following applies—
- i. the Facility is a Demand Side Programme;
 - ii. [Blank]
 - iii. the Facility is an Intermittent Generator to which clauses 4.26.1A(a)(ii)(2) or 4.26.1A(a)(ii)(3) applies; or
 - iv. the Facility is a Scheduled or Non-Scheduled Generator to which clauses 4.26.1A(a)(ii)(4) or 4.26.1A(a)(ii)(5) applies.
- (2) Deleting the existing clause 4.26.1A and replace it with the following—
- 4.26.1A. AEMO must calculate the Reserve Capacity Deficit refund for each Facility (“**Facility Reserve Capacity Deficit Refund**”) for each Trading Interval t as the lesser of—

(a) the product of—

- i. the Trading Interval Refund Rate applicable to the Facility in Trading Interval t; and
- ii. the Reserve Capacity Deficit in Trading Interval t,

where the Reserve Capacity Deficit for a Facility is equal to whichever of the following applies—

1. if the Facility is required to have submitted a Forced Outage under clause 3.21.4, or is a Scheduled Generator that has taken a Refund Payable Planned Outage, the total Forced Outage and Refund Payable Planned Outage in that Trading Interval measured in MW;
2. if the Facility is an Intermittent Generator which is not considered by AEMO to have been in Commercial Operation for the purposes of clause 4.26.1(b), the number of Capacity Credits associated with the relevant Intermittent Generator;
3. if the Facility is an Intermittent Generator which is considered by AEMO to have been in Commercial Operation for the purposes of clause 4.26.1(b), but for which Y does not equal zero in clause 4.26.1(b), the minimum of—
 - i. $RL - (2 \times \text{Max}2)$; or
 - ii. $RL - A$

where—

RL is the Required Level, adjusted to 100 percent of the level of Capacity Credits currently held;

Max2 is the second highest value of the output for the Facility (MWh) achieved during a Trading Interval during the Trading Month the Trading Interval t falls in, as measured in Meter Data Submissions received by AEMO in accordance with section 8.4, that has been achieved since the date AEMO determined the Facility to be in Commercial Operation, where this value must be set equal to or greater than the Max2 applied by AEMO for the previous Trading Month; and

A is the level of output (in MW) detailed in the most recent report provided by the Market Participant for the Facility under clause 4.13.10C,

4. if, from the Trading Day commencing on 30 November of Year 3 for Reserve Capacity Cycles up to and including 2009 or 1 October of Year 3 for Reserve Capacity Cycles from 2010 onwards, the Facility is undergoing an approved Commissioning Test and, for the purposes of permission sought under clause 3.21A.2, is a new generating system referred to in clause 3.21A.2(b), the number of Capacity Credits associated with the relevant Facility;
5. if, from the Trading Day commencing on 30 November of Year 3 for Reserve Capacity Cycles up to and including 2009 or 1 October of Year 3 for Reserve Capacity Cycles from 2010 onwards, the Facility is not yet undergoing an approved Commissioning Test and, for the purposes of permission sought under clause 3.21A.2, is a new generating system referred to in clause 3.21A.2(b), the number of Capacity Credits associated with the relevant Facility; or
6. if the Facility is a Demand Side Programme—

$$\max\left(0, \text{RCOQ} - \max(0, (\text{RD} - \text{MinLoad}))\right)$$

where—

RCOQ is the Reserve Capacity Obligation Quantity determined for the Facility under clause 4.12.4;

RD is the Relevant Demand for the Facility determined in accordance with clause 4.26.2CA; and

MinLoad is the sum of the MW quantities of Minimum Consumption for the Facility's Associated Loads; 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.

(3) Amend clause 4.26.1B by deleting the word "Months" and replacing it with "Interval" each time it occurs.

(4) Insert new clauses 4.26.1C and 4.26.1D as follows—

4.26.1C. Where System Management notifies AEMO under clause 7.13.1A(b) of the Planned Outage of a Scheduled Generator in a Trading Interval, AEMO must determine that Planned Outage to be—

- (a) if the Refund Exempt Planned Outage Count for the Facility, calculated over the 1000 Trading Days preceding the Trading Day in which the Trading Interval falls, is less than 8400—a Refund Exempt Planned Outage; or
- (b) otherwise—a Refund Payable Planned Outage.

4.26.1D. IMO must undertake a review, to be completed by 31 December 2020 of whether the limit for the Refund Exempt Planned Outage Count referred to in clause 4.26.1C should be modified to better address the Wholesale Market Objectives. The review must include, at a minimum, an assessment of—

- (a) variations in Planned Outage rates and Forced Outage rates of Scheduled Generators since the introduction of the limit on Refund Exempt Planned Outages;
- (b) for each Scheduled Generator and each year since the introduction of the limit on Refund Exempt Planned Outages—
- i. the number of Equivalent Planned Outage Hours for which Facility Reserve Capacity Deficit Refunds were payable; and
 - ii. the total amount of Facility Reserve Capacity Deficit Refunds associated with Refund Payable Planned Outages; and
- (c) the level of participation by Scheduled Generators in the Reserve Capacity Mechanism in each year since the introduction of the limit on Refund Exempt Planned Outages; and
- (d) changes in the mix of Scheduled Generators that have participated in the Reserve Capacity Mechanism in each year since the introduction of the limit on Refund Exempt Planned Outages.

(5) Delete the existing clause 4.26.2 and replace it with the following—

4.26.2. AEMO must determine the net STEM shortfall ("Net STEM Shortfall") in Reserve Capacity supplied by each Market Participant p holding Capacity Credits associated with a generation system in each Trading Interval t as—

$$SF(p,t) = \text{Max}(\text{RCDF}(p,t), \text{RCOQ}(p,t) - A(p,t)) - \text{RCDF}(p,t)$$

Where—

$$A(p,t) = \text{Min}(\text{RCOQ}(p,t), \text{CAPA}(p,t));$$

RCOQ(p,t) for Market Participant p and Trading Interval t is equal to—

- (a) the total Reserve Capacity Obligation Quantity of Market Participant p 's unregistered facilities that have Reserve Capacity Obligations, excluding Loads that can be interrupted on request; plus
- (b) the sum of the product of—
- i. the factor described in clause 4.26.2B as it applies to Market Participant p 's Registered Facilities; and
 - ii. the Reserve Capacity Obligation Quantity for each Facility,
- for all Market Participant p 's Registered Facilities, excluding Demand Side Programmes,

CAPA(p,t) is for Market Participant p and Trading Interval t —

- (c) equal to RCOQ(p,t) for a Trading Interval where the STEM Auction has been suspended by AEMO in accordance with section 6.10;
- (d) subject to clause 4.26.2(c), for the case where Market Participant p is not Synergy, the sum of—
- i. the Reserve Capacity Obligation Quantities in Trading Interval t of that Market Participant's Interruptible Loads; plus
 - ii. the MW quantity calculated by doubling the net MWh quantity of energy sent out by Facilities registered by that Market Participant during that Trading Interval calculated as the Net Contract Position less the shortfall as indicated by the applicable Resource Plan; plus
 - iiA. if a STEM submission does not exist for that Trading Interval, the MW quantity calculated by doubling the total MWh quantity of energy to be consumed by that Market Participant including demand associated with any Interruptible Load, but excluding demand associated with any Dispatchable

- Load during that Trading Interval as indicated by the applicable Resource Plan; plus
- iii. the MW quantity calculated by doubling the total MWh quantity covered by the STEM Offers which were not scheduled and the STEM Bids which were scheduled in the relevant STEM Auction, determined by AEMO for that Market Participant under section 6.9 for Trading Interval t , corrected for Loss Factor adjustments so as to be a sent out quantity in accordance with clause 4.26.2A; plus
 - iv. double the total MWh quantity to be provided as Ancillary Services as specified by AEMO in accordance with clause 6.3A.2(e)(i) for that Market Participant corrected for Loss Factor adjustments so as to be a sent out quantity in accordance with clause 4.26.2A; plus
 - v. the greater of zero and $(BSFO(p,t) - RTFO(p,t))$; and
- (e) subject to clause 4.26.2(c), for the case where Market Participant p is Synergy, the sum of—
- i. the sum of the Reserve Capacity Obligation Quantities in Trading Interval t of that Market Participant's Interruptible Loads; plus
 - ii. the MW quantity calculated by doubling the total MWh quantity of energy that Synergy is selling to other Market Participants as indicated by the Net Contract Position for Trading Interval t , corrected for Loss Factor adjustments so as to be a sent out quantity in accordance with clause 4.26.2A; plus
 - iii. the MW quantity calculated by doubling the total MWh quantity of the STEM Offers which were not scheduled and the STEM Bids which were scheduled in the relevant STEM Auction, determined by AEMO for that Market Participant under section 6.9 for Trading Interval t , corrected for Loss Factor adjustments so as to be a sent out quantity in accordance with clause 4.26.2A; plus
 - iv. double the total MWh quantity to be provided as Ancillary Services as specified by AEMO in accordance with clause 6.3A.2(e)(i) for Synergy corrected for Loss Factor adjustments so as to be a sent out quantity in accordance with clause 4.26.2A; plus
 - v. the greater of zero and $(BSFO(p,t) - RTFO(p,t))$.

