

Wholesale Electricity Market Rule Change Proposal Submission

RC_2013_15

Call for Further Submissions: Outage Planning Phase 2 – Outage Process Refinements (RC_2013_15)

Submitted by

Name:	Oscar Carlberg
Phone:	0406 785 996
Email:	oscar.carlberg@synergy.net.au
Organisation:	Synergy Electricity Generation and Retail Corporation
Address:	Forrest Centre, 219 St Georges Terrace, Perth WA 6000
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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.

Synergy appreciates the opportunity to provide feedback to the *Call for Further Submissions: Outage Planning Phase 2 – Outage Process Refinements (RC_2013_15)*.

Synergy considers that RC_2013_15 was initially intended as part of a suite of rule changes which were designed, among other things, to clarify the WEM Rules associated with many undefined concepts used in the definitions of Outages, especially the definition of Forced Outages. Synergy is concerned that, by progressing part of the whole suite of changes in isolation, the Rule Change Panel will inadvertently cause more uncertainty regarding the interpretation of the WEM Rules. Synergy suggests that, where possible, a principled (rather than prescriptive) drafting style be adopted to enable the WEM Rules to adapt to new situations and to aid in the interpretation of undefined terms and phrases used in the WEM Rules.

The points detailed below are specific examples of where the rule change proposal appears to introduce uncertainty into the interpretation of the WEM Rules.

1. "Unavailability" and Forced Outage

Synergy is concerned that this rule change proposal – by clarifying some, but not all, of the obligations associated with unavailability and Outages – will have unintended effects on the legal interpretation of those other obligations. Of specific concern is the undefined phrase "unavailable for dispatch", which is used in the proposed clauses 7A.2.4A(b), 7A.2.4B(b), 7A.2.4C(b) and 7A.2A.

Synergy considers that these proposed rules do not recognise that Outage Facilities may be unavailable due to limitations which are not associated with a Forced nor Consequential Outage, nor changes in temperature. As a result, Market Generators' obligations appear unclear in these circumstances.

For example, as currently drafted it appears that, where a Facility is offline and requires a period of time prior to resynchronisation, the proposed clauses 7A.2.4A(b), 7A.2.4B(b) and 7A.2.4C(b) would require the relevant Market Generator to resubmit unavailability declarations showing that its Facility is unavailable for the period of its start-up time. The Market Generator would then also be required to log Forced Outages for those unavailability declarations in accordance with proposed clause 7A.2A. This outcome appears to be inefficient and could lead to undesirable outcomes. For example, a peaking Facility that is rarely required to generate could theoretically be required to log Forced Outages every half an hour for the entire year.

Synergy assumes the temperature dependence exemption in section 7A.2A is intended to avoid the need for redundant Forced Outage notifications. However, the explicit reference to only temperature dependence in this exemption creates uncertainty for the interpretation of the other limitations (such as start-up times).

Synergy considers that there is an inconsistency between the requirements to log outages in clause 3.21.1 and the requirement to log a Forced Outage under the proposed clause 7A.2A. Specifically, clause 3.21.1 does not appear to require Forced Outages to be logged where a Facility is operating within the inherent limitations of its design because there would be no "outage or de-rating" of the Facility. However, proposed clause 7A.2A appears to require Forced Outages to be logged in situations where there is no "outage or de-rating", but where a Facility is "unavailable for dispatch" (such as where a Facility is "unavailable for dispatch" due to its start-up time). Synergy suggests that a principled rather than a prescriptive approach to the required drafting could avoid this inconsistency. For example, if the intent of the proposed clause 7A.2A is to clarify when a Forced Outage should be logged, this may be better served via an amendment or a reference to the definition of a Forced Outage in 3.21.1, rather than via an additional clause. If the current drafting is retained, Synergy suggests that the rules clarify how the inconsistency between 3.21.1 and section 7A.2A is to be resolved.

2. Proposed changes to proposed clause 3.19.2B

Synergy considers that the proposal to prohibit a generator from requesting a Planned Outage when the Facility would not be available for dispatch for the *full duration* of the proposed Planned Outage, rather than *immediately prior to the commencement* of the Planned Outage could inhibit a Market Generator from maximising the availability of its Facilities and therefore lead to inefficient outcomes.

Synergy's specific concern is how this rule would apply to the situation where an Outage is required to enable maintenance or tests that must either occur at set times or after equipment has operated for a certain amount of operating hours (for example, tests required under environmental licensing or under original equipment manufacturers requirements). To maximise the availability of its Facilities, Market Generators are likely to request Planned Outages to commence just prior to when these types of maintenance are required. As a result, the proposed "duration" of the Planned Outage may include the period of time when this

maintenance is required to be performed. As maintenance would need to be performed on the Facility during the Planned Outage, and theoretically the Facility would not be able to operate without this maintenance, the Facility would not be available for the "duration" of the proposed outage.

As a result, Synergy considers that the proposed clause 3.19.2B could prevent the Market Generator from requesting a Planned Outage at the most efficient time and cause the Planned Outage to be brought forward such that there is no overlap between the Planned Outage period and the set time when maintenance is required. This could reduce the availability of the Facility and negatively affect the economic efficiency of the WEM.

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

Aside from the issues noted above and to the extent this rule change proposal can be assessed without parts of the proposed drafting being available, Synergy broadly considers the rule change will better facilitate the achievement of the Wholesale Market Objectives.

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.

If the issues above are resolved, Synergy does not expect to incur costs as a result of this rule change proposal.

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

Synergy does not expect to require time to implement the proposed changes.
