



## AEMC Reliability Panel

### Revised guidelines for intervention by NEMMCO for reliability

If *NEMMCO* forecasts that there will be a reserve level shortfall that is unlikely to be removed through market responses, and determines that it will be necessary or desirable to enter into contracts for *reserve* in accordance with clause 3.12.1 of the *Rules*, *NEMMCO* must:

- (a) if the forecast period of reserve shortfall commences more than 2 months from the date *NEMMCO* forecasts the shortfall to occur, publicly call for competitive tenders for the provision of *reserve*;
- (b) when consulting with each relevant *participating jurisdiction*, seek the views of the *participating jurisdiction* on the value of contracting for *reserve* for that *participating jurisdiction*;
- (c) not enter into a contract for *reserve* unless:
  - (i) the tenderer has demonstrated, to *NEMMCO*'s satisfaction, that the *reserve* to be contracted for is not the subject of another contract or *market* arrangement that would, in effect, make it available without the contract for *reserve* and would not otherwise be provided without the contract for *reserve*; and
  - (ii) satisfied that the benefits of entering into the contract for *reserve* are likely to exceed the costs, on the basis of reasonable assumptions about key parameters, including expected demand, and applying any views from the *participating jurisdictions* provided under paragraph (b) on the value of contracting for *reserve*;
- (d) not enter into a contract for *reserve* more than 6 months before the date when *NEMMCO* forecasts the reserve shortfall to occur; and
- (e) within 1 month after entering into a contract for *reserve*, *publish* the name of the counterparty to the contract and the volume and timing of *reserve* procured under the contract.

Italicised terms in these guidelines have the meaning given to them in the *Rules*.