$RCDF(p,t) = RTFO(p,t) + RTNREPO(p,t)$;

$RTNREPO(p,t) = \sum_{f \in F} (\text{Max}(0, NREPO(f,t) - BSPO(f,t)))$;

$NREPO(f,t)$ is the total MW quantity of Refund Payable Planned Outage associated with Facility f for Trading Interval t ;

$BSPO(f,t)$ is the total MW quantity of Planned Outage associated with Facility f before the STEM Auction for Trading Interval t , as provided to the AEMO by System Management in accordance with clause 7.3.4;

F is the set of Scheduled Generators registered to Market Participant p , and f is a Facility within that set;

$BSFO(p,t)$ is the total MW quantity of Forced Outage associated with Market Participant p before the STEM Auction for Trading Interval t , where this is the sum over all the Market Participant's Registered Facilities of the lesser of the Reserve Capacity Obligation Quantity of the Facility for Trading Interval t and the MW Forced Outage of the Facility for Trading Interval t as recorded in accordance with section 7.3; and

$RTFO(p,t)$ is the total MW quantity of Forced Outage associated with Market Participant p in real-time for Trading Interval t , where this is the sum over all the Market Participant's Registered Facilities of the lesser of the Reserve Capacity Obligation Quantity of the Facility for Trading Interval t and the MW Forced Outage of the Facility for Trading Interval t as recorded in accordance with clause 7.13.1A(b).

(6) Amend clause 4.26.2B by deleting the words “ $RCOQ(p,d,t)$ and $RCOQ(f,d,t)$ ” and replacing them with “ $RCOQ(p,t)$ ”.

(7) Delete clause 4.26.2C and replace it with “[Blank]”.

(8) Delete the existing clause 4.26.2CA and replace it with the following—

4.26.2CA. The Relevant Demand of a Demand Side Programme for a Trading Day d in a Capacity Year is the lesser of—

- (a) a value determined for the Demand Side Programme using the methodology set out in Appendix 10; or
- (b) the sum of Individual Reserve Capacity Requirement Contributions of the Associated Loads of the Demand Side Programme.

(9) Amend clause 4.26.2D by deleting the words “of Trading Day d and Trading Month m ”.

(10) Amend clauses 4.26.2D(a) and (b) by inserting the words “or 7.6.1C(e)” after the words “under clause 7.6.1C(d)”.

(11) Amend clause 4.26.2D(a) by deleting the words “Trading Day d ” and replacing them with “the Trading Day the Trading Interval t falls on”.

(12) Amend clause 4.26.2E by inserting the words “as the sum of the Trading Interval Capacity Cost Refunds of every Trading Interval in the Trading Month m, as calculated” after the words “to be applied for Trading Month m”.

(13) Amend clause 4.26.2F by inserting the words “Trading Interval” after the first “The”.

(14) Amend clause 4.26.2F by deleting the words “Month m” and replacing them with “Interval t” in each place where it occurs.

(15) Delete the existing clause 4.26.2F(b) and replace it with the following—

- (b) the sum of all Demand Side Programmes Capacity Cost Refunds for Demand Side Programmes for which Market Participant p holds Capacity Credits.

(16) Delete the existing clause 4.26.3 and replace it with the following—

4.26.3. The Generation Capacity Cost Refund for Trading Interval t in Capacity Year y for a Market Participant p holding Capacity Credits associated with a generation system is the lesser of—

- (a) the Maximum Participant Generation Refund determined for Market Participant p and Capacity Year y less all Generation Capacity Cost Refunds applicable to Market Participant p in previous Trading Interval t falling in Capacity Year y; and
 (b) the Generation Reserve Capacity Deficit Refund for Market Participant p and Trading Interval t, plus the Net STEM Refund in Trading Interval t for Market Participant p,

where the Net STEM Refund is calculated as follows—

$$\text{N STEM Refund}(p, t) = \text{TIRR weighted}(p, t) \times \text{N STEM Short}(p, t)$$

Where—

- i. N STEM Refund(p, t) is the Net STEM Refund for Market Participant p in Trading Interval t;
 ii. TIRR weighted(p, t) is the weighted average of the Trading Interval Refund Rate in Trading Interval t for each Facility Participant p holds Capacity Credits for and is calculated as follows—

$$\text{TIRR weighted}(p, t) = \sum_{f \in F} \frac{\text{TIRR}(f, t) \times \text{CC}(f, t)}{\sum_{f \in F} \text{CC}(f, t)}$$

where—

1. F is the set of Scheduled Generators registered to Market Participant p and f is a Facility within that set;
 2. TIRR(f, t) is the Trading Interval Refund Rate for Facility f in Trading Interval t; and
 3. CC(f, t) is the number of Capacity Credits associated with Facility f in Trading Interval t; and
 iii. N STEM Refund(p, t) is the Net STEM Shortfall for Market Participant p in Trading Interval t.

(17) Delete the existing clause 4.26.3A and replace it with the following—

4.26.3A. The Demand Side Programme Capacity Cost Refund for Trading Interval t for a Demand Side Programme is equal to the lesser of—

- (a) the Maximum Facility Refund for the Demand Side Programme 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.

$$\text{TIRR}(f, t) \times S$$

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; and

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

(18) Delete the existing clause 4.26.4 and replace it with the following—

4.26.4. For each Market Participant holding Capacity Credits associated with a Scheduled Generator or a Demand Side Programme, AEMO must determine the amount of the rebate (“**Participant Capacity Rebate**”) to be applied for Trading Interval t as the sum of all Facility Capacity Rebates determined in accordance with clause 4.26.6.

(19) Amend clause 4.26.5 by deleting the words “(RCOQ(p, d, t) and RCOQ(f, d, t))” and replacing them with “RCOQ(p, t) and RCOQ(f, t)”.

(20) Insert a new clause 4.26.6 as follows—

4.26.6. The Facility Capacity Rebate in Trading Interval t for Facility f , being a Scheduled Generator or a Demand Side Programme for which a Market Participant holds Capacity Credits—

$$\text{FCR}(f, t) = \frac{\text{CC}(f, t) \times \text{E}(f, t)}{\sum_{f \in F} (\text{CC}(f, t) \times \text{E}(f, t))} \times \text{TAR}(t)$$

where—

- (a) $\text{FCR}(f, t)$ is the Facility Capacity Rebate for Facility f in the Trading Interval t ;
- (b) $\text{TAR}(t)$ is the sum of all Trading Interval Capacity Cost Refunds for all Market Participants in Trading Interval t ;
- (c) F is the set of Facilities, being Scheduled Generators or Demand Side Programmes and f is a Facility within that set;
- (d) $\text{CC}(f, t)$ for a Facility f in a Trading Interval t is the Facility's capacity in t , which is not subject to an Outage, determined as follows—
 - i. for a Scheduled Generator, the MW value of Capacity Credits less the MW quantity of Outage as provided under clause 7.13.1A(b); and
 - ii. for a Demand Side Programme, the lesser of—
 1. the Demand Side Programme Load multiplied by two so as to be a MW quantity less the sum of the Minimum Consumptions in MW for each of the Facility's Associated Loads; and
 2. the Demand Side Programme's Reserve Capacity Obligation Quantity in t ; and
- (e) $\text{E}(f, t)$ is the eligibility of Facility f in Trading Interval t , equal to—
 - i. one for any Facility which is a Scheduled Generator and the following applies—
 1. the Facility has a Sent Out Metered Schedule greater than zero in any one of the 1,440 Trading Intervals prior to and including Trading Interval t ;
 2. the sum of the Facility Reserve Capacity Deficit Refunds for Facility f , in Capacity Year y that the Trading Interval t falls in, for trading intervals prior to and including Trading Interval t , is less than the Maximum Facility Refund for Facility f in Capacity Year y ; and
 3. the sum of the Generation Reserve Capacity Deficit Refund in Capacity Year y that the Trading Interval t falls in, for trading intervals prior to and including Trading Interval t , is less than the Maximum Participant Generation Refund for the Market Participant p which the Facility is registered to, in Capacity Year y ; and
 - ii. one for any Facility which is a Demand Side Programme and the following applies—
 1. the Facility received a Dispatch Instruction to reduce consumption in any one of the 1,440 Trading Intervals prior to and including Trading Interval t ;
 2. the Reserve Capacity Obligation Quantity for the Demand Side Programme does not equal zero under clause 4.12.4(c); and
 3. the sum of the Demand Side Programme Capacity Cost Refunds for Facility f , in Capacity Year y that the Trading Interval t falls in, for trading intervals prior to and including Trading Interval t , is less than the Maximum Facility Refund for Facility f in Capacity Year y ; and
 - iii. zero otherwise.

47. Market Rule 4.27 amended

(1) Delete clause 4.27.1 and replace it with “[Blank]”.

(2) Delete the existing clause 4.27.2 and replace it with the following—

4.27.2. By the twenty-fifth day of each month, AEMO must assess the number of Equivalent Planned Outage Hours taken in the preceding 12 Trading Months by each Scheduled Generator and Non-Scheduled Generator assigned Capacity Credits for the current Capacity Year.

(3) Delete the existing clause 4.27.3 and replace it with the following—

4.27.3. If the number of Equivalent Planned Outage Hours for a Facility, as determined under clause 4.27.2, exceeds 1,750 hours for the preceding 12 Trading Months, AEMO may require the Market Participant holding Capacity Credits for that Facility to provide to AEMO—

- (a) a Reserve Capacity Performance Report as described in clause 4.27.4; and
- (b) a Reserve Capacity Performance Improvement Report as described in clause 4.27.4A, to be provided at intervals specified by AEMO, but not more frequently than once per quarter.

