

Wholesale Electricity Market Rule Change Proposal Submission

RC_2013_15 - Outage Planning Phase 2 - Outage Process Refinements: Call for Further Submissions.

Submitted by

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Submissions on Rule Change Proposals can be sent by:

Email to: support@rcpwa.com.au

Post to: Rule Change Panel
 Attn: Executive Officer
 C/o Economic Regulation Authority
 PO Box 8469
 PERTH BC WA 6849

1. Please provide your views on the proposal, including any objections or suggested revisions.

The Australian Energy Market Operator (**AEMO**) appreciates the opportunity to provide this submission to the Rule Change Panel in response to the Call for Further Submissions: Outage Planning Phase 2 – Outage Process Refinements (RC_2013_15) (**CFFS**).

AEMO supports the intent of the Rule Change and would like to acknowledge the work by the Rule Change Panel to date.

The following indicates AEMO’s response to the specific questions raised in the CFFS as well as proposed drafting amendments and other issues identified by AEMO.

Question	AEMO’s Response
1. Whether proposed clause 3.18.2(c)(ii) should be further amended to require the inclusion of all Scheduled Generators holding Capacity Credits on the Equipment List, not just those with a nameplate capacity of at least 10 MW.	AEMO has no objection to this proposal, noting that AEMO already has the discretion (clause 3.18.2(c)(v)) to include Facilities in the Equipment List to maintain Power System Security and Reliability.

<p>2. Whether the obligations on Non-Scheduled Generator Outage Facilities to request or report Outages should be further clarified through the specification of a materiality threshold;</p>	<p>AEMO agrees that the requirement of Non-Scheduled Generators to report Outages should be limited by a threshold of materiality.</p>
<p>3. If so, whether a materiality threshold of minimum(0.2 * Facility's nameplate capacity, 6) MW should be adopted, or whether another threshold is preferable</p>	<p>AEMO considers the proposed formula to be a reasonable starting position, however suggests that the WEM Rules require the threshold to be determined in a Market Procedure. This would allow for changes to be introduced should this formula become difficult or impractical to cover all circumstances or types of technologies.</p>
<p>4. Whether there is any need for the proposed requirement to include declared MW quantities of unavailable capacity in Balancing Submissions for Non-Scheduled Generators.</p>	<p>AEMO is unable to identify a need (or any benefit) for Non-Scheduled Generators to declare unavailable capacity in Balancing Submissions at this time, under the current Balancing arrangements.</p>
<p>5. Whether a Market Generator should be obliged to request or report an outage if it is not undertaking maintenance on its Scheduled Generator but does not wish to offer some or all of the Facility's capacity that is not associated with Capacity Credits into the Balancing Market;</p>	<p>AEMO does not require an outage report unless the capacity is physically unavailable. However, it is worth noting that further investigation is required to understand AEMO's ability to dispatch capacity in excess of that bid into the Balancing Market. This is because WEM Rule 3.2.5(a) would appear to override the Standing Data maximum capacity with the quantity available in the Balancing Merit Order.</p>
<p>6. Whether AEMO should take generator capacity that is not subject to Capacity Credits into account when determining reserve margins for Medium Term and Short Term PASA studies and evaluating Planned Outage requests.</p>	<p>AEMO prefers that the WEM Rules do not specify whether the reserve margins should take this capacity into account, noting that the Balancing Market is not specifically tied to this capacity.</p>
<p>7. Whether AEMO should be allowed, in the event of a late rejection or recall of an approved Planned Outage, to direct the Market Generator to return the relevant capacity to the Balancing Market as soon as practicable, even if this is after Balancing Gate Closure (noting that the Market Generator would not be required to provide any subsequent notification to AEMO to explain the late Balancing Submission).</p>	<p>AEMO's preference is not to direct Market Participants to update their Balancing Submissions following the recall or rejection of an outage. This obligation (should it proceed) should be the onus of the Market Participant. However, an alternative may be for the outage recall rules to either provide a requirement or permission for a participant to update their bids as soon as possible, reflecting actual availability of the Facility.</p>
<p>8. Details of any stakeholder concerns about the inclusion of a clarification in</p>	<p>AEMO supports allowing Market Generators to operate a Facility in accordance with an</p>

