

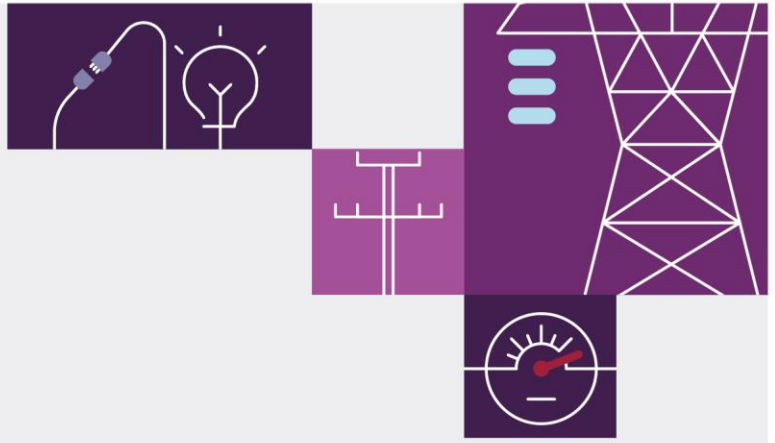
# Reliability and Emergency Reserve Trader (RERT)

February 2024

Quarterly Report Q4 2023

A report for the National Electricity Market





# Important notice

## Purpose

AEMO publishes this Reliability and Emergency Reserve Trader (RERT) Quarterly Report under clause 3.20.6 of the National Electricity Rules. This publication is generally based on information available to AEMO as of 1 February 2024 unless otherwise indicated.

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## Version control

Version	Release date	Changes
1	13/02/2024	First issue

# Executive summary

Reliability and Emergency Reserve Trader (RERT) is an intervention mechanism under the National Electricity Rules (NER) that allows AEMO to contract for emergency reserves, such as generation or demand response, that are not otherwise available in the market. AEMO uses RERT as one of a number of mechanisms in the event that a critical shortfall in reserves is forecast. RERT may be activated when it is the most suitable mechanism after market options have been exhausted, typically during periods when the supply demand balance is tight.

Interim Reliability Reserves is a category of RERT which allows AEMO to procure reserves for up to three years to address forecast supply shortfalls below the interim reliability measure of 0.0006% unserved energy if identified in the AEMO Electricity Statement of Opportunities.

## Interim Reliability Reserve (IRR) – Victoria and South Australia

A total of 119MW of Interim Reliability Reserves (IRR) was contracted in Victoria and 10MW in South Australia. The initial 100MW of IRR contracted in Victoria, covered the period from 1 December 2023 to 31 March 2024, while the remaining 19MW covers the period from 1 January 2024 to 31 March 2024. The 10MW contracted in South Australia covers the period from 1 December 2023 to 31 March 2024.

These IRR were contracted to address the interim reliability exceedances identified in AEMO's 2023 Electrical Statement of Opportunities (ESOO). The amounts contracted are 1MW and 108MW less than the forecast reliability reserve gaps in Victoria and South Australia respectively because no other eligible reserves were available for contracting within AEMO's tender requirements.

The total amount payable by AEMO for contracted IRR over the reporting period billing weeks was \$740,727. Table 1 provides the cost breakdown per region.

## 14 December 2023 Short Notice RERT - New South Wales

On 14 December 2023, a forecast LOR2 condition was declared in the New South Wales region. AEMO contracted 189MW of short notice reserves in response to this forecast LOR2, which subsequently developed into an actual LOR2 condition. However, as AEMO did not pre-activate or activate these reserves, no costs were incurred.

AEMO's process of contracting RERT was consistent with the principles of having the least distortionary effect on the market, while maximising the effectiveness of reserve contracts at the least cost to end use consumers of electricity. At the times of contracting, AEMO had estimated the average amount payable under reserve contracts to be less than the estimated average VCR, see section 4 for more detail.

This report is published under clause 3.20.6 (b) of the NER, and considers reserve contracts entered into by AEMO during the period 1 October 2023 to 31 December 2023.