(4) Insert a new clause 4.27.3A after clause 4.27.3 as follows—

4.27.3A. In making its decision whether to require a report under clause 4.27.3, AEMO must assess whether the number of Equivalent Planned Outage Hours taken by the Facility in the previous 12 Trading Months was attributable to specific, infrequent events or is indicative of an underlying performance deficiency, and may consider any matters it deems relevant in making this assessment. AEMO may consult System Management in deciding whether or not to require a report.

- (5) Delete the existing clause 4.27.4 and replace it with the following—
- 4.27.4. A Reserve Capacity Performance Report must include—
- (a) explanations of all Planned Outages taken by the Facility in the 12 Trading Months referred to in clause 4.27.2;
 - (b) a statement of the expected maximum number of days of Planned Outages to be taken by the Facility in each of the next 36 Trading Months commencing from the Trading Month in which the report is requested, including adequate explanation to make clear the reason for each Planned Outage;
 - (bA) the relationship of the Planned Outages to the long term asset management strategy and established maintenance plan for the Facility;
 - (c) measures being undertaken or proposed by the Market Participant to increase the availability of the Facility, and their actual and anticipated effect on the frequency of Planned Outages; and
 - (d) any other information concerning the availability of the Facility that AEMO may request.
- (6) Insert new clause 4.27.4A after clause 4.27.4 as follows—
- 4.27.4A. A Reserve Capacity Performance Improvement Report must include—
- (a) descriptions of the measures proposed, being undertaken or already undertaken by the Market Participant to increase the availability of the Facility;
 - (b) details of any changes to the expected maximum number of days of Planned Outages to be taken by the Facility for a Trading Month previously provided by the Market Participant under clause 4.27.4(b) or this clause 4.27.4A(b), including adequate explanations for each change; and
 - (c) explanation of any variation between expected and actual improvement of the availability of the Facility as a result of the measures taken.
- (7) Delete the existing clause 4.27.5 and replace it with the following—
- 4.27.5. A Market Participant must—
- (a) provide a Reserve Capacity Performance Report to AEMO in a format specified in the Market Procedure referred to in clause 4.27.12 within 20 Business Days of being requested to do so; and
 - (b) provide a Reserve Capacity Performance Improvement Report to AEMO in a format specified in the Market Procedure referred to in clause 4.27.12 by the date specified by AEMO under clause 4.27.3(b).
- (8) Delete the existing clause 4.27.6 and replace it with the following—
- 4.27.6. AEMO may, at the Market Participant's expense, consult with any person AEMO considers suitably qualified to provide an opinion on a report provided under clause 4.27.5. AEMO may ask the person to provide an opinion on the report generally, or to limit the scope of the opinion to specified matters covered in the report.
- (9) Delete clause 4.27.7 and replace it with “[Blank]”.
- (10) Delete clause 4.27.8 and replace it with “[Blank]”.
- (11) Delete clause 4.27.9 and replace it with “[Blank]”.

48. Market Rule 4.28 amended

- (1) Delete the existing clause 4.28.1 and replace it with the following—
- 4.28.1. AEMO must separate the total costs of Capacity Credits acquired by it for a Trading Month, including Capacity Credits covered by Special Price Arrangements, into the following two sets—
- (a) the cost of acquiring enough Capacity Credits to ensure, to the extent possible given the number of Capacity Credits AEMO has acquired, that the lesser of—
 - i. the Reserve Capacity Requirement applicable to that Trading Month; and
 - ii. total Capacity Credits assigned to Facilities minus the total DSM Capacity Credits, is just covered after allowing for Capacity Credits traded bilaterally (as defined in clause 4.14.2) in that Trading Month; and
 - (b) the cost of other Capacity Credits acquired but not allocated to the set referred to in clause 4.28.1(a),
- determined on the basis that the Capacity Credits acquired by AEMO are allocated to the set referred to in clause 4.28.1(a) in order of decreasing cost per Capacity Credit, other than DSM Capacity Credits, until the capacity requirements referred to in clause 4.28.1(a) are met, with the remaining Capacity Credits acquired by AEMO being allocated to the set referred to in clause 4.28.1(b).
- (2) Delete the existing clause 4.28.2 and replace it with the following—
- 4.28.2. For the purposes of clause 4.28.1—
- (a) AEMO is taken to have acquired a Capacity Credit held by a Market Participant in respect of a Trading Month if that Capacity Credit has not been allocated by that Market Participant to another Market Participant for settlement purposes under sections 9.4 and 9.5;

- (aA) without limiting clause 4.28.2(a), AEMO is taken to have acquired all DSM Capacity Credits;
- (b) [Blank]
- (c) the cost of a Capacity Credit acquired by AEMO which is covered by a Short Term Special Price Arrangement is the Special Reserve Capacity Price determined in accordance with clause 4.21.1(b);
- (cA) the monthly cost of a DSM Capacity Credit is the DSM Reserve Capacity Price divided by 12; and
- (d) the cost of each other Capacity Credit acquired by AEMO is the Monthly Reserve Capacity Price determined in accordance with clause 4.29.1.
- (3) Delete the existing clause 4.28.4 and replace it with the following—
- 4.28.4. For each Trading Month, AEMO must calculate a Shared Reserve Capacity Cost being the sum of—
- (a) the cost defined under clause 4.28.1(b);
- (b) the net payments to be made by AEMO under Supplementary Capacity Contracts less any amount drawn under a Reserve Capacity Security by AEMO and distributed in accordance with clause 4.13.11A(a); and
- (bA) the Tranche 2 DSM Dispatch Payments made in that month; less
- (c) the Intermittent Load Refunds for that Trading Month; less
- (d) any amount drawn under a Reserve Capacity Security by AEMO and distributed in accordance with clause 4.13.11A(b),
- and AEMO must allocate this total cost to Market Customers in proportion to each Market Customer's Individual Reserve Capacity Requirement.
- (4) Amend clause 4.28.11A by inserting the words “other than for step 10 of Appendix 5,” after the words “Appendix 4A and Appendix 5,”.

49. Market Rule 4.28A amended

- (1) Amend clause 4.28A.1 by converting the words “Intermittent Load Refund” to bold type in the first place where they occur.
- (2) Delete the existing clause 4.28A.1(a) and replace it with the following—
- (a) the applicable value of Y for the Intermittent Load as determined in clause 4.26.1(b)(iii); and

50. Market Rule 4.29 amended

- (1) Delete the existing clause 4.29.1 and replace it with the following—
- 4.29.1. The Monthly Reserve Capacity Price for a Reserve Capacity Cycle to apply during the period specified in clause 4.1.29 is to equal—
- (a) if a Reserve Capacity Auction is run for the Reserve Capacity Cycle, the Reserve Capacity Price for the Reserve Capacity Cycle divided by 12; or
- (b) if no Reserve Capacity Auction is run—
- i. for a Reserve Capacity Cycle prior to 1 October 2008, 85 percent of the Benchmark Reserve Capacity Price for the Reserve Capacity Cycle divided by 12;
 - ii. for a Reserve Capacity Cycle up to and including the 2014 Reserve Capacity Cycle, 85 percent of the Benchmark Reserve Capacity Price for the Reserve Capacity Cycle multiplied by the excess capacity adjustment and divided by 12 where the excess capacity adjustment is equal to the minimum of—
 1. one; and
 2. the Reserve Capacity Requirement for the Reserve Capacity Cycle divided by the total number of Capacity Credits assigned by AEMO in accordance with clause 4.20.5A for the Reserve Capacity Cycle; and
 - iii. for a Reserve Capacity Cycle from the 2015 Reserve Capacity Cycle up to and including the 2021 Reserve Capacity Cycle, the value calculated using the formula set out below for the relevant Capacity Year and divided by 12—

RESERVE CAPACITY ADMINISTERED PRICE TABLE

Reserve Capacity Cycle	Capacity Year commencing	Formula
2015	1 October 2017	$\text{MIN} \left\{ \left(\frac{\text{BRCP} \times 1.113}{1 - ((\text{surplus} + 0.03) \times -3.75)} \right), \text{BRCP} \times 1.1 \right\}$
2016	1 October 2018	$\text{MIN} \left\{ \left(\frac{\text{BRCP} \times 1.119}{1 - ((\text{surplus} + 0.03) \times -3.95)} \right), \text{BRCP} \times 1.1 \right\}$
2017	1 October 2019	$\text{MIN} \left\{ \left(\frac{\text{BRCP} \times 1.126}{1 - ((\text{surplus} + 0.03) \times -4.2)} \right), \text{BRCP} \times 1.1 \right\}$