<p>the proposed Amending Rules for this Rule Change Proposal that a Market Generator may operate its Facility in accordance with an approved Commissioning Test while under a Planned Outage.</p>	<p>approved Commissioning Test while under a Planned Outage.</p>
<p>9. Whether clause 3.19.2(b)(ii) should be deleted or otherwise amended.</p>	<p>AEMO supports further clarification of this clause, which could include specifying considerations in a Market Procedure.</p>
<p>10. What deadline should apply to the approval of Scheduled Outages.</p>	<p>AEMO supports the approval deadline for Scheduled Outages to be 2pm on TD-2 and for Opportunistic Maintenance to be 30 minutes prior to Gate Closure (noting the opportunity for this to shift to 60 minutes – see below). AEMO notes that clause 3.19.4A will need to be clarified to cover these two timeframes.</p>
<p>11. What, if any, additional prescription or guidance should be included in the Market Rules around the practical application of clause 3.19.4.</p>	<p>AEMO prefers that the relevant Market Procedure prescribe the practical application of clause 3.19.4, however is comfortable for the Market Rules to provide guiding principles if required.</p>
<p>12. What other changes to an Outage Plan or Opportunistic Maintenance request (in addition to the two changes listed above) should result in the revised outage request being treated as a new request for the purposes of assessment and prioritisation, including for the application of availability declaration requirements, if any.</p>	<p>AEMO has no further suggestions.</p>
<p>13. Whether the changes to the proposed availability requirements for Planned Outages discussed in this section would lead to more efficient outcomes than the requirements proposed in the Rule Change Proposal;</p>	<p>AEMO believes the amendment won't materially change the effectiveness of the clause while simplifying the process for Market Participants.</p>
<p>14. If the changes to the proposed availability requirements for Planned Outages discussed in this section were to be implemented, whether AEMO should be obliged (rather than just allowed) to reject an outage request if it is aware that the relevant capacity would not otherwise be available for the full duration of the outage period.</p>	<p>AEMO's preference is not to be obliged to reject an outage request in this situation. In most circumstances, AEMO does not have the means to accurately assess (without assistance from the Market Participant) whether a generator is available.</p> <p>In such a situation, AEMO would request for further information from the Market Participant to indicate whether the Facility would be otherwise available. AEMO provides a time limit for the response and</p>

	will reject the outage if the evidence is not provided within the time limit or the deemed rejection limit. This is a procedural matter that does not necessarily need to be reflected in the Market Rules.
15. Whether the point after which a Scheduled Outage no longer needs to be withdrawn or rejected because it ceases to meet the applicable availability requirement should be the point of first acceptance into AEMO's outage schedule or the point at which the Scheduled Outage is approved.	AEMO supports the position reached at the 7 November 2018 workshop.
16. Whether the Rule Change Panel should extend the proposed exemption from the availability requirements currently set out in proposed clause 3.19.2D(a) to apply to Planned Outages that immediately follow any Planned Outage of the relevant capacity, not just a Scheduled Outage.	AEMO supports extending the requirements.
17. Whether the additional changes discussed in this section provide an appropriate and sufficient safeguard against disingenuous Planned Outage requests where it is likely that the relevant capacity will be unavailable for dispatch if the request is rejected; and	AEMO expects that the incentives in the Market Rules and the additional changes proposed will provide sufficient safeguards against disingenuous Planned Outage requests.
18. What principles or guidelines, if any, should be included in the Market Rules to guide AEMO's assessment of evidence that capacity would be able to be made available for dispatch prior to the start of a requested Planned Outage.	AEMO would prefer that a Market Procedure details this information and is comfortable for the Market Rules to provide guiding principles.
19. The extent to which the proposed availability declaration requirements for Scheduled Generators and Non-Scheduled Generators discussed in this section 4.4 should also apply to Planned Outages of other Equipment List Facilities, including items of Network equipment and Registered Facilities subject to an Ancillary Services Contract.	AEMO sees no reason for this requirement not to be extended to all Facilities.

Suggested amendments to drafting

The proposed drafting in the CFFS could be clarified through consistent use of terminology. The table below provides suggestions intended to improve, consistency and clarity.