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# 1 RERT activity summary Q4 2023

## 1.1 Contracting

In Q4 2023, Interim Reliability Reserves (IRR) were contracted to cover the period from 1 December 2023 to 31 March 2024 for the regions of Victoria and South Australia. These IRR were contracted in accordance with clause 3.20, as modified by clause 11.128, of the National Electricity Rules (NER) to address an interim reliability exceedance (expected unserved energy (USE) above the Interim Reliability Measure (IRM) of 0.0006% USE) forecast for those regions in the summer months of 2023-24.

AEMO's 2023 Electricity Statement of Opportunities (ESOO) identified interim reliability exceedances for the coming summer in the regions of Victoria and South Australia.

In Q4 2023, Short Notice reserves were contracted on 14 December 2023 in New South Wales in response to a forecast Lack of Reserve 2 (LOR 2) condition<sup>1</sup>.

## 1.2 Activation

RERT was not activated during the reporting period (1 October to 31 December 2023).

## 1.3 Costs incurred

The amount payable by AEMO for IRR during the Q4 billing weeks (1 October to 30 December 2023<sup>2</sup>) was \$740,727. Table 1 shows a breakdown of the amounts payable for IRR in Victoria and South Australia and payment type, comprising availability payments. No costs were incurred for short notice reserves as no reserves were pre-activated or activated, despite being contracted in NSW.

**Table 1 IRR costs incurred for Q4 2023**

NEM region	Availability costs (\$)	Pre-activation costs (\$)	Activation costs (\$)	Intervention costs (\$)	Total cost (\$)
South Australia	\$27,300	\$0	\$0	\$0 <sup>3</sup>	\$27,300
Victoria	\$713,427	\$0	\$0	\$0	\$713,427
<b>Total cost</b>					<b>\$740,727</b>

The average availability costs for contracts in South Australia is \$97.5 per day per MW and in Victoria is \$645 per day per MW.

<sup>1</sup> LOR 2 signals a tightening of electricity supply reserves. This condition exists when reserve levels are lower than the single largest supply resource in a state. At this level, there is no impact to the power system, but supply could be disrupted if a large incident occurred. Once a forecast LOR 2 is declared, AEMO has the power to direct generators, cancel network outages, or activate the RERT mechanism to improve the supply demand balance.

<sup>2</sup> The 31<sup>st</sup> of December 2023 is included in billing week 1 of 2024 so will be added to the next quarterly report.

<sup>3</sup> Intervention costs are subject to change under clause NER 3.12.1(a).

## 2 Reserve procurement

### 2.1 Interim Reliability Reserves

The 2023 Electricity Statement of Opportunities (ESOO)<sup>4</sup> identified a potential risk of unserved energy (USE) in the regions of South Australia (in FY 2023 – 2024) and Victoria (in FY 2023 – 2024 and FY 2024 – 2025). In each case, the expected USE was forecast to be above the Interim Reliability Measure (IRM) of 0.0006% USE. Factors that influence when and how USE occurs include occurrences of unexpected generator outages and high demand at the same time as low wind and solar generation condition.

In addition, the Bureau of Meteorology forecast a hot and dry summer, with elevated bushfire risks and El Nino weather patterns likely. Refer to Table 2 below for the forecasted USE gap in GWH and Reliability gap in MW.

**Table 2 Expected USE gap and Reliability Reserve gap**

NEM region	Fin Year	Expected USE for the gap period (GWH)	Reliability Reserve Gap (MW)
South Australia	2023-24	0.11	118
Victoria	2023-24	0.32	120
	2024-25	0.27	55

The forecast exceedance of the IRM provided a trigger for AEMO to contract IRR to help cover the forecast Reliability Reserve Gap. AEMO’s intention when entering into IRR contracts is to ensure availability of the reserves when needed. The Reliability Panel’s RERT guidelines provide that AEMO should not rely on Short Notice RERT where it has forecast a shortfall in reliability reserves within 10 weeks to 12 months.

In consultation with relevant state governments, AEMO opened a tender process in September 2023 to seek 118MW of IRR in South Australia and 120MW of IRR in Victoria, based on the expected Reliability Reserve Gaps forecast in the ESOO.

AEMO conducted the IRR tender in accordance with the NER, including assessing IRR tenders against evaluation criteria that included operational factors, ability to respond, capacity, reserve period, risk and value for money. The evaluation process included scenario analysis to test whether the expected cost of IRR would be lower than the Value of Customer Reliability over the contract period. The tender process also required potential providers to explain how they currently operated their reserve capability including response to high regional electricity prices.