Reserve Capacity Cycle	Capacity Year commencing	Formula
2018	1 October 2020	$\text{MIN} \left\{ \left(\frac{\text{BRCP} \times 1.141}{1 - ((\text{surplus} + 0.03) \times -4.7)} \right), \text{BRCP} \times 1.1 \right\}$
2019	1 October 2021	$\text{MIN} \left\{ \left(\frac{\text{BRCP} \times 1.159}{1 - ((\text{surplus} + 0.03) \times -5.3)} \right), \text{BRCP} \times 1.1 \right\}$
2020	1 October 2022	$\text{MIN} \left\{ \left(\frac{\text{BRCP} \times 1.183}{1 - ((\text{surplus} + 0.03) \times -6.1)} \right), \text{BRCP} \times 1.1 \right\}$
2021	1 October 2023 onwards	$\text{MIN} \left\{ \left(\frac{\text{BRCP} \times 1.210}{1 - ((\text{surplus} + 0.03) \times -7)} \right), \text{BRCP} \times 1.1 \right\}$

where—

1. BRCP is the Benchmark Reserve Capacity Price determined in accordance with section 4.16; and
2. surplus is the pro rata excess capacity calculated as follows—

$$\text{surplus} = \frac{\text{CC} - \text{RCR}}{\text{RCR}}$$

where—

- A. CC is the total number of Capacity Credits assigned by AEMO in accordance with clause 4.20.5A for the Reserve Capacity Cycle; and
 - B. RCR is the Reserve Capacity Requirement for the Reserve Capacity Cycle;
- iv. for a Reserve Capacity Cycle from the 2022 Reserve Capacity Cycle onwards—
 - A. the value determined under the auction process developed under clause 4.1.33; or
 - B. if for any reason such a determination has not occurred, a value determined by inserting values for the relevant Reserve Capacity Cycle into the equation for the 2021 Reserve Capacity Cycle set out in clause 4.29.1(b)(iii).
- (2) Amend clause 4.29.3 by deleting the words “prepare and provide the following information to the Settlement Systems” and replacing them with “determine the following information”.
- (3) Delete the existing clause 4.29.3(d) and replace it with the following—
- (d) subject to clause 4.29.4, for each Market Participant p and for Trading Month m—
 - i. the quantity of Capacity Credits (including Capacity Credits from Facilities subject to Network Control Service Contracts) acquired by AEMO which are not—
 1. DSM Capacity Credits; or
 2. covered by a Special Price Arrangement;
 - ii. the quantity of Capacity Credits acquired by AEMO covered by a Special Price Arrangement;
 - iii. the total quantity of Capacity Credits covered by Special Price Arrangements;
 - iv. the quantity of Capacity Credits (other than DSM Capacity Credits) traded bilaterally (as defined in clause 4.14.2) that are not covered by Special Price Arrangements, including Capacity Credits from Facilities subject to Network Control Service Contracts to which clause 4.20.1(d)(iii) does apply;
 - ivA. the quantity of DSM Capacity Credits;
 - v. the Individual Reserve Capacity Requirement for each Market Customer for that Trading Month;
 - vi. the total Capacity Cost Refund to be paid by the Market Participant to AEMO for all Trading Intervals in Trading Month m;
 - vii. the total Participant Capacity Rebate to be paid to the Market Participant by AEMO for all Trading Intervals in Trading Month m; and
 - viii. the Tranche 2 DSM Dispatch Payments to be made to the Market Participant;
- (4) Amend clause 4.29.3(da) by inserting the word “and” at the end of the clause.

51. Market Rule 6.11A inserted

- (1) Insert new section 6.11A after section 6.11 as follows—

6.11A Nominating Consumption Decrease Price and Extra Consumption Decrease Price

6.11A.1. A Market Customer with a Demand Side Programme or Dispatchable Load—

- (a) must submit to AEMO—
 - i. for a Dispatchable Load—a Consumption Decrease Price; and
 - ii. for a Demand Side Programme—a Consumption Decrease Price and an Extra Consumption Decrease Price; and

- (b) may from time to time submit to AEMO—
 - i. for a Dispatchable Load—a changed Consumption Decrease Price; and
 - ii. for a Demand Side Programme—either or both of a changed Consumption Decrease Price and a changed Extra Consumption Decrease Price.
- 6.11A.2. When AEMO receives a submission under clause 6.11A.1 from a Market Participant, it must as soon as practicable—
 - (a) if the received data complies with, as applicable, clauses 6.11A.3 or 6.11A.4—
 - i. accept the received data and communicate the acceptance to the Market Participant; and
 - ii. revise the Standing Data accordingly; or
 - (b) if the received data does not comply with, as applicable, clauses 6.11A.3 or 6.11A.4—reject the received data and communicate the rejection to the Market Participant.
- 6.11A.3. A Consumption Decrease Price submitted under clause 6.11A.1 must—
 - (a) be not less than the Minimum STEM Price or more than the Alternative Maximum STEM Price;
 - (b) vary between Peak Trading Intervals and Off-Peak Trading Intervals.
- 6.11A.4. An Extra Consumption Decrease Price submitted under clause 6.11A.1 must—
 - (a) be not less than the Minimum STEM Price or more than the DSM Activation Price;
 - (b) vary between Peak Trading Intervals and Off-Peak Trading Intervals.

52. Market Rule 6.12 amended

- (1) Delete the existing clause 6.12.1 and replace it with the following—

6.12.1

- (a) By 5:00 PM on the Scheduling Day, AEMO must determine the Non-Balancing Dispatch Merit Orders identified in clauses 6.12.1(b) and 6.12.1(c) for the Trading Day. A Non-Balancing Dispatch Merit Order—
 - i. lists the order in which Non-Balancing Facilities will be issued Dispatch Instructions by System Management under clause 7.6.1C(d) to increase or decrease consumption, as applicable;
 - ii. list the order in which Non-Balancing Facilities will be issued Dispatch Instructions by System Management under clause 7.6.1C(e) to decrease consumption, as applicable; and
 - iii. provides for each Facility in the list in clause 6.12.1(a)(i) and (ii)—
 - 1. the Reserve Capacity Obligation Quantity determined in accordance with clause 4.12.4(c); and
 - 2. for a Demand Side Programme—
 - A. the Unused Expected DSM Dispatch Quantity;
 - B. the Relevant Demand; and
 - C. the aggregate of Minimum Consumptions across all the Facility's Associated Loads.
- (b) A Non-Balancing Dispatch Merit Order for a decrease in consumption relative to the quantities included in the applicable Resource Plan or the current operating level of a Facility not included in a Resource Plan for a Trading Interval must—
 - i. list all Demand Side Programmes and Dispatchable Loads registered by Market Participants; and
 - ii. be determined by ranking the Registered Facilities referred to in clause 6.12.1(b)(i) as follows—
 - 1. Registered Facilities with a Reserve Capacity Obligation Quantity greater than zero in that Trading Interval ranked in increasing order of—
 - A. for Non-Balancing Facilities other than Demand Side Programmes—the Facility's Consumption Decrease Price applicable to that Trading Interval; and
 - B. for Demand Side Programmes—the Facility's Extra Consumption Decrease Price applicable to that Trading Interval;
 followed by
 - 2. Registered Facilities with a Reserve Capacity Obligation Quantity of zero in that Trading Interval, ranked in increasing order of the Facility's Consumption Decrease Price applicable to that Trading Interval.
- (c) A Non-Balancing Dispatch Merit Order for an increase in consumption relative to the quantities included in the applicable Resource Plan for a Trading Interval must—
 - i. list all Dispatchable Loads registered by Market Participants; and
 - ii. be determined by ranking the Registered Facilities referred to in clause 6.12.1(c)(i) in increasing order of the Facility's Consumption Increase Price applicable to that Trading Interval.
- (d) [Blank]

- (e) [Blank]
- (f) Where the prices described in Standing Data for two or more Registered Facilities are equal, then, for the purposes of determining the ranking in any Non-Balancing Dispatch Merit Order, AEMO must rank those Registered Facilities in decreasing order of the time since the Facility's consumption was last reduced in response to a Dispatch Instruction. In the event of a tie, AEMO will randomly assign priority to break the tie.

53. Market Rule 6.17 amended

(1) Delete the existing clause 6.17.6(c) and replace it with the following—

- (c) the sum over all Demand Side Programmes registered to Market Participant p of the amount that is the product sum of—
 - i. the Tranche 2 DSM Dispatch Payments; and
 - ii. the Tranche 3 DSM Dispatch Payments.

(2) Insert new clauses 6.17.6B-6.17.6F after clause 6.17.6A as follows—

6.17.6B. AEMO must develop a Market Procedure that details the methodology to calculate the Tranche 2 DSM Dispatch Payment and the Tranche 3 DSM Dispatch Payment for each Demand Side Programme.

6.17.6C. The methodology described in 6.17.6B must ensure that, subject to clauses 6.17.6D and 6.16.6E, the Non-Balancing Facility Dispatch Instruction Payment is determined as follows—

- (a) (**Tranche 1**) while the Demand Side Programme's Cumulative Annual DSM Dispatch for a Capacity Year is less than or equal to the Demand Side Programme's Calculated DSP Quantity—the Non-Balancing Facility Dispatch Instruction Payment for each MWh of Deemed DSM Dispatch is zero;
- (b) (**Tranche 2**) once the Demand Side Programme's Cumulative Annual DSM Dispatch for a Capacity Year exceeds the Demand Side Programme's Calculated DSP Quantity—the Non-Balancing Facility Dispatch Instruction Payment for each MWh of Deemed DSM Dispatch is the Extra Consumption Decrease Price until—
 - i. an amount equal to—
 - A. the sum, across all 12 months in the Capacity Year, of all the amounts payable (or anticipated to become payable) in respect of the Demand Side Programme as "DSM Capacity Payments (p,m)" under clause 9.7.1A;
 - plus
 - B. the aggregate of all Non-Balancing Facility Dispatch Instruction Payments received by the Demand Side Programme up to that time in the Capacity Year, equals or exceeds
 - ii. an amount equal to the Reserve Capacity Price multiplied by an amount equal to the number of the Demand Side Programme's DSM Capacity Credits; and
- (c) (**Tranche 3**) thereafter until the end of the Capacity Year—the Non-Balancing Facility Dispatch Instruction Payment for each MWh of Deemed DSM Dispatch is the Consumption Decrease Price.