Clause	Proposed Drafting
3.18.2A	<p>....</p> <p>(b) A Market Participant must notify System Management of a <u>Small Outage Facility Outage Plan</u> proposed Planned Outage if:</p> <ul style="list-style-type: none"> i. the Market Participant intends to make some or all of a Small Outage Facility's capacity unavailable; and ii. the capacity would otherwise be available for the duration of the <u>Small Outage Facility Outage Plan</u> proposed Planned Outage. <p>....</p> <p>(h) Subject to clause 3.19.2C, a Market Participant must not notify System Management of a <u>Small Outage Facility Outage Plan</u> proposed Planned Outage for a Scheduled Generator or Non-Scheduled Generator under clause 3.18.2A(b) if the Market Participant does not expect in good faith that the capacity to which the notice applies would otherwise be available for dispatch for the duration of the <u>Small Outage Facility Outage Plan</u> proposed Planned Outage.</p>
3.19.2A	<p>If:</p> <p>(a) a Market Participant intends to make some or all of an Equipment List Facility's capacity unavailable; and</p> <p>(b) the capacity would otherwise be available for the duration of the Planned <u>Scheduled Outage or Opportunistic Maintenance</u>,</p> <p>then the Market Participant must request approval for a Planned <u>Scheduled Outage or Opportunistic Maintenance</u> from System Management in accordance with section 3.18 and this section 3.19.</p>
3.19.2B	<p>Subject to clause 3.19.2D, a Market Participant must not request approval of a proposed Planned <u>Scheduled Outage or Opportunistic Maintenance</u> for a Scheduled Generator or Non-Scheduled Generator under clauses 3.19.1 or 3.19.2 if the Market Participant does not expect in good faith that, if System Management rejected the request, the capacity to which the request applies would be available for dispatch for the duration of <u>either the proposed Planned Scheduled Outage or Opportunistic Maintenance</u>.</p>
3.19.2C	<p>Subject to clause 3.19.2D, if:</p> <p>(a) a Market Participant has requested approval under clauses 3.19.1 or 3.19.2 for a <u>Scheduled</u> Planned <u>Outage or Opportunistic Maintenance</u> of a Scheduled Generator or Non-Scheduled Generator;</p> <p>(b) System Management has not yet approved or rejected the request under clause 3.19.4; and</p> <p>(c) the Market Participant ceases to expect in good faith that, if System Management were to reject the request, the capacity to which the request applies would be available for dispatch for the duration of the <u>Scheduled</u> Planned <u>Outage or Opportunistic Maintenance</u>,</p> <p>then the Market Participant must immediately notify System Management of the change in circumstances and withdraw the Market Participant's</p>

	request for approval of the <u>Scheduled Planned Outage or Opportunistic Maintenance</u> .
3.19.2D	Clauses 3.18.2A(h), 3.19.2B, 3.19.2C and 3.19.3B do not apply where: (a) the <u>Scheduled proposed Outage or Opportunistic Maintenance</u> will immediately follow a Scheduled Outage of the relevant capacity; or (b) the Market Participant reasonably expects that the relevant capacity would be subject to a Consequential Outage if the <u>Scheduled proposed Outage or Opportunistic Maintenance</u> did not proceed.
3.19.3B	Subject to clause 3.19.2D, System Management may decline to approve a Scheduled Outage or Opportunistic Maintenance for an Equipment List Facility where it considers that the capacity to which the request applies would not otherwise be available for dispatch for the duration of the <u>proposed Planned Scheduled Outage or Opportunistic Maintenance</u> .
3.19.4A (assuming Scheduled Outages and Opportunistic maintenance have same schedule)	If System Management does not provide a Market Participant or Network Operator with its decision on a request for approval of <u>a an Planned Scheduled Outage or Opportunistic Maintenance</u> by 30 minutes before Balancing Gate Closure for the Trading Interval during which the outage is proposed to commence, then, for the purposes of the Market Rules, the request is deemed to be rejected.
7A.2.8A (a)	A Market Participant (other than Synergy in respect of the Balancing Portfolio) must, for each of its Balancing Facilities, and for each Trading Interval in the Balancing Horizon, use its best endeavours to ensure that, at all times, any of the Facility's capacity that is: (a) subject to an approved <u>Planned Outage or Forced Outage</u> ; or (b) subject to an outstanding request for approval of a <u>Planned Scheduled Outage or Opportunistic Maintenance</u> ,
7A.2.9 (g)	Synergy, in relation to the Balancing Portfolio: must, if System Management approves a <u>Planned Scheduled Outage or Opportunistic Maintenance</u> for a Facility in the Balancing Portfolio and a Trading Interval after the latest time specified in clause 7A.2.9(d), update its Balancing Submission for the Trading Interval as soon as practicable, but before Balancing Gate Closure for the Trading Interval, to:
7A.2.9A	Synergy must, to the extent it is able to update its Balancing Submissions subject to clauses 7A.2.9(d)-(g) (as applicable), for each Facility in the Balancing Portfolio, and for each Trading Interval in the Balancing Horizon, use its best endeavours to ensure that, at all times: (a) any of the Facility's capacity that is subject to an approved <u>Planned Outage or Forced Outage</u> is declared as unavailable in the Balancing Submission for the Balancing Portfolio and that Trading Interval, except where that Facility is subject to a Commissioning Test; and