AEMO also assessed whether contracted IRR could impact on, or interaction with, the retailer reliability obligation in SA. IRR contracted were not considered to be part of arrangements used by liable entities for the purpose of retailer reliability obligation compliance. Details of how AEMO would allocate costs of IRR to liable entities under

<sup>4</sup> In accordance with clause 3.20.6(d)(2), AEMO’s modelling, forecasting and analysis published in the Electricity Statement of Opportunities informed AEMO’s decision to enter into the IRR contracts and the amount of reserve procured under those contracts.

the retailer reliability obligation can be found in the Procurer of Last Resort (POLR) Cost Procedures published on the AEMO website<sup>5</sup>.

After the tender process, AEMO was able to secure IRR contracts in Victoria and South Australia for the summer period of 2023-24. No IRR was contracted beyond March 2024. AEMO's initial IRR contracts were from 3 participants with a total of 110 MW of reserve and with a contract period from 1 December 2023 to 31 March 2024. The remaining IRR contracts were from 2 participants with a total of 19 MW of reserve and with a contract period from January 2024 to 31 March 2024. Refer to Tables 3 and 4 below for details.

**Table 3 Victoria Region Contracted IRR**

NEM region	Location of Reserve	Volume of Reserve (MW)	Duration
Enel X Australia Pty Ltd	Victoria	16	1 Dec 2023 to 31 March 2024
Shell Energy Retail Pty Ltd	Victoria	40	1 Dec 2023 to 31 March 2024
Progressive Green Pty Ltd T/A Flow Power	Victoria	44	1 Dec 2023 to 31 March 2024
AGL Energy Services Pty Ltd	Victoria	3	18 Jan 2024 to 31 March 2024
Visy Industries Australia Pty Ltd	Victoria	16	1 Jan 2024 to 31 March 2024
<b>Total</b>		<b>119</b>	

**Table 4 South Australia Contracted IRR**

NEM region	Location of Reserve	Volume of Reserve (MW)	Duration
Progressive Green Pty Ltd T/A Flow Power	South Australia	10	1 Dec 2023 to 31 March 2024
<b>Total</b>		<b>10</b>	

## 2.2 Panel arrangements

In addition to the IRR contracts mentioned above, AEMO also maintains a panel of potential RERT providers that could offer reserves in short notice periods. These short notice reserves are on pre-negotiated contract terms, in South Australia, Victoria, New South Wales, Queensland, and Tasmania.

In consultation with relevant State governments, and as required by the RERT guidelines<sup>6</sup>, AEMO entered into, or extended existing, panel agreements with potential reserve providers that met detailed cost, technical, and verification criteria. These RERT resources can have different response lead times, activation conditions, costs, and response capabilities; as a result, not all resources will necessarily be activated for a given shortfall event.

<sup>5</sup> <https://aemo.com.au/consultations/current-and-closed-consultations/polr-cost-procedures>

<sup>6</sup> At [https://www.aemc.gov.au/sites/default/files/2020-08/Updated%20Amended%20Panel%20RERT%20Guidelines%20-%2018%20August%202020%20-%20Final%20for%20publication\\_0.pdf](https://www.aemc.gov.au/sites/default/files/2020-08/Updated%20Amended%20Panel%20RERT%20Guidelines%20-%2018%20August%202020%20-%20Final%20for%20publication_0.pdf).

Under the panel agreements for short notice situations, there are no fixed costs or availability costs incurred, and payments are made based on pre-activation and/or megawatt hours (MWh) activated. There is no cost to consumers unless this reserve is pre-activated and/or activated<sup>7</sup>.

In the relevant quarter, AEMO had a panel of short notice RERT providers representing an estimated maximum of well over 2000 MW of available reserves across the NEM.

## 2.3 Short Notice reserves contracted

AEMO must take all reasonable actions to ensure reliability of supply by negotiating and entering contracts to secure the availability of reserves under reserve contracts. In short notice situations, AEMO may enter into a short notice reserve contract in response to a forecast or actual LOR2 or LOR3 condition. The Reserve Level Declaration Guidelines published by AEMO provide guidance for determining the term and quantity associated with a reserve shortfall.

