

SAWEM RULE 4 – NON-MARKET PARTICIPANT BALANCE RESPONSIBLE PARTIES

Introduction

- (1) These Rules form part of the Market Code and Rules governing the South African Wholesale Electricity Market (SAWEM).
- (2) The Non-Market Participant Balance Responsible Parties Rules provide for Balance Responsible Parties that are not Market Participants and establish the application of the Balancing Mechanism to such Parties.
- (3) The definitions in the Market Code apply to these Rules unless specified otherwise.

A. Qualifying Criteria

- (1) The qualifying criteria for a Balance Responsible Party are:
 - a) A Generator operating a generating unit or facility with a maximum continuous rating of 10 MW or greater, which is licensed or registered by NERSA and is connected to the Integrated Power System;
 - b) A licensed Trader that is a counter-party to a physical bilateral or direct supply agreement with a Generator as indicated in (1) or supplies electricity to a consumer that does not itself purchase electricity from a licensed Distributor and is not a Market Participant;
 - c) A licensed Distributor that does not purchase any energy from another Distributor that is itself a Balance Responsible Party;
 - d) Any Power Market Participant (including a consumer that is a Power Market Participant).
- (2) Any Generator, Trader or Distributor that meets the qualifying criteria for Balance Responsible Parties must register as a BRP with the Market Operator, or designate another willing BRP as Balance Responsible on their behalf.

B. Application of Market Code

- (1) Each Balance Responsible Party shall:
 - (a) adhere to Market Code obligations, taking into consideration all prevailing constraints, technical and/or economic, prior to submitting information required under this Market Code;
 - (b) conclude a Balancing Agreement with the Market Operator to facilitate Balance Responsibility.
- (2) A Balance Responsible Party must adhere to the Market Conduct Rules as applied to a Market Participant. It is the responsibility of each Balance Responsible Party to ensure compliance with the Market Conduct Rules by all relevant parts of its organisation. Each

Balance Responsible Party shall ensure that any person involved in Trading on its behalf, including members of management and other persons who make decisions in relation to Products through the exercise of their employment, profession or other duties towards the Balance Responsible Party, are subject to restrictions and obligations that enable the Party to fully and efficiently comply with the Market Conduct Rules.

- (3) A Balance Responsible Party shall be treated as a Party to the Code in terms of the Dispute Resolution Process and has the same rights as a Market Participant to access the Dispute Resolution Process including raising Data Queries and Settlement Queries with the Market Operator.
- (4) As indicated in Section 12.3 of the Market Code, each metering point should be allocated to exactly two Balance Responsible Parties, thus one to accept the import from, or exports to, the other. If a BRP is not specified for a particular point of delivery (on either side of the point of delivery) the Default Retailer will be the BRP for that side of the point of delivery.
- (5) A BRP may register one or more Trading Units with the Market Operator with the same rules and conditions for a Market Participant as set out in Section 7.1 of the Market Code.
- (6) Specific data relevant to a BRP Trading Unit shall be submitted by the BRP and maintained by the MO. This data shall include:
 - (a) Official Trading Unit name;
 - (b) The unique MO identifier for the Trading Unit, determined by the MO at registration;
 - (c) Bank account details for the Trading Unit;
 - (d) The Network Zone associated with the Trading Unit;
 - (e) The Balancing Group associated with the Trading Unit, if applicable;
 - (f) The MCR of the Trading Unit;
 - (g) For each Point of Delivery configured in the Trading Unit:
 - a. The geographic location of the Point of Delivery;
 - b. The metering arrangements, including the device identification number and access identification for remote interrogation, for the Point of Delivery;
 - c. If embedded within a network other than the TS, the name of the Distributor responsible for the network associated with each Point of Delivery;
 - d. Identification of the BRP counter-party for energy flows at each Point of Delivery;
 - e. The technology type of Generating Units (for example, coal-fired thermal, pumped-storage, hydro, wind, solar PV etc.) as well as emission data relating to the Generating Units;
 - f. If the Point of Delivery is an Interconnector, the SAPP portfolio name associated with any trades on SAPP.

C. BRP Day-ahead Schedules

- (1) A BRP shall provide a schedule of the expected sent-out or consumption for each Trading Period of the Trading Day (as well as indicative schedules for each Trading Period of the six days following the Trading Day) for any physical trading activity outside the SAWEM. This schedule shall be provided to the MO by 10h00 on the day preceding the Trading Day. The information provided shall include:
 - (a) The Trading Unit name (as in the Registry);
 - (b) The Trading Period (the Trading Period start time);
 - (c) The expected sent-out (positive) or consumption (negative) in the Trading Period (in MWh).
- (2) Where the Trading Unit is expected to produce energy and sell that energy in a physical trade in a Trading Period the BRP shall list for each of their registered off-takers (both for BRP and non-BRP off-takers) the allocated energy for that Trading Period.
- (3) Where a physical trade occurs outside the SAWEM between two BRPs both BRPs shall declare the trade to the Market Operator with either:
 - (a) the generating BRP declaring the trade and the consuming BRP confirming; or
 - (b) the consuming BRP declaring the trade and the generating BRP confirming.
- (4) If a physical trade has not been confirmed by both BRPs before the gate-closure at 10h00 it shall be negated by the Market Operator.
- (5) A BRP may elect to the Market Operator that for specific counterparties and/or dates their confirmation is automatic. The Market Operator shall make available such a facility for the BRP and maintain a record of such elections.
- (6) The Market Operator shall at gate-closure provide the elected non-BRP allocations to the impacted Traders and Retailers and scheduled generation and consumption to impacted Network Operators and associated Distribution System Operators.
 - a. The impacted Traders and Retailers may indicate that the Declared Consumption in each Trading Period is adjusted (for the purposes of purchases from the Day-ahead and Intra-day markets) by the allocations to non-BRP consumers for which they are balance responsible.
- (7) The Market Operator may extend the gate-closure for day-ahead submissions alerting all BRPs through the MO platforms.
- (8) The Market Operator shall take into consideration the BRP submissions in the Dispatch Algorithm for the Day-ahead and Intra-day markets.
 - Where a Trading Unit has a physical trade allocation as per the BRP schedules this allocation is treated as a 'must-run' and is not adjustable in the Unconstrained Schedule.
- (9) BRP generation schedules can be adjusted in the Constrained Schedule with the incremental price associated with BRP generation schedules at R0/MWh.

D. Intra-day Market

- (1) A BRP that is not a Market Participant may not adjust its scheduled production or consumption. However a BRP schedule may be adjusted in the IDM due to the application of a constraint as in the day-ahead market constrained schedule. In such cases the BRP schedule adjustment is treated as 'on instruction'. In the case of Balance Responsible Parties that have not submitted day-ahead energy prices for a Trading Unit (or for a portion of a Trading Unit's day-ahead position) the deemed incremental price for that Trading Unit (or portion of the Trading Unit) is R0/MWh.

E. Balancing Mechanism

- (1) The rules of the Balancing Mechanism apply to BRPs. In the case of Balance Responsible Parties that have not submitted day-ahead energy prices for a Trading Unit (or for a portion of a Trading Unit's day-ahead position) the deemed incremental price for that Trading Unit (or portion of the Trading Unit) is R0/MWh.

F. Metering installations

- (1) BRPs shall ensure that metering installations conform to the Metering Code;
- (2) The metering installations shall be connected at the Point of Delivery as defined in the standing data for each Trading Unit;
- (3) All rules for metering compliance in the Market Code shall apply to BRPs.