

Oman Electricity Market Rules

APPROVED METHODOLOGY

ADMINISTERED PRICING METHODOLOGY

VERSION 4.0

EFFECTIVE DATE: 30/12/2021

1. INTRODUCTION

1.1 Scope, Purpose and Effectiveness of the Approved Methodology

Section L.2.5.1 of the Oman Electricity Market Rules (the Market Rules) requires the Market Operator to prepare, as an Approved Methodology, a methodology for the purpose of determining a value of System Marginal Price for each Trading Period h of a Trading Day d for which such price is not determined by a Market Schedule Run.

The Approved Methodology is termed the Administered Pricing Methodology.

This document is the Administered Pricing Methodology prepared by the Market Operator in accordance with Section L.2.5.1 of the Market Rules and approved by the Authority on 2/5/2021.

This Approved Methodology is effective on and from **30/12/2021**.

1.2 Market Rules Provision

Interested parties should read this Approved Methodology in conjunction with the Market Rules and in particular Section L. This Approved Methodology has been produced in accordance with the provisions of the Market Rules. In the event of an inconsistency between the provisions of this Approved Methodology and the Market Rules, the provisions of the Market Rules shall prevail.

1.3 Review Procedure

The Market Operator may review this Approved Methodology from time to time and make changes, subject to the Authority's approval in accordance with Market Rules Section C.7.3.

1.4 Definitions and interpretation

Save as expressly defined, words and expressions defined in the Market Rules shall have the same meanings when used in this Approved Methodology. The rules of interpretation set out in Section B.3 of the Market Rules shall apply in the interpretation of this Approved Methodology.

References to particular sections relate internally to this Approved Methodology unless specifically noted. References to Market Rules sections are to the relevant sections of the Market Rules.

1.5 Compliance with Approved Methodology

Compliance with this Approved Methodology is required under the terms as set out in the Market Rules. This Approved Methodology does not create any additional rights or obligations.

2. ADMINISTERED PRICE DETERMINATION

2.1 Introduction

In the event that the Administered Pricing Methodology is to be applied in accordance with the Market Rules, the Market Operator shall apply the approach outlined below to determine an administered price for affected Trading Periods.

2.2 Approach

Where required under the Market Rules, the administered price for Trading Period h shall be:

- (a) subject to the paragraph (b), a value calculated by the Market Operator, and notified to the Authority, as follows:
 - (1) subject to paragraph (2) and paragraph (3), the mean of the System Marginal Price calculated under the Market Rules for each corresponding Trading Period in the seven (7) whole Trading Days immediately preceding the Trading Day on which the application of the Administered Pricing Methodology commenced;
 - (2) if the Administered Pricing Methodology was applied to a Trading Period identified in paragraph (1), any such Trading Period shall be excluded from the administered price calculation and replaced with an additional Trading Period in accordance with paragraph (3) to achieve a mean of seven (7) System Marginal Prices for the corresponding Trading Period; and
 - (3) each additional Trading Period shall be the first corresponding Trading Period in which the Administered Pricing Methodology was not applied, starting with the corresponding Trading Period seven (7) days prior to the excluded Trading Period, and then working backwards seven (7) days at a time;

or

- (b) if the Authority determines and notifies the Market Operator within 2 Business Days of receipt that the value derived in accordance with paragraphs (a), (2) and (3) is not appropriate, then a value determined by the Authority and notified to the Market Operator.

2.3 Notification

Whenever the Administered Pricing Methodology is applied, the Market Operator shall follow the requirements of Section H.6.2.6.