In addition to forecast or actual LOR2 and/or LOR3 conditions, other factors such as projected assessment of system adequacy (PASA) generator availability, may also be considered as inputs into the decision-making process for contracting short notice reserves. Under AEMO’s panel arrangements, AEMO contracts with potential providers of short notice reserves at no cost to consumers (unless the reserve is pre activated or activated under a reserve contract). RERT contracting occurs in the context of highly uncertain and complex power system conditions, where actual and projected reserve levels can change at short notice.

On 14 December 2023, AEMO contracted 189MW of short notice reserve in New South Wales in response to forecast LOR2 conditions. AEMO waited until the latest time to pre-activate and/or activate RERT. The pre-activation/activation time passed and AEMO allowed the contracts to lapse based on the latest PASA information at the time. Following a later change in reserve conditions, AEMO declared an actual LOR2 at 18:00 hrs which was later cancelled (at 18:16 hrs).

Table 5 below shows short notice reserve contracts entered into by AEMO in Q4 2023. The ‘Time’ column in Table 5 sets out the initial term (reserve period) of each contract. This is the period that was considered reasonably necessary at the time of contracting to cover the period of the forecast LOR conditions and to cover operational requirements such as forecast uncertainty, pre-activation periods, activation periods, deactivation periods, and minimum activation durations. Note to cover uncertainty or operational constraints of providers, reserve contract times and quantity may exceed or be less than the forecast LOR conditions.

**Table 5 Short notice reserve contracted**

Provider	Location of reserve	Contracted reserve capacity	Time*	Date	Basis for contract
Energy Australia Pty Ltd	New South Wales	38	17:30 to 18:30	14 December 2023	Forecast LOR2
Cadia Holdings Pty Ltd	New South Wales	82	17:30 to 18:30	14 December 2023	Forecast LOR2
Endeavour Energy Network Operator Partnership	New South Wales	35	17:30 to 18:30	14 December 2023	Forecast LOR2

<sup>7</sup> For more information on RERT costs, please refer to the AEMO website at <https://aemo.com.au/en/energy-systems/electricity/emergency-management/reliability-and-emergency-reserve-trader-rert>.



Provider	Location of reserve	Contracted reserve capacity	Time*	Date	Basis for contract
Blue Scope Steel Limited	New South Wales	20	17:30 to 18:30	14 December 2023	Forecast LOR2
Blue Scope Steel Limited	New South Wales	14	17:30 to 19:30	14 December 2023	Forecast LOR2
<b>Total</b>		<b>189</b>			

\* Please note AEMO contracts for short notice reserve at no cost. These contracts may, or may not, be subsequently activated. If activated, the initial contracted times may not align with eventual activation times, because activation times may be refined as conditions evolve.

## 2.4 AEMO’s methodology for contracting RERT

Where market mechanisms are not successful in alleviating a reserve shortfall and the latest time to intervene has been reached, AEMO may intervene in the market by issuing a direction or a clause 4.8.9 instruction or by exercising the RERT in accordance with NER clauses 3.8.14 and 3.20.

AEMO’s approach to determining its choice of supply scarcity mechanism when the need for intervention arises (RERT, direction, or clause 4.8.9 instruction) is detailed in the Supply Scarcity Procedure<sup>8</sup>.

In making this decision, AEMO must use reasonable endeavours to choose the mechanism, or combination of mechanisms, that is effective in addressing the supply scarcity conditions while minimising the associated direct and indirect costs.

AEMO’s procedure for the exercise of RERT sets out the methodology which it follows in determining the triggers for RERT, as well as the quantity and term of reserves contracted.

AEMO followed its procedures and the NER (including the RERT principles) in contracting for RERT, including:

- RERT Panel recruitment and IRR procurement.
- Publication of notices.
- Requiring that reserves are not otherwise offered to the market or engaged.
- Determining the term and quantity of reserves to be contracted.

Under NER clause 3.20.2(b), AEMO must have regard to the RERT principles in exercising the RERT. These principles stipulate that AEMO is to take actions that have the least distortionary effect on the operation of the market, that actions taken should aim to maximise the effectiveness of reserve contracts at the least cost to end use consumers of electricity and that the average amount payable by AEMO does not exceed the estimated average Value of Customer Reliability (VCR) per region.