	(b) any of the Facility's capacity that is subject to an outstanding request for approval of a <u>Planned Scheduled Outage or Opportunistic Maintenance</u> is declared as available in the Balancing Submission for the Balancing Portfolio and that Trading Interval.
7A.2.9B	If System Management rejects a previously approved Planned Outage of a Balancing Facility (or a Facility in the Balancing Portfolio) under clause 3.19.5, then the relevant Market Participant must, as soon as practicable, update its Balancing Submission for any relevant Trading Intervals in the Balancing Horizon for which Balancing Gate Closure has not yet occurred, to reflect that the capacity will not be subject to a Planned Outage.
7A.2A.1 (a)	was not subject to an approved Planned Outage or Consequential Outage at Balancing Gate Closure for the Trading Interval; and
7A.2A.2 (a)	was not subject to an approved Planned Outage or Consequential Outage at that time for the Trading Interval; and
7A.2A.3	Clauses 7A.2A.1 and 7A.2A.2 do not apply to any capacity that was subject to a previously approved Planned Outage for the Trading Interval that was rejected by System Management under clause 3.19.5 less than 30 minutes before:

The above amendments were proposed based on the following principles:

- Only when:
 - o an Outage Plan has been Accepted is it a Scheduled Outage.
 - o a Scheduled Outage has been approved is it a Planned Outage.
 - o a Scheduled Outage or Opportunistic Maintenance has not been approved is it a Forced Outage.
 - o an Opportunistic Maintenance has been approved is it a Planned Outage.
- A Planned Outage cannot be approved. A Planned Outage is an approved Scheduled Outage or Opportunistic Maintenance request.
- Opportunistic Maintenance is not considered a Planned Outage unless it has been approved by System Management (MR 3.19.11). Therefore, terms such as 'proposed Planned Outage' inherently does not include Opportunistic Maintenance.
- From a Balancing Market perspective, it is important for unavailability to reflect both Planned and Forced Outages.

Other considerations: Extension of deemed rejection of Opportunistic Maintenance

Under proposed clauses 3.19.4A and 3.19.2(a)ii, unless a Participant's Opportunistic Maintenance request is approved 30 minutes prior to the relevant Balancing Gate Closure, it is deemed to be rejected. In such a situation, the Market Participant will be required to update the relevant Balancing Submission but may not have sufficient time to do so. Further, other Market Participants would be unable to respond to the updated Balancing Submission.

As such, Market Participants may benefit from a deemed rejection occurring an hour prior to Balancing Gate Closure.

2. Please provide an assessment whether the change will better facilitate the achievement of the Wholesale Market Objectives.

AEMO considers that the proposed changes in the CFFS will better achieve the Wholesale Market Objectives (a) and (d). AEMO agrees with the assessment contained within IMO's original Rule Change Proposal submitted on 24 December 2014.

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

The proposed changes in the CFFS will require system and procedural changes to ensure AEMO remains compliant with the proposed WEM Rules. Based on the drafting in the Call for Further Submissions, it is anticipated that the cost to implement these changes should not exceed \$70,000.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.

AEMO anticipates that it will be able to complete the necessary system and procedural changes by 1 August 2019.

It is noted that the timeline on the RCP's website provides an indicative publication of the Final Rule Change Report of 30 May 2019. To achieve a 1 August 2019 rule commencement, AEMO proposes to commence informal consultation on required changes to the Power System Operational Procedures (**PSOP**) following completion of the consultation for the Draft Rule Change but prior to the Final Rule Change Report. Following the formal approval of this rule change in the Final Rule Change Report, AEMO will commence formal consultation on the PSOP changes.

Preliminary discussions with our IT delivery partner have indicated that the system changes required by this Rule Change proposal can be delivered within the proposed timeframes.