6.17.6D. If in a Trading Interval a Demand Side Programme decreases its consumption—

- (a) partly in response to a Dispatch Instruction under clauses 7.6.1C(d) or (e); and
- (b) partly in accordance with—
 - i. a Network Control Service Contract;
 - ii. an Ancillary Service Contract;
 - iii. these Market Rules in connection with a Test; or
 - iv. a Supplementary Capacity Contract,

then—

- (c) a Non-Balancing Facility Dispatch Instruction Payment is payable only to the extent that the Demand Side Programme would have decreased its consumption in response to the Dispatch Instruction had there been no reduction of the type described in clause 6.17.6D(b); and
- (d) no Non-Balancing Facility Dispatch Instruction Payment is payable in respect of any decrease in consumption in excess of the amount referred to in clause 6.17.6D(c) (**"Further DSM Consumption Decrease"**).

6.17.6E. If the number of DSM Capacity Credits assigned to a Demand Side Programme changes during a Capacity Year, then either or both of—

- (a) the thresholds in clause 6.17.6C(a) and (b) which determine whether the Non-Balancing Facility Dispatch Instruction Payment is to be calculated under clause 6.17.6C(a), (b) or (c); and
- (b) the values of Cumulative Annual DSM Dispatch or Calculated DSP Quantity (or both) for the Demand Side Programme for the Capacity Year,

are to be adjusted on a proportional basis in accordance with the Market Procedure established under clause 6.17.6F.

6.17.6F. AEMO must document the procedure it follows in making the adjustment referred to in clause 6.17.6E, and Rule Participants, including AEMO, must follow the documented Market Procedure.

54. Market Rule 6.21 amended

- (1) Amend clause 6.21.2(b)(v) by deleting the word “and” at the end of the clause.
- (2) Amend clause 6.21.2(b)(vi) by deleting the full stop and inserting “; and” instead.
- (3) Insert new clause 6.21.2(b)(vii) as follows—
 - vii. the Tranche 2 DSM Dispatch Payment.

55. Market Rule 7.6 amended

- (1) Delete the existing clause 7.6.1C(d) and replace it with the following—
 - (d) subject to clauses 7.6.1E and 7.6.1F, a Dispatch Instruction in accordance with the Non-Balancing Dispatch Merit Order to a Non-Balancing Facility which holds Capacity Credits, taking into account—
 - i. for a Demand Side Programme—the DSP Ramp Rate Limit; and
 - ii. for any other Non-Balancing Facility—non-ramp rate Standing Data limitations relevant to that Facility; and
- (2) Insert a new clause 7.6.1C(e) as follows—
 - (e) subject to clause 7.6.1E, a Dispatch Instruction in accordance with the Non-Balancing Dispatch Merit Order to a Non-Balancing Facility (whether or not it holds Capacity Credits) taking into account the DSP Ramp Rate Limit and non-ramp rate Standing Data limitations relevant to that Facility and any other relevant information available to System Management.
- (3) Amend clause 7.6.1D(b) by deleting the word “and” at the end of the clause.
- (4) Amend clause 7.6.1D(c) by deleting the full stop and inserting “; and” instead.
- (5) Insert new clause 7.6.1D(cA) after clause 7.6.1D(c) as follows—
 - (cA) clause 7.6.1C(e) in priority to clause 7.6.1C(d);
- (6) Insert new clause 7.6.1E-7.6.1H after clause 7.6.1D as follows—

7.6.1E. If System Management issues a Dispatch Instruction to a Demand Side Programme under clause 7.6.1C(d) or (e), it must make best endeavours to do so in a way which, when considered across all Dispatch Instructions to all Demand Side Programmes, maximises the extent to which the resulting Non-Balancing Facility Dispatch Instruction Payments are zero under clause 6.17.6C, in preference to causing any Tranche 2 DSM Dispatch Payments or Tranche 3 DSM Dispatch Payments to become payable.

7.6.1F. System Management must not issue a Dispatch Instruction to a Demand Side Programme under clause 7.6.1C(d) unless it has issued a Dispatch Advisory under clause 7.11.5(k) more than two hours before the time the Dispatch Instruction will come into effect.

7.6.1G. A Dispatch Advisory can satisfy the requirement in clause 7.6.1F whether or not the Demand Side Programme in question was named in the Dispatch Advisory.

7.6.1H. If—

 - (a) System Management has issued a Dispatch Instruction to a Facility under clause 7.6.1C(d) or 7.6.1C(e); and
 - (b) System Management considers that dispatch of the Facility is, or will be, no longer required to meet the Dispatch Criteria, having regard to clauses 7.6.1A to 7.6.1E,

then System Management must issue a Dispatch Instruction to the Facility specifying the time from which the Facility is no longer required to restrict its consumption.
- (7) Delete the existing clause 7.6.10 and replace it with the following—

7.6.10. If a Power System Operating Procedure is published under clause 7.6.10A, then a Market Participant who has been assigned DSM Capacity Credits must, in the time and manner specified in the Power System Operating Procedure, provide System Management with, for each Trading Interval—

 - (a) the then current consumption, in MW, of each Associated Load of the Demand Side Programme; and
 - (b) the then current consumption, in MW, of the Demand Side Programme, which must equal the sum of the consumption of all Associated Loads of that Demand Side Programme provided in clause 7.6.10(a).
- (8) Insert new clause 7.6.10A after clause 7.6.10 as follows—

7.6.10A. System Management must develop a Power System Operation Procedure documenting the manner and time in which the obligation in clause 7.6.10 is to be complied with, including how consumption is to be measured or estimated.

56. Market Rule 7.7 amended

- (1) Amend clause 7.7.2 by deleting the words “issues a non-Balancing Facility or to a Balancing Facility Out of Merit”.
- (2) Amend clause 7.7.2 by inserting the words “or 7.6.1C(e)” after the words “under clause 7.6.1C(c)”.
- (3) Amend clause 7.7.3(c)(ii) by deleting the word “or” at the end of the clause.
- (4) Deleting the existing clause 7.7.3(c)(iii) and replace it with the following—
 - iii. for a Demand Side Programme, a required decrease in consumption, in MW, measured as a decrease from the Facility’s Relevant Demand; or

- (5) Insert new clause 7.7.3(iv) as follows—
- iv. for a Demand Side Programme, that it no longer needs to restrict its consumption.
- (6) Delete the existing clause 7.7.3(d) and replace it with the following—
- (d) the ramp rate to maintain until the required level of sent out generation or consumption is reached, which (subject to clause 7.7.3B) must not exceed any applicable Ramp Rate Limit (and for a Demand Side Programme, must not exceed the Applicable DSP Ramp Rate Limit); and
- (7) Insert new clauses 7.7.3B and 7.7.3C after clause 7.7.3A as follows—
- 7.7.3B For a Demand Side Programme, a Dispatch Instruction may—
- (a) request (but not require) the Facility to maintain a ramp rate faster than the Applicable DSP Ramp Rate Limit; and
 - (b) describe the requested faster ramp rate in non-specific terms (for example, “the highest rate achievable”).
- 7.7.3C If a Dispatch Instruction requests a ramp rate faster than the Applicable DSP Ramp Rate Limit, then the Facility—
- (a) must maintain a ramp rate at least equal to the Applicable DSP Ramp Rate Limit; but
 - (b) is not required to maintain a ramp rate faster than the Applicable DSP Ramp Rate Limit, and is excused from compliance with the Dispatch Instruction to that extent.
- (8) Amend clause 7.7.4A by inserting the words “, and subject to 7.6.1C and 7.6.1E” following the words “Non-Balancing Dispatch Merit Order”.
- (9) Delete the existing clause 7.7.4A(a) and replace it with the following—
- (a) only discriminate between Non-Balancing Facilities based on response time and availability;
- (10) Amend clause 7.7.4A(b) by deleting the full stop and inserting “; and” instead.
- (11) Insert new clause 7.7.4A(c) as follows—
- (c) not be inconsistent with section 7.6.
- (12) Amend clause 7.7.5 by deleting “2:00 PM” and replacing it with “6:00 PM”.
- (13) Insert new clause 7.7.6C after clause 7.7.6B as follows—
- 7.7.6C If a Market Participant receives a Dispatch Instruction under clause 7.6.1(d) or (e), and is or becomes aware that the information specified in clause (h)(xv) of Appendix 1 is no longer a reasonable forecast of the Demand Side Programme’s likely consumption profile for a Trading Interval in the Trading Day to which the Dispatch Instruction relates if the Market Participant receives a Dispatch Instruction under clause 7.6.1H, then it must notify System Management as soon as reasonably practicable of a revised good faith forecast of the Demand Side Programme’s likely consumption profile for the Trading Interval should it receive a Dispatch Instruction under clause 7.6.1H.
- (14) Delete the existing clause 7.7.10 and replace it with the following—
- 7.7.10. When System Management has issued an Operating Instruction to a Demand Side Programme to decrease its consumption, System Management may issue a further instruction terminating the requirement for the Demand Side Programme to decrease its consumption providing that the further instruction is issued at least two hours before it is to come into effect.

