



GRIFFIN POWER

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Griffin Power welcomes the opportunity to provide comment on the Outage Planning Process (against the Wholesale Market Objective:

1. Reserve margin:

Griffin believes that the current level of capacity kept as reserve margin for outage planning appears to be set at an acceptable and manageable level.

Griffin proposes: that the IMO consider introducing guidelines (as opposed to criteria) around the (fuel source) composition of both outages, and reserve margin, with the intention being to moderate price impacts of outages. At a high level it is apparent that:

1. Allowing large quantities of base load generation to take outages in parallel leads to higher bilateral replacement energy and higher on market replacement energy. As the market matures, if such scenarios present themselves regularly, generating contract prices will factor this in – putting further upward pressure on market prices.
2. Allowing a large quantity of one fuel source to be offline at the same time, in particular coal, could expose the SWIS to fuel supply risks to the remaining generation.

It is conceivable the guidelines, if determined to be effective, could grant System Management the additional right to refuse an outage in the case that some pre-determined margins are breached.

2. Generation and network outage planning and their interaction

Griffin notes that major network outages are not published and very difficult to identify (using SMMITS).

The implications of major network outages are less accessible again. I.e. What generation is unavailable as a result of major network outages?

- **Griffin proposes:** that major network outages published, and at the same time, any generating facilities not able to export to the SWIS (as a result of the network outage) should also be published.

In relation to the PA Consulting findings and recommendations in this area:

- Griffin supports the assertion that the ETAC could set out the rights and obligations of each party in the event of a network/transmission outage which affects the generator.
- Griffin expresses some concern that ETACs may adopt requirements to time generating facility outages with transmission outages. Practicality suggests that where a generator is given sufficient notice (>12 months) of a major network outage they would endeavour to coordinate any otherwise near-due major outage with the network outage without a contractual obligation to do so in any event. In practice this may not always be possible or the best economic outcome result. Griffin would not support changes to the ETAC that may contractually oblige a generator to take major outage, and/or result in a subsequent rejection of an alternatively requested planned outage.
- Griffin supports PA Consulting's recommendation that MR 3.18.2(c)i limit the Equipment List to those facilities which could limit the output for generating facilities.



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3. Outage approval timelines and constraints

With regards **On-the-day** (OTD) and **Day Ahead** (DA) Opportunistic Maintenance: Griffin acknowledges the need for the Market Rules, and PSOP, to allow the ability to schedule OTD and DA maintenance.

Griffin notes that when considering OTD or DA opportunistic maintenance a participant must effectively decide to de-rate, or un-commit, their plant in advance of an outage decision by System Management, to the extent that the proposed maintenance can be performed without leaving the generator “short” of a resource plan in real time. The typical outcomes are:

- Decommit or schedule a low load and be granted the outage → perform the requested maintenance.
- Decommit or schedule a low load and be *denied* the outage. Incur capacity refunds but perform the requested maintenance (since the plant is already de-rated or offline).

Griffin observes that the mechanism for (near to) immediate outages, while necessary, is risky and that the very application for the outage requires the participant to commit to not generating at full capability, regardless of SWIS conditions.

With regards **Planned** Outages (POP and Pre-accepted)

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- Outage “shrinking” can only occur at the end of an outage.

Griffin proposes: to allow the modification of outages such that either or both dates may shrink an Accepted, or Approved Outage. I.e. The start date may be move closer to the end date/time and/or the end date may be brought closer to the start date (which is currently allowed)

- Outage requests are typically conservative as a result of the inability to extend a planned outage should there be a need to. In practice, the longer an outage, the less certainty about work scope and resynchronisation date/time. This may unnecessarily cause System Management to form a view that more plant is unavailable than is truly the case.

Griffin proposes: that a grace period of the **minimum of** one additional trade date, or 10% of the duration of the latest approved version of the non-forced outage. This should encourage participants to endeavour to identify the actual expected duration of their outage as early as possible.

In relation to the PA Consulting findings and recommendations in this area:

- Griffin supports the recommendation that MR 3.19.2(b) be modified to allow an On The Day outage request to be made any time after 10am on Scheduling Day. Waiting until after 8am on the day appears pointless when the generator may be aware well ahead of that time they have a reason for outage, and waiting until after 8am on the trade date to inform System Management seems counter to the logic of providing as much information, as early as possible for planning purposes, to System Management.
- Griffin wishes to highlight a discrepancy between PA Consulting’s assertion that “... the PSOP: Facility Outages requires the unit subject to the outage request to be available prior to the outage commencing. ...” and the Market Rules and PSOP.

