



Review of the RERT Guidelines

Draft report released on 29 September 2016

The Reliability Panel has begun consultation on proposed changes to the Reliability and Emergency Reserve Trader Guidelines.

Reliability and Emergency Reserve Trader

A key objective in the provision of electricity services in the National Electricity Market (NEM) is the reliable and secure supply of electricity to customers. A reliable power system is one that has a high likelihood of fully servicing the electricity needs of customers.

An important determinant of reliability in the NEM is the reliability standard, which is the maximum allowable level of electricity at risk of not being supplied to consumers in any NEM region. In its management of power system reliability, the Australian Energy Market Operator (AEMO) can use any one of three reliability intervention mechanisms, of which the Reliability and Emergency Reserve Trader (RERT) is one.

The RERT allows AEMO to contract for reserves ahead of a period where reserves are projected to be insufficient to meet the reliability standard (known as a projected reserve shortfall). AEMO is able to dispatch these reserves to manage power system reliability and, where practicable, security. The RERT, or some form of power for the market operator to contract for reserves, has been a feature of the NEM since its commencement in December 1998.

Terms of reference

On 23 June 2016, the Australian Energy Market Commission (AEMC) made a final Rule determination on the RERT provisions in the Rules. Among other things, the final Rule reduces the timeframe in which AEMO may contract for reserves, from nine months to ten weeks ahead of a projected shortfall.

The final Rule requires the Reliability Panel (Panel) to amend the RERT Guidelines to reflect the changes made as a result of the final Rule.

Draft Report

The Panel has published a draft report on 29 September 2016, which sets out the Panel's proposed changes to the RERT Guidelines and its rationale for those changes. This includes:

- removing references to 'long notice situations' in the Guidelines; and
- clarifying that AEMO is able to use a tender process, in addition to the RERT panel, when contracting for reserves in 'medium notice situations'.

A draft of the Guidelines with the proposed marked-up amendments was also published with the draft report to facilitate stakeholder feedback.

The Panel invites submissions on the draft report by 10 November 2016, through the AEMC's online lodgement facility and citing the reference code: REL0061.

Consultation on
the draft RERT
guidelines will
run until
10 November

Timeline

A public meeting will be held in Sydney on 19 October 2016 to discuss the proposed amendments to the RERT Guidelines.

Consultation on the draft report will close on 10 November 2016.

In accordance with the Terms of Reference, the final report and final Guidelines must be published by 28 February 2016.

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