57. Market Rule 7.10 amended

- (1) Amend clause 7.10.2(a) by deleting the word “or” at the end of the clause.
- (2) Amend clause 7.10.2(b)(ii) by deleting the word “or” at the end of the clause.
- (3) Amend clause 7.10.2(c)(ii) by deleting full stop and inserting a semicolon instead.
- (4) Insert new clause 7.10.2(d) and (e) as follows—
- (d) a Demand Side Programme was issued a Dispatch Instruction by System Management under clause 7.6.1C and its Reserve Capacity Obligation Quantity, as determined under clause 4.12.4(c) is or becomes zero; or
 - (e) clause 7.7.3C excuses compliance.
- (5) Amend clause 7.10.4 by deleting the words “, except where it relates to a Demand Side Programme”.
- (6) Insert new clause 7.10.4A after clause 7.10.4 as follows—
- 7.10.4A For a Demand Side Programme, System Management’s monitoring under clause 7.10.4 may be undertaken after the event.
- (7) Amend clause 7.10.5 by inserting after the words “System Management must” the words “(unless the Registered Facility is a Demand Side Programme, in which case System Management may)”.

58. Market Rule 7.11 amended

- (1) Delete clause 7.11.1 and replace it with “[Blank]”.
- (2) Amend clause 7.11.3 by inserting the words “and must update the Dispatch Advisory as soon as possible after new, relevant information becomes available to it”.
- (3) Amend clause 7.11.5(i) by deleting the full stop and inserting a semicolon instead.

- (4) Insert new clause 7.11.5(j) and (k) as follows—
- (j) System Management expects to issue a Dispatch Instruction to a Non-Balancing Facility within the next 24 hours; or
 - (k) System Management expects to issue a Dispatch Instruction to a Demand Side Programme under clause 7.6.1C(d) within the next 24 hours.
- (5) Insert new clause 7.11.6(dC) after clause 7.11.6(dB) as follows—
- (dC) where System Management is to release a Dispatch Advisory under clause 7.11.5(j) or 7.11.5(k), for each Trading Interval, details of the total quantity of load reduction expected due to dispatch of Demand Side Programmes;
- (6) Amend clause 7.11.6A by inserting “7.11.6(dC),” after the words “clauses 7.11.6(d), 7.11.6(dA),”.
- (7) Insert new clause 7.11.6A(b)(iA) after clause 7.11.6A(b)(i) as follows—
- iA. the name of the Facility, or Facilities, that are likely to be dispatched in response to the Dispatch Advisory;

59. Market Rule 7.13 amended

- (1) Delete the existing clause 7.13.1(eG) and replace it with the following—
- (eG) for each Demand Side Programme for each Trading Interval, the requested decrease in consumption calculated under clause 7.13.5(a);
- (2) Insert new clause 7.13.1(eH) after clause 7.13.1(eG) as follows—
- (eH) the consumption data provided to System Management by each Market Participant with a Demand Side Programme under clause 7.6.10;
- (3) Insert new clause 7.13.1(i) as follows—
- (i) for each Demand Side Programme in each Trading Interval any Further DSM Consumption Decrease.
- (4) Insert new clause 7.13.5 as follows—
- 7.13.5. System Management must—
- (a) for the purposes of clause 7.13.1(eG) calculate, for each Demand Side Programme for each Trading Interval, the amount, in MWh, by which the Facility was requested by the applicable Dispatch Instruction to decrease its consumption for the Trading Interval, which amount—
 - i. must be measured as a requested decrease from the Facility’s Relevant Demand (and so must not include any amount above the Relevant Demand);
 - ii. must not assume a ramp rate faster than was requested in the Dispatch Instruction;
 - iii. must not include any Further DSM Consumption Decrease; and
 - iv. must not take account of the Facility’s actual performance in response to the Dispatch Instruction; and
 - (b) develop a Power System Operating Procedure that details how it will calculate the amount in clause 7.13.5(a).

60. Market Rule 9.4 amended

- (1) Amend clause 9.4.1 by deleting the word “A” in the place that it first occurs and replacing it with “Subject to clause 9.4.1A, a”.
- (2) Insert new clause 9.4.1A after clause 9.4.1 as follows—
- 9.4.1A. A Capacity Credit Allocation Submission must not include DSM Capacity Credits.
- (3) Delete the existing clause 9.4.4(b) and replace it with the following—
- (b) AEMO has the right to reverse any Capacity Credit Allocations if either or both of—
 - i. any affected Market Participant, other than the submitting Market Participant, objects to the allocation prior to the deadline for disputes in relation to Non-STEM Settlement Statements; or
 - ii. the Capacity Credit Allocation Submission includes DSM Capacity Credits.
- (4) Amend clause 9.4.8 by deleting the word “clause” and replacing it with “clauses 9.4.1A or”.

61. Market Rule 9.5 amended

- (1) Amend clause 9.5.1(c) by deleting the word “bilaterally” in each place where it occurs.
- (2) Amend clause 9.5.1(c)(ii) by deleting the word “not” and replacing it with “neither DSM Capacity Credits nor”.

62. Market Rule 9.7 amended

- (1) Delete the existing clause 9.7.1 and replace it with the following—
- 9.7.1. The Reserve Capacity settlement amount for Market Participant p for Trading Month m is—
- $$RCSA(p,m) = \text{Capacity Provider Payment}(p,m) - \text{Capacity Purchaser Payment}(p,m)$$
- (2) Insert new clauses 9.7.1A and 9.7.1B after clause 9.7.1 as follows—
- 9.7.1A. For the purposes of clause 9.7.1, Capacity Provider Payment (p,m) is—
- $$CCP(p,m) = \text{Participant Capacity Rebate}(p,m)$$

- + Non_Allocated_Gen_Capacity_Payments (p,m)
- + Non_Allocated_SPA_Payments (p,m)
- Intermittent Load Refund(p,m)
- + Supplementary Capacity Payment(p,m)
- + DSM_Capacity_Payments (p,m)
- + Tranche 2 DSM Dispatch Payments (p,m)
- Capacity Cost Refund(p,m)

Where—

Non_Allocated_Gen_Capacity_Payments =

Monthly Reserve Capacity Price(m) x (CC_NSPA(p,m)—CC_ANSPA(p,m))

Where—

Monthly Reserve Capacity Price(m) is the Monthly Reserve Capacity Price which applies for Trading Day d defined in accordance with clause 4.29.1;

CC_NSPA(p,m) is the number of Capacity Credits held by Market Participant p in Trading Month m that are not covered by Special Price Arrangements and are not DSM Capacity Credits;

CC_ANSPA(p,m) is the number of Capacity Credits held by Market Participant p in Trading Month m that are not covered by Special Price Arrangements and which are allocated to other Market Participants;

Non_Allocated_SPA_Payments =

Sum(a ∈ A, Monthly Special Price(p,m,a) × (CC_SPA(p,m,a)—(CC_ASPA(p,m,a)))

Where—

Monthly Special Price(p,m,a) is the Monthly Special Reserve Capacity Price for Special Price Arrangement a for Market Participant p defined in accordance with clause 4.29.2 which applies for Trading Day d

CC_SPA(p,m,a) is the number of Capacity Credits held by Market Participant p in Trading Month m that are covered by Special Price Arrangement a;

CC_ASPA(p,m,a) is the number of Capacity Credits held by Market Participant p in Trading Month m that are covered by Special Price Arrangement a and which are allocated to other Market Participants for Trading Month m under sections 9.4 and 9.5;

DSM_Capacity_Payments (p,m) =

DSM Capacity Credits (p,m) x Monthly DSM Reserve Capacity Price (m)

Monthly DSM Reserve Capacity Price (m) is the DSM Reserve Capacity Price divided by 12;

Tranche 2 DSM Dispatch Payments (p,m) are the Tranche 2 DSM Dispatch Payments for Market Participant p for month m;

Capacity Cost Refund(p,m) is the Capacity Cost Refund payable to AEMO by Market Participant p in respect of that Market Participant's Capacity Credits for Trading Month m, as specified in clause 4.29.3(d)(vi);

Intermittent Load Refund(p,m) is the sum over all of Market Participant p's Intermittent Loads of the Intermittent Load Refund payable to AEMO by Market Participant p in respect of each of its Intermittent Loads for Trading Month m, as specified in clause 4.28A.1;

Supplementary Capacity Payment(p,m) is the net payment to be made by AEMO under a Supplementary Capacity Contract to Market Participant p for Trading Month m, as specified by AEMO in accordance with clause 4.29.3(e)(i);

Participant Capacity Rebate(p,m) is the Participant Capacity Rebate payable to the Market Participant p for all Trading Intervals in Trading Month m, as determined in accordance with clause 4.29.3(d)(vii);

A is the set of all Special Price Arrangements associated with a Facility where "a" is used to refer to a member of that set;

P is the set of all Market Participants where p is a member of that set

9.7.1B. For the purposes of clause 9.7.1, Capacity Purchaser Payment is—

CPP(p,m) =

Targeted Reserve Capacity costs(p,m)

+ Shared Reserve capacity costs (p,m)

- LF_Capacity_Cost(p,m)

Where—

Targeted Reserve Capacity costs(p,m) =

Targeted Reserve Capacity Cost(m) × Shortfall Share(p,m)

Where—

Targeted Reserve Capacity Cost(m) is the cost of Reserve Capacity to be shared amongst those Market Participants who have not had sufficient Capacity Credits allocated to them for Trading Month m where this cost is specified for Trading Month m under clause 4.29.3(b)

Shortfall Share(p,m) =

$$\frac{\text{IRCR}(p,m) - \text{Allocated Capacity Credits}(p,m)}{\text{Sum}(p \in P, \text{IRCR}(p,m) - \text{Allocated Capacity Credits}(p,m))}$$

