



Working Schedule

5-yearly methodology reviews

July 2017 - Responsibility for conducting methodology reviews passed to ERA

Accompanied by market rule relaxing the timing of the reviews to recognise new obligation for ERA



Methodology reviews:

- **Ancillary Service Requirements**
- **BRCP and EPL Methods**
- **BRCP Market Procedure**
- **Outage Planning Process**
- **Planning Criterion and Load Forecasting Process**
- **Relevant Level Method**



Review	Previous	Next one due	About
Ancillary Service Requirement	2014	Nov 2019 TBA	Technical requirements for providing ancillary services in the WEM and basis for setting the ancillary service requirement in the WEM
BRCP and EPL Methods	2013	Oct 2018 TBA	Approach to determining the maximum price limits for the capacity and electricity markets respectively
BRCP Market Procedure	2012	Jun 2016 TBA	Procedure undertaken to calculate capacity and electricity price limits



Review	Previous	Next one due	About
Outage planning process	2011	Oct 2016 TBA	Technical criteria SM uses to evaluate outage plans and process of engaging with Market Participants
Planning Criterion and forecasting process (LT PASA)	2012	Nov 2017 TBA	Sufficient capacity to meet forecast peak demand plus reserve margin. Forecasting process SWIS peak demand
Relevant Level Method	2014	By 1 Apr 2019	Determination of certified capacity for intermittent generators



Factors affecting timing of next reviews:

- **EMR allowed additional time for ERA to conduct reviews given these are a new obligation (1.17.5).**
- **Planned energy reforms – constrained network access, co-optimized energy and ancillary service markets, facility bidding**
- **Consultation on capacity procurement – to Sep 2018**
- **Resourcing**



By end Dec 2018: Relevant Level Method

- **Complies with transitional arrangements for transfer of functions from IMO to ERA**
- **ERA to review method by 1 April of second year of specified period, e.g. 1 April 2019**
- **Finishing the review by end Dec 2018 allows 3 months for any associated rule changes**



By end Jun 2019: BRCP/EPL Methods and BRCP Market Procedure

- **Address concerns raised by market in responses to EPL and BRCP approvals (last couple of years)**
- **PUO will have completed consultation on capacity procurement/design of RCM**
- **Market significance:**
 - **estimate capacity credit revenue; and**
 - **investment signals for private sector investment in new generation**



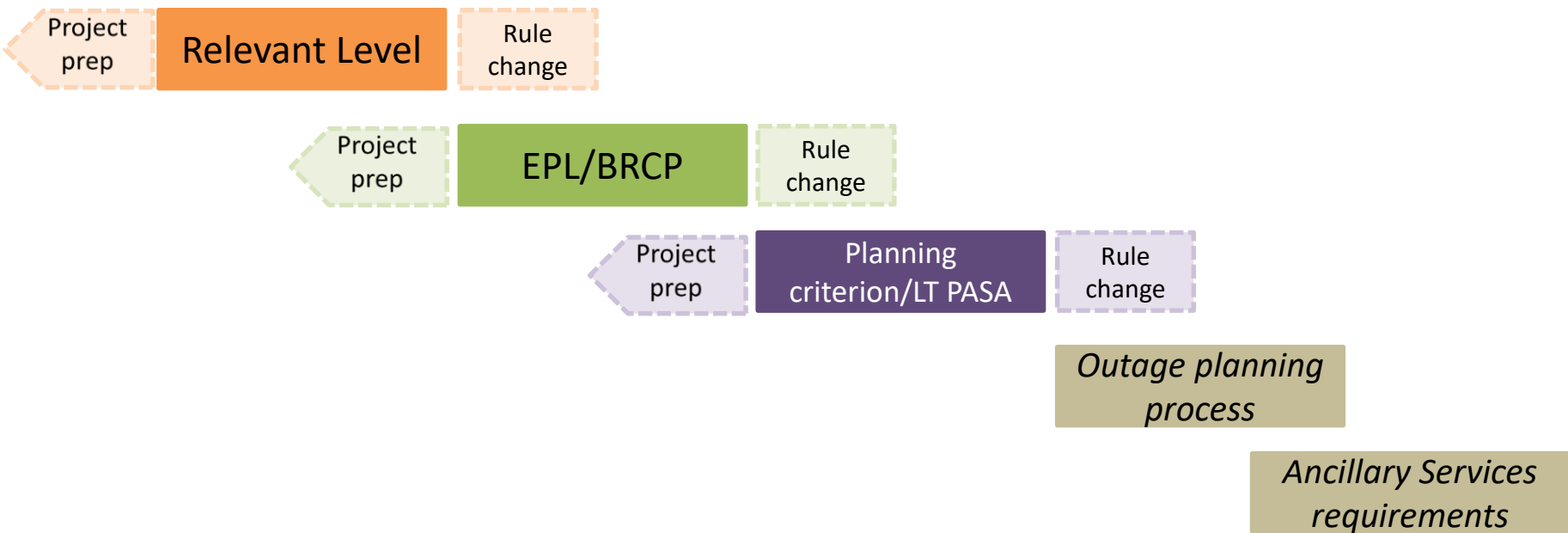
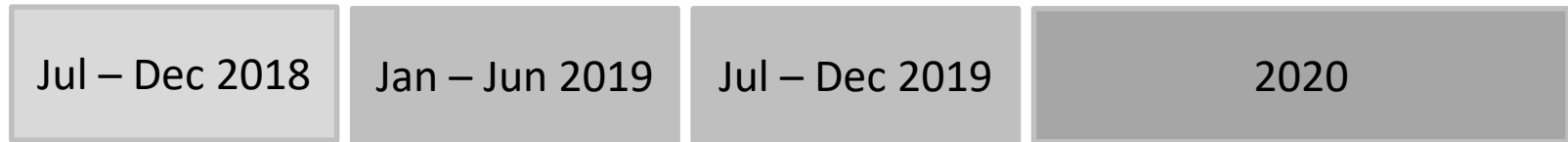
By end Dec 2019: Planning criterion and peak demand forecasting

- **Increasing levels of intermittent generation particularly behind the meter**
- **Changing customer behaviour**
- **Effect of new technologies entering the market**
- **Drives the efficient level of capacity in the market**



2020:

- **Outage Planning process**
 - **Subject to rule changes at present**
 - **Recommendations from previous review have not yet been implemented**
 - **Outages can drive up electricity prices**
- **Ancillary Service Requirements**
 - **Relationship to co-optimized energy and ancillary service market design**





Stakeholder engagement:

- **Required by the Market Rules for all reviews**
- **Understand implications for participants**
- **Discuss further at ERA Stakeholder Workshop**
 - **Timing**
 - **Process**