When entering into reserve contracts, AEMO factored these RERT principles into its decision-making:

- To minimise distortionary effects on the operation of the market, AEMO categorises RERT into the following three types based on their pre-activation and activation times:

<sup>8</sup> The Supply Scarcity Procedure can be found in appendix A of the Short Term Reserve Management procedure numbered SO\_OP\_3703, at <https://aemo.com.au/energy-systems/electricity/national-electricity-market-nem/system-operations/power-system-operation/power-system-operating-procedures>.

- Type 1 – capacity that can be pre-activated and activated in less than 30 minutes. These contracts are pre-activated and activated post-contingency (when an actual LOR3 occurs).
- Type 2 – capacity where the sum of the pre-activation and activation lead times is greater than 30 minutes, but the activation lead time alone is less than 30 minutes. This means that for this capacity to be activated post-contingency (when an actual LOR3 occurs), it must be pre-activated in advance of the actual LOR3.
- Type 3 – capacity whereby activation requires more than 30 minutes. This capacity needs to be pre-activated and activated in advance to ensure RERT is delivered on time.
- The use of these categories allows for minimal pre-activation and activation, since Type 1 and 2 categories can be activated post-contingent (during LOR3). This not only minimises impacts on the market, but also maximises the effectiveness of reserve contracts at the least cost to end use consumers of electricity.
- AEMO assesses whether offers by potential short notice RERT providers will exceed VCR, based on the pre-activation and activation of reserves for one hour or more.
- Interim reliability reserves contracted were assessed based on operational factors, ability to respond, capacity, reserve period, risk and value for money. AEMO assessed the total cost of interim reliability reserves under scenarios based on information provided in the ESOO forecasts.

## 3 Intervention

### 3.1 Decision to intervene

AEMO did not pre-activate or activate RERT in the 4<sup>th</sup> quarter of 2023.

### 3.2 Intervention pricing

AEMO did not activate RERT on 14 December 2023 for the New South Wales region. As there was no intervention event, intervention pricing was not required to be applied in accordance with NER 3.9.3.

### 3.3 No changes in dispatch outcomes

The activation of RERT can result in changes in dispatch outcomes, this is because the activation of RERT during an actual LOR2 lowers demand, meaning less generation is dispatched. Reserves were not activated in Q4 2023, as such there were no changes to dispatch outcomes.



### **3.4 Impact on reliability**

For the 14 December 2023 RERT event, there was no manual involuntary load shedding. AEMO contracted short notice RERT on the basis of a forecast LOR2 condition, but this was not activated.

## 4 Cost of exercising RERT

NER clause 3.20.2(b)(2) requires that when AEMO exercises RERT it should have regard to the RERT principles, including the principle that actions taken should aim to maximise the effectiveness of the reserve contracts at the least cost to end-use consumers of electricity. Accordingly, AEMO enters into reserve contracts based on location, cost, capacity, time to activate, minimum activation time, and the profile of the forecast lack of reserve.

AEMO acts to minimise the total cost to consumers by contracting, pre-activating and activating the lowest possible cost reserves. Although no RERT was preactivated or activated, AEMO incurred costs under IRR contracts during the reporting period because these reserve contracts include availability charges.

Table 6 below presents the cost recovery for IRR from Market Customers using electricity during the contracted period, as per NEM clause 3.20.6(f)(2). All RERT costs were recovered from Market Customers.

**Table 6 Breakdown of how costs were allocated to the Market Customers, RERT Q4 2023**

Region	Participant Category	Payment type	Recovery period start	Recovery period end	Amount Recovered*	Period Total Energy (MWh)	Recovery rate (\$/MWh)
SA	Market Customers	Availability	26/11/2023 00:00	30/12/2023 23:30	\$27,300	897,522.68	\$0.03
VIC		Availability	26/11/2023 00:00	30/12/2023 23:30	\$717,158	3,245,182.46	\$0.22

\*The recovery amount is inclusive of Wk48 to Wk52. As 31/12/2023 is included in Wk1, this will be added to the next quarterly report.

No load shedding was incurred or avoided in the reporting period, as such the estimated cost of avoided load shedding is zero.