Where—

IRCR(p,m) is the Individual Reserve Capacity Requirement for Market Participant p and Trading Month m expressed in units of MW;

Allocated Capacity Credits (p,m) equals the capacity credits allocated to Market Participant p in month m in accordance with sections 9.4 and 9.5

Shared Reserve Capacity Cost(p,m) =

$$\text{Shared Reserve Capacity Cost}(m) \times \text{Capacity Share}(p,m)$$

Where—

Shared Reserve Capacity Cost(m) is the cost of Reserve Capacity to be shared amongst all Market Participant for Trading Month m where this cost is specified for Trading Month m under clause 4.29.3(c)

Capacity Share(p,m) =

$$\frac{\text{IRCR}(p,m)}{\text{Sum}(p \in P, \text{IRCR}(p,m))}$$

LF_Capacity_Cost(p,m)

$$\text{LF_Capacity_Cost}(m) \times \text{Capacity Share}(p,m)$$

Where—

LF_Capacity_Cost(m) is the total Load Following Service capacity payment cost for Trading Month m as specified in clause 9.9.2(q).;

P is the set of all Market Participants where p is a member of that set

63. Market Rule 9.8 amended

(1) Amend clause 9.8.1 by inserting the words “(minus any Tranche 2 DSM Dispatch Payments)” after the words “DIP(p,d,t) is the Non-Balancing Facility Dispatch Instruction Payment”.

(2) Amend clause 9.8.1 by inserting a footnote after the phrase “(minus any Tranche 2 DSM Dispatch Payments)” as follows—

Tranche 2 DSM Dispatch Payments are deducted from the DIP, because they have already been paid under clause 9.7.1A.

64. Market Rule 9.19 amended

(1) Insert new clause 9.19.1(a)(iA) after clause 9.19.1(a)(i) as follows—

iA. adjustment to Non-Balancing Dispatch Instruction Payments under clause 9.19.1A;

(2) Insert new clause 9.19.1A after clause 9.19.1 as follows—

9.19.1A. If AEMO receives new information which, if it were used in calculating a Non-Balancing Dispatch Instruction Payment, would produce a different value to the value previously calculated under clause 6.17.6 or recalculated under this clause 9.19.1A, then AEMO must recalculate the Non-Balancing Dispatch Instruction Payment and determine the necessary adjustment for use in clause 9.19.1(a)iA.

65. Market Rule 10.5 amended

(1) Amend clause 10.5.1(jA)(i) by deleting the word “or” and inserting a comma instead.

(2) Amend clause 10.5.1(jA)(i) by inserting the words “or Extra Consumption Decrease Price” after the words “Consumption Increase Price”.

(3) Amend clause 10.5.1(jA)(ii) by deleting the word “or” and inserting a comma instead.

(4) Amend clause 10.5.1(jA)(ii) by inserting the words “or Extra Consumption Decrease Price” after the words “Consumption Increase Price”.

(5) Delete the existing clause 10.5.1(zE) and replace with the following—

(zE) the Non-Balancing Dispatch Merit Orders;

(6) Amend clause 10.5.1(zH) by deleting the full stop and inserting “; and” instead.

(7) Insert new clauses 10.5.1(zI) and (zJ) after clause 10.5.1(zH) as follows—

(zI) the Refund Exempt Planned Outage Count for each Scheduled Generator for each of the 1,000 Trading Days up to and including the most recent Trading Day which System Management has recorded in accordance with clause 7.13.1A(b); and

(zJ) as soon as practicable, the consumption data information under clause 7.13.1(eH).

66. Glossary definitions amended

(1) Insert new definitions (including the footnote) in the Glossary as follows in their appropriate alphabetical order—

Applicable DSP Ramp Rate Limit: For a Demand Side Programme for a Trading Interval, the DSP Ramp Rate Limit specified in the Standing Data for the Facility for the Trading Interval.

Calculated DSP Quantity: For a Demand Side Programme for a given Capacity Year, an amount (in MWh, adjusted under clause 6.17.6E if applicable) equal to—

- (a) the number of DSM Capacity Credits assigned to the Demand Side Programme; multiplied by
- (b) an amount (expressed on a MWh per DSM Capacity Credit basis) equal to the Expected DSM Dispatch Quantity plus 0.5.²

Calendar Hour: A period of one hour, commencing on the hour.

Cumulative Annual DSM Dispatch: For a Demand Side Programme at a time in a Capacity Year, the cumulative total (in MWh, adjusted under clause 6.17.6E if applicable) of all the Demand Side Programme's Deemed DSM Dispatch amounts across all Trading Intervals in the Capacity Year prior to the time.

Equivalent Planned Outage Hours: Means, in respect of a Facility, the sum of the "Planned Outage Hours" and the "Equivalent Planned Derated Hours" for the Facility as calculated in accordance with the Power System Operation Procedure.

Extra Consumption Decrease Price: A price specified in item (h)(vi)(3) and (4) of Standing Data, accepted by AEMO under section 6.11A, to apply in forming the Non-Balancing Dispatch Merit Order for a Trading Interval for a Demand Side Programme and in the calculation of the Non-Balancing Facility Dispatch Instruction Payment for that Demand Side Programme for that Trading Interval.

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

Further DSM Consumption Decrease: Is defined in clause 6.17.6D(d).

Maximum Facility Refund: The total amount of the Capacity Credit payments paid or to be paid under these Market Rules to a Market Participant in relation to a Facility and in relation to a Capacity Year assuming that—

- (a) AEMO acquires all of the Capacity Credits held by the Market Participant in relation to its Facility; and
- (b) the cost of each Capacity Credit so acquired is determined in accordance with clauses 4.28.2(c), 4.28.2(cA) and 4.28.2(d) (as applicable).

Minimum Consumption: For an Associated Load means the amount specified under clause 2.29.5B(c) as the amount below which the Associated Load does not wish to be curtailed in the course of dispatching the DSM Facility, as recorded and updated from time to time in Standing Data under Appendix 1, item (h)(xiv).

Participant Capacity Rebate: For a Market Participant holding Capacity Credits associated with a Scheduled Generator or a Demand Side Programme, the rebate determined for a Trading Month, as calculated in accordance with clause 4.26.4.

Refund Exempt Planned Outage: Means a Planned Outage of a Scheduled Generator for which a Facility Reserve Capacity Deficit Refund is not payable, as determined by AEMO under clause 4.26.1C.

Refund Exempt Planned Outage Count: Means, in respect of a Scheduled Generator and a period of time, the sum over all Trading Intervals in that period of—

- (a) zero, if the Trading Interval occurs before 8:00 AM on 1 June 2016 or if no Capacity Credits were associated with the Facility in the Trading Interval; or
- (b) the MW quantity of Refund Exempt Planned Outage for the Facility in the Trading Interval, divided by the number of Capacity Credits associated with the Facility in the Trading Interval.

Refund Payable Planned Outage: Means a Planned Outage of a Scheduled Generator for which a Facility Reserve Capacity Deficit Refund is payable, as determined by AEMO under clause 4.26.1C.

Reserve Capacity Performance Improvement Report: A report including the information specified in clause 4.27.4A of the Market Rules, provided by a Market Participant to AEMO under clause 4.27.5(b) in response to a request made under clause 4.27.3(b).

Reserve Capacity Performance Report: A report including the information specified in clause 4.27.4 of the Market Rules, provided by a Market Participant to AEMO under clause 4.27.5(a) in response to a request made under clause 4.27.3(a).

Trading Interval Capacity Cost Refund: The refund a Market Participant holding Capacity Credits incurs in a Trading Interval, as calculated in accordance with clause 4.26.2F.

Trading Interval Refund Rate: The refund rate applicable in a Trading Interval, and in respect of a Facility, as calculated in accordance with clause 4.26.1(a).

Tranche 2 DSM Dispatch Payment: For a Trading Interval, a payment calculated under clause 6.17.6C(b).

Tranche 3 DSM Dispatch Payment: For a Trading Interval, a payment calculated in accordance with clause 6.17.6C(c).

² For example, if the Expected DSM Dispatch Quantity equals 2MWh per DSM Capacity Credit, and a Demand Side Programme is assigned 10 Capacity Credits, the Calculated DSP Quantity would be 10 x (2+0.5), which equals 25MWh.

Unused Expected DSM Dispatch Quantity: For a Demand Side Programme, the quantity (in MWh) equal to the greater of—

- (a) an amount equal to the Demand Side Programme's Calculated DSP Quantity minus the Demand Side Programme's Cumulative Annual DSM Dispatch; and
 - (b) zero.
- (2) For each of the following defined terms, delete the existing definition from the Glossary and replace it with the new definition set out below—

Balancing Forecast: Means a forecast, determined by AEMO in accordance with the Balancing Forecast Market Procedure, for a Trading Interval, of the following—

- (a) the Relevant Dispatch Quantity for the Trading Interval;
- (b) the aggregate output of all Non-Scheduled Generators which are Balancing Facilities for the Trading Interval;
- (c) the Balancing Price for the Trading Interval; and
- (d) the spare capacity for the Trading Interval.

Consumption Decrease Price: A price specified in items (h)(vi)(1) or (2), (i)(xA)(3) or (i)(xA)(4) of Standing Data, accepted by AEMO under section 6.11A, to apply in forming the Non-Balancing Dispatch Merit Order for a Trading Interval for a Dispatchable Load or Demand Side Programme and in the calculation of the Non-Balancing Facility Dispatch Instruction Payment for that Dispatchable Load or Demand Side Programme for that Trading Interval.