For clarification, the Market Rules do not make this a requirement of outage approval. The Market Rules have clear criteria relating to the timing of outage applications (MR 3.18.5, 3.18.5A, 3.19.2) which in effect create an application queue. The Market Rules have clear outage criteria upon which each outage, as assessed in queue order, will be applied (MR 3.18.11, 3.19.6). None of these explicitly require a facility to be available prior to an application for non-forced outage being made. It is Griffin’s



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position that this is appropriate and that the intent of the timing of application is to provide a fair assessment queue for System Management to assess outage requests (First in first assessed) and that outage criteria provide fair, SWIS capacity based assessment criteria for System Management to apply to outage applications.

The PSOP is also silent with regard a facility needing to be available at the time an application for related outage is made. PSOP clauses 13.5, 14.7 & 15.4 state that before approving an outage System Management may, at its sole discretion, request a written declaration that the facility is available subject to MR 3.19.3A. MR 3.19.3A also does not state a unit must be available in order for a related outage to be approved.

Summary - neither the rules, nor the PSOP require a facility to be available (or achieving resource plan) before a related non-forced can be approved.

- Notwithstanding the clarification above – Griffin agrees with PA Consulting's finding that the interpretation that a facility must be available before approval for a non-forced outage is misdirected. SWIS capacity and security should be main priority when considering whether to approved a non-forced outage. The current Market Rules adequately provide a fair system to create an assessment queue, and currently provide a fair system to evaluate each outage request against an appropriate outage criteria.

While agreeing with PA Consulting's findings, Griffin does not support PA Consulting's recommendation on this topic (that the PSOP be modified to require a written statement that the facility is available for the duration of the outage request period. This does not address the issue of system capacity and system security and is in itself contradictory – a plant is obviously not available during an outage period.

Griffin's proposes: that on the topic of plant availability prior to an outage request can be summarised as follows:

1. To the extent that a facility is accountable to a Resource Plan, but unable to meet it, forced outages will apply as per the current rule regime.
2. System Management assess each request for non-forced outage be assessed in queue order as per the current Market Rules addressing timing of outage application (MR 3.18.5, 3.18.5A, 3.19.2)
3. When being assessed, each outage request is subject to the current outage criteria Market Rules appropriate for that outage type (OTD OM, DA OM, Pre-accepted Planned Outage) as per existing Market Rules (3.18.11, 3.19.6).
4. Where a facility outage would cause the Reserve Margin, or some other outage criteria, to enter a range where that outage should, accordingly the current Market Rules around outage approval criteria, be rejected, that period should be deemed as a Forced Outage; at all other times the outage should be approved.
5. PSOP clauses 13.5, 14.7 & 15.4 be either removed to provide greater transparency around the outage approval process since the MR around outage application timing, and outage approval criteria already provide clear guidelines for outage assessment.

It has been noted that the IMO supports the ability for System Management to approve a non-forced outage for a unit not available at the time the application is made (for a related outage) – subject to general concerns about transparency of the process being address. Griffin believes the current Market Rules provide a transparent process for their approval as the outage application timing and outage approval criteria are clear as they are.

System Management has expressed a willingness to support the adoption a revised interpretation of outage approval in this area if Market Participants express a majority desire to proceed in this manner in future. System Management have stated they see no inhibitions to adopting the proposed approach.



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Griffin would like to see a motion to progress this as soon as possible as we believe there is support for the change from Market Regulators (IMO & SM), major market retailers, and all major generators.

4. Information disclosure and bias

Griffin proposes: that in the interests of transparency and to assist generating participants to make more informed decisions Griffin proposes that the 'real time' Reserve Capacity or Reserve Margin, be available at all times (eg. At the Western Power or IMO websites). Currently when applying for outages Participants are generally not fully informed about the level of Reserve Margin on the system.

The lack of this information may also inhibit a participant's ability to elect to pursue a course of OTD, or DA, opportunistic maintenance. If the Market Participant can see the Reserve Margin and in effect the scope for SM to allow an outage, that participant may better anticipate the likelihood of approval for that outage, and the price impact on the market of their additional outage.

Griffin believes the general level of transparency, and the level of competitiveness and efficiency, within the market could be improved, if all generator meter data is published as close to real time as possible. SCADA data would be adequate to provide all participants with visibility of which facilities on the SWIS are generating (or not generating) and at what levels, and allow market participants to make more informed decisions relating to the timing of outages (particularly near to real time requests).

Thank you for the opportunity to provide comment on the Outage Planning Processes.

Andrew Stevens
Manager – Energy Trading

31st August 2011