## 5 AEMO's intervention process

AEMO's general process for deploying RERT is documented in SO\_OP\_3717 - Procedure for the Exercise of the Reliability and Emergency Reserve Trader.

AEMO considers that it followed all relevant provisions under NER clause 4.8 and procedures in SO\_OP\_3717 in the exercising of RERT in Q4 2023, to the extent it was able to do so.

# A1. Appendix A1

The table below provide a summary timeline for RERT events in Q4 2023.

**Table 7** Timeline of key events on 14 December 2023 New South Wales

Date	Event/comment
<p><b>13/12/2023</b> <b>1257 hrs</b> <b>MN 112241</b></p>	<p>AEMO ELECTRICITY MARKET NOTICE</p> <p>AEMO declares a Forecast LOR2 condition under clause 4.8.4(b) of the National Electricity Rules for the NSW region for the following period:</p> <p>From 1530 hrs 14/12/2023 to 1930 hrs 14/12/2023. The forecast capacity reserve requirement is 1259 MW. The minimum capacity reserve available is 344 MW.</p> <p>AEMO is seeking a market response.</p> <p>AEMO has not yet estimated the latest time at which it would need to intervene through an AEMO intervention event.</p> <p>Manager NEM Real Time Operations</p>
<p><b>13/12/2023</b> <b>1839 hrs</b> <b>MN 112263</b></p>	<p>AEMO ELECTRICITY MARKET NOTICE.</p> <p>The Forecast LOR2 condition in the NSW region advised in AEMO Electricity Market Notice No. 112241 has been updated at 1830 hrs to the following:</p> <p>From 1600 hrs 14/12/2023 to 1900 hrs 14/12/2023. The forecast capacity reserve requirement is 1000 MW. The minimum capacity reserve available is 357 MW.</p> <p>AEMO is seeking a market response.</p> <p>AEMO estimates the latest time at which it would need to intervene through an AEMO intervention event is 1500 hrs on 14/12/2023.</p> <p>Manager NEM Real Time Operations</p>
<p><b>13/12/2023</b> <b>2246 hrs</b> <b>MN 112279</b></p>	<p>AEMO ELECTRICITY MARKET NOTICE.</p> <p>The Forecast LOR2 condition in the NSW region advised in AEMO Electricity Market Notice No. 112263 has been updated at 2230 hrs to the following:</p> <p>From 1630 hrs 14/12/2023 to 1830 hrs 14/12/2023. The forecast capacity reserve requirement is 703 MW. The minimum capacity reserve available is 337 MW.</p> <p>AEMO is seeking a market response.</p> <p>AEMO estimates the latest time at which it would need to intervene through an AEMO intervention event is 1500 hrs on 14/12/2023.</p> <p>Manager NEM Real Time Operations</p>

Date	Event/comment
<p><b>14/12/2023</b> <b>1018 hrs</b> <b>MN 112300</b></p>	<p>AEMO ELECTRICITY MARKET NOTICE.</p> <p>The Forecast LOR2 condition in the NSW region advised in AEMO Electricity Market Notice No. 112279 has been updated at 1015 hrs to the following:</p> <p>From 1730 hrs 14/12/2023 to 1800 hrs 14/12/2023. The forecast capacity reserve requirement is 714 MW. The minimum capacity reserve available is 597 MW.</p> <p>AEMO is seeking a market response.</p> <p>AEMO estimates the latest time at which it would need to intervene through an AEMO intervention event is 1630 hrs on 14/12/2023.</p> <p>Manager NEM Real Time Operations</p>
<p><b>14/12/2023</b> <b>1453 hrs</b> <b>MN 112328</b></p>	<p>AEMO ELECTRICITY MARKET NOTICE.</p> <p>The Forecast LOR2 condition in the NSW region advised in AEMO Electricity Market Notice No. 112300 has been updated at 1450 hrs to the following:</p> <p>From 1730 hrs 14/12/2023 to 1800 hrs 14/12/2023. The forecast capacity reserve requirement is 700 MW. The minimum capacity reserve available is 579 MW.</p> <p>AEMO is seeking a market response.</p> <p>AEMO estimates the latest time at which it would need to intervene through an AEMO intervention event is 1630 hrs on 14/12/2023.</p> <p>Manager NEM Real Time Operations</p>
<p><b>14/12/2023</b> <b>1529 hrs</b> <b>MN 112333</b></p>	<p>AEMO ELECTRICITY MARKET NOTICE</p> <p>Reliability and Emergency Reserve Trader (RERT) Intention to negotiate for additional reserve - NSW1 Region- 14/12/2023</p> <p>Refer to AEMO Electricity Market Notice no. 112328.</p> <p>AEMO intends to commence negotiations with RERT Panel members for the provision of additional reserve by issuing requests for tender for the following period of time; 15:30 to 19:30 hrs 14/12/2023</p> <p>If reserve is required, the period of activation or dispatch will be within this period but may not be for the entire period.</p> <p>AEMO will issue a further advice if reserve is contracted.</p> <p>Manager NEM Real Time Operations</p>
<p><b>14/12/2023</b> <b>1654 hrs</b> <b>MN 112358</b></p>	<p>AEMO ELECTRICITY MARKET NOTICE</p> <p>The Forecast LOR2 condition in the NSW region advised in AEMO Electricity Market Notice No. 112328 is cancelled at 1645 hrs 14/12/2023.</p> <p>Manager NEM Real Time Operations</p>