Deemed DSM Dispatch: The quantity (in MWh) for a Demand Side Programme for a Trading Interval equal to the least of—

- (a) half of the Facility's DSM Capacity Credits;
- (b) the requested decrease in consumption specified under clause 7.13.1(eG); and
- (c) the greater of zero and the difference between—
 - i. half of the Relevant Demand set in clause 4.26.2CA; and
 - ii. the Demand Side Programme Load measured in the Trading Interval, adjusted to add back any Further DSM Consumption Decrease.

Dispatch Advisory: Means a communication by System Management to Market Participants and Network Operators that there has been, or is likely to be, an event that will require dispatch of Non-Balancing Facilities or Facilities Out of Merit, or will restrict communication between System Management and any of the Market Participants or Network Operators.

Individual Reserve Capacity Requirement Contribution: Means the contribution of an Associated Load to a Market Customer's Individual Reserve Capacity Requirement determined in accordance with Step 11 of Appendix 5.

Maximum Participant Generation Refund: The total amount of the Capacity Credit payments paid or to be paid under these Market Rules to a Market Participant in relation to its generating Facilities and in relation to a Capacity Year assuming that—

- (a) AEMO acquires all of the Capacity Credits held by the Market Participant in relation to its generating Facilities; and
- (b) the cost of each Capacity Credit so acquired is determined in accordance with clauses 4.28.2(b), 4.28.2(c) and 4.28.2(d) (as applicable).

Relevant Demand: The consumption, expressed in MW, of a Demand Side Programme as determined in clause 4.26.2CA.

- (4) Amend the definition of "Reserve Capacity Price" in the Glossary by inserting the words "110 percent of" after the words "between zero and".

67. Appendix 1 amended

- (1) Delete the existing clause (h)(vi) and replace it with the following—
- vi. for a Demand Side Programme that is registered to a Market Participant, data comprising—
 - 1. a Consumption Decrease Price for Peak Trading Intervals;
 - 2. a Consumption Decrease Price for Off-Peak Trading Intervals;
 - 3. an Extra Consumption Decrease Price for Peak Trading Intervals; and
 - 4. an Extra Consumption Decrease Price for Off-Peak Trading Intervals,
 where these prices must be expressed in units of \$/MWh to a precision of \$0.01/MWh;
- (2) Delete the existing clause (h)(xi) and replace it with the following—
- xi. the DSP Ramp Rate Limit for each Trading Interval, and the rate at which the Facility is expected to increase its consumption when dispatch ends, as a function of output level, if applicable;
- (3) Delete the existing clause (h)(xii) and replace it with the following—
- xii. emergency ramp up and ramp down rates, if applicable (which information does not limit a request under clause 7.7.3B);
- (4) Delete the clause (h)(xiii) and replace it with "[Blank]".
- (5) Amend clause (h)(xiv) by deleting the full stop and inserting "; and" instead.

(6) Insert new clause (h)(xv) as follows—

- xv. a good faith forecast of a consumption profile or profiles at which the Facility is likely to operate for the rest of the Trading Day, if it is issued a Dispatch Instruction by System Management in accordance with 7.6.1H (eg. a Market Participant may provide different profiles to reflect different operation depending on the time of day at which the Dispatch Instruction takes effect).

68. Appendix 5 amended

(1) Delete the existing Step 10 and replace it with the following—

STEP 10: The Individual Reserve Capacity Requirement of Market Customer *i* for Trading Month *n* of a Capacity Year equals $(X(i) \times \text{Total_Ratio})$ where—

$\text{Total_Ratio} = \text{RR_Transitional}/Y$

$Y = \text{Sum}(i, X(i))$

RR_Transitional is equal to the lesser of—

- (a) the Reserve Capacity Requirement; and
- (b) the sum of all Capacity Credits minus DSM Capacity Credits

(2) Insert new Step 11 as follows—

STEP 11: The Individual Reserve Capacity Requirement Contribution of an individual metered Associated Load for Trading Month *n* of a Capacity Year is determined as follows—

- (a) for meter *u* at an existing connection point measuring Non-Temperature Dependent Load equals $(\text{NTDL}(u) \times \text{NTDL_Ratio} \times \text{Total_Ratio})$;
- (b) for meter *v* at an existing connection point measuring Temperature Dependent Load equals $(\text{TDL}(v) \times \text{TDL_Ratio} \times \text{Total_Ratio})$;
- (c) for meter *u* at a new connection point measuring Non-Temperature Dependent Load equals $(\text{NMNTCR}(u) \times \text{Total_Ratio})$; and
- (d) for meter *v* at a new connection point measuring Temperature Dependent Load equals $(\text{NMTDCR}(v) \times \text{Total_Ratio})$.

69. Appendix 10 inserted

(1) Insert new Appendix 10 (including the footnote) as follows—

Appendix 10: Relevant Demand Determination

This Appendix sets out the 5th percentile methodology for determining the Relevant Demand for each Demand Side Programme, for use in clause 4.26.2CA(a).

The Relevant Demand value is to be re-calculated for each Demand Side Programme for each Trading Day.

Step 1

Identify the 200 Calendar Hours in the previous Capacity Year with the highest Total Sent Out Generation. The Calendar Hours do not have to be contiguous.

Step 2

For each Demand Side Programme, for each Calendar Hour identified in Step 1, for each of the Demand Side Programme's Associated Loads, identify the quantity (expressed in MWh)³ equal to—

- (a) unless paragraphs (b) or (c) apply, the Associated Load's metered consumption for the two Trading Intervals in the Calendar Hour; or
- (b) unless paragraph (c) applies, if the Associated Load's metered consumption is not available or is considered by AEMO to be inappropriate, a quantity determined by AEMO based on—
 - i. available Meter Data Submissions; or
 - ii. Load information provided by the Market Customer; or
 - iii. other relevant information; or
- (c) if a Market Customer provides evidence satisfactory to AEMO that the Associated Load was operating at below capacity due to its consumption being reduced at the request of System Management or because of maintenance, AEMO's estimate of what the consumption of the Associated Load would have been if it had not been reduced.

Step 3

For each Demand Side Programme, for each Calendar Hour identified in Step 1, sum the values determined under Step 2 across all the Demand Side Programme's Associated Loads.

Step 4

For each Demand Side Programme, rank the 200 values determined under Step 3 from lowest to highest.

The Demand Side Programme's Relevant Demand is the tenth lowest value.

³ On this occasion, the MWh number does not get divided by 2, because measurement is across a full hour, ie. 2 Trading Intervals.

PART 4**70. Market Rule 2.17 amended**

- (1) Insert a new clause 2.17.1(bA) after clause 2.17.1(b) as follows—
 - (bA) clause 2.29.5LA;
- (2) Delete clause 2.17.1(t) and replace it with “[Blank]”.
- (6) Insert new clause 2.17.1(uA) after clause 2.17.1(u) as follows—
 - (uA) clause 4.11.13;

71. Market Rule 4.11 amended

- (1) Insert new clauses 4.11.13-4.11.17 as follows—
 - 4.11.13. If, for a Demand Side Programme that has already been assigned Capacity Credits for a Capacity Year, AEMO becomes aware of information which causes AEMO to believe that—
 - (a) the Demand Side Programme may not be able to satisfy the test in clause 4.11.1(j)(ii) in respect of the Capacity Credits; or
 - (b) the time required by the Demand Side Programme to start reducing its consumption in response to a Dispatch Instruction under clause 7.6.1C(e), is such that, if it received a Dispatch Instruction under clause 7.6.1C(e) requiring it to start reducing its consumption from a time 2 hours after the Dispatch Instruction is issued, the Demand Side Programme would be unable to comply,then AEMO must, as soon as reasonably practicable and in any event within 30 days after becoming aware of the information—
 - (c) disclose the information to the Market Participant; and
 - (d) after allowing the Market Participant a reasonable opportunity to provide information in response, reassess the assignment of Certified Reserve Capacity to the Facility; and
 - (e) if the information referred to above would have resulted in AEMO assigning a lower, non-zero level of Certified Reserve Capacity to a Facility, reduce the Capacity credits assigned to the Facility accordingly and advise the Market Participant.
 - 4.11.14. Clause 4.11.13 does not create any obligation for AEMO to investigate a Demand Side Programme.
 - 4.11.15. An adjustment of Capacity Credits under clause 4.11.13 will not cause any recalculation of the Reserve Capacity Price and the DSM Reserve Capacity Price.
 - 4.11.16. If AEMO reduces the DSM Capacity Credits assigned to a Demand Side Programme under clause 4.11.13 then, subject to clause 4.11.17, the Market Participant may (including after providing new or further information to AEMO) request AEMO to further reassess the assignment of Certified Reserve Capacity to the Facility. AEMO may after such further reassessment reinstate some or all of the Capacity Credits, in which case it must advise the Market Participant as soon as reasonably practicable and in any event within 30 days after the request.
 - 4.11.17. A request under clause 4.11.16 may be made only once, in respect of a given reduction under clause 4.11.13.

72. Market Rule 4.25 amended in some circumstances

- (1) If at the time this amending rule commences, Schedule B Part 3 of these amending rules has already commenced, amend clause 4.25.4E by inserting the words “or 4.11.13” after the words “clause 4.25.4C”.
-