

ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY - MARKET)
REGULATIONS 2004
Wholesale Electricity Market Rules

IMO AMENDING RULES RC_2010_22 MADE ON 22 July 2011
These Amending Rules commence at 08.00am on 1 October 2011

The following clauses are amended (~~deleted wording~~, new wording):

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

REFUND TABLE

Dates	1 April to 1 October	1 October to 1 December	1 December to 1 February	1 February to 1 April
Business Days Off-Peak Trading Interval Rate (\$ per MW shortfall per Trading Interval)	0.25 x Y	0.25 x Y	0.5 x Y	0.75 x Y
Business Days Peak Trading Interval Rate (\$ per MW shortfall per Trading Interval)	1.5 x Y	1.5 x Y	4 x Y	6 x Y
Non-Business Days Off-Peak Trading Interval Rate (\$ per MW shortfall per Trading Interval)	0.25 x Y	0.25 x Y	0.5 x Y	0.75 x Y
Non-Business Days Peak Trading Interval Rate (\$ per MW shortfall per Trading Interval)	0.75 x Y	0.75 x Y	1.5 x Y	2 x Y
Maximum Participant Generation Refund	The total value of the Capacity Credit payments paid or to be paid under these Market Rules to the relevant Market Participant for the 12 Trading Months commencing at the start of the Trading Day of the previous 1 October (excluding any payments relating to a Demand Side Programme) assuming the IMO acquires all of the Capacity Credits held by the Market Participant (excluding any Capacity Credits held for Demand Side Programmes) and the cost of each Capacity Credit so acquired is determined in accordance with clause 4.28.2(b), (c) and (d) (as applicable).			

Where:

For an Intermittent Facility Generator that has ~~been commissioned~~:

(a) either:

i. operated at a level equivalent to its Required Level, adjusted to 100 percent of the level of Capacity Credits currently held, in at least two Trading Intervals; or

ii. provided the IMO with a report under clause 4.13.10C, where this report specifies 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; and

(b) is, following a request to the IMO by a Market Participant, considered by the IMO to be in Commercial Operation;

Y equals 0.

~~For all other facilities, including Intermittent Facilities that have not been commissioned: Y is determined by dividing the Monthly Reserve Capacity Price (calculated in accordance with clause 4.29.1) by the number of Trading Intervals in the relevant Trading Month.~~

~~For the purposes of this clause, an Intermittent Facility will be deemed to be commissioned when the IMO determines that the facility is fully operational. In this case the IMO must apply the principle that the Facility is fully operating in accordance with the basis on which the Facility applied for, and was granted, Certified Reserve Capacity, in accordance with clause 4.10 and 4.11 respectively and was subsequently assigned Capacity Credits in accordance with clause 4.14.~~

4.26.1A. The IMO must calculate the Reserve Capacity Deficit refund for each Facility (“**Facility Reserve Capacity Deficit Refund**”) for each Trading Month m as the lesser of:

(a) the sum over all Trading Intervals t in Trading Month m of the product of:

- i the Off-Peak Trading Interval Rate or Peak Trading Interval Rate determined in accordance with the Refund Table applicable to 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:

- iii. if the Facility is required to have submitted a Forced Outage under clause 3.21.4, the Forced Outage in that Trading Interval measured in MW; or
- iv. if the Facility is an Intermittent Facility Generator which is ~~deemed to have not been commissioned~~ not considered by the IMO to have been in Commercial Operation, for the purposes of clause 4.26.1, the number of Capacity Credits associated with the relevant Intermittent Generator Facility; or

ivA. if the Facility is an Intermittent Generator which is considered by the IMO to have been in Commercial Operation, but for which Y does not equal zero in the Refund Table in clause 4.26.1, the minimum of:

1. $RL - (2 \times Max_2)$; or

2. $RL - A$

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 relevant Trading Month, as measured in Meter Data Submissions received by the IMO in accordance with clause 8.4, that has been achieved since the date the IMO determined the Facility to be in Commercial Operation, where this value must be set equal to or greater than the Max₂ applied by the IMO 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,

where this value will be applied for the purposes of this clause for the relevant Trading Month; or

- v. 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, the number of Capacity Credits associated with the relevant Facility; or
- vi. 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, the number of Capacity Credits associated with the relevant Facility; or
- vii. if the Facility is a Demand Side Programme:
 $\max(0, \text{RCOQ} - \max(0, (\text{RD} - \text{MinLoad})))$

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 minimum load MW quantities provided under clause 2.29.5B(c) for the Facility's Associated Loads; and

- (b) the total value of the Capacity Credit payments associated with the relevant Facility paid or to be paid under these Market Rules to the relevant Market Participant for the 12 Trading Months commencing at the start of the Trading Day of the most recent 1 October, assuming the IMO acquires all of the Capacity Credits associated with that Facility and the cost of each Capacity Credit so acquired is determined in accordance with clause 4.28.2(b), (c) and (d) (as applicable), less all Facility Reserve Capacity Deficit Refunds applicable to the Facility in previous Trading Months falling in the same Capacity Year.