Date	Event/comment
<p><b>14/12/2023</b>  <b>1800 hrs</b>  <b>MN 112362</b></p>	<p>AEMO ELECTRICITY MARKET NOTICE</p> <p>Actual Lack Of Reserve Level 2 (LOR2) in the NSW region - 14/12/2023</p> <p>An Actual LOR2 condition has been declared under clause 4.8.4(b) of the National Electricity Rules for the NSW region from 1730 hrs.                      The Actual LOR2 condition is not forecast in Pre Dispatch</p> <p>The capacity reserve required is 690 MW                      The minimum reserve available is 678 MW</p> <p>AEMO is seeking an immediate market response.</p> <p>An insufficient market response may require AEMO to implement a AEMO intervention event.</p> <p>Manager NEM Real Time Operations</p>
<p><b>14/12/2023</b>  <b>1816 hrs</b>  <b>MN 112364</b></p>	<p>AEMO ELECTRICITY MARKET NOTICE</p> <p>Cancellation of Actual (LOR2) condition in the NSW region - 14/12/2023</p> <p>The Actual LOR2 Condition in the NSW Region advised in AEMO Electricity Market Notice No.112362 is cancelled at 1810 hrs 14/12/2023.</p> <p>Manager NEM Real Time Operations</p>
<p><b>15/12/2023</b>  <b>0742 hrs</b>  <b>MN 112370</b></p>	<p>AEMO ELECTRICITY MARKET NOTICE</p> <p>AEMO Intervention Event, Reliability and Emergency Reserve Trader (RERT) - NSW1 Region - 14/12/2023</p> <p>Refer to AEMO Electricity Market Notice no. 112333.</p> <p>AEMO has entered into a reserve contract to maintain the power system in a Reliable operating state during the following period of time;                      15:30 to 19:30 hrs 14/12/2023</p> <p>The latest time to activate or dispatch these reserves has now passed. No reserve contracts were activated or pre-activated.</p> <p>Manager NEM Real Time Operations</p>



# Glossary

Terms defined in the National Electricity Law and the NER have the same meanings in this report unless otherwise specified below.

<b>Term</b>	<b>Definition</b>
<b>ESOO</b>	Electricity Statement of Opportunities
<b>IRM</b>	Interim reliability measure
<b>LOR1</b>	Lack of Reserve level 1. The threshold for an LOR1 is determined by the larger value of either the FUM or the sum of the two largest credible risks in the region (LCR2).
<b>LOR2</b>	Lack of Reserve level 2. The threshold for an LOR2 is determined by the larger value of either the FUM or the largest credible risk in the region (LCR).
<b>LOR3</b>	Lack of Reserve level 3. The threshold for an LOR3 condition is when the forecast reserve for a region is at or below zero.
<b>NER</b>	National Electricity Rules
<b>RERT</b>	Reliability and Emergency Reserve Trader
<b>IRR</b>	Interim Reliability Reserve
<b>USE</b>	Unserved Energy
<b>VCR</b>	Value of Customer Reliability