

Wholesale Electricity Market Rule Change Proposal Submission

Call for Further Submissions: Administrative Improvements to the Outage Process (RC_2014_03)

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: Administrative Improvements to the Outage Process (RC_2014_03) (**CFFS**).

The CFFS requested responses to specific questions. AEMO's responses to these questions are in the table below (commencing on page 2).

The draft rules reflecting the proposals in the CFFS are not yet available. In these circumstances, AEMO's views are based on the high-level information in the CFFS and previous discussions with the Rule Change Panel. AEMO will further assess the proposed changes described in the CFFS when more details and/or draft rules are available.

CFFS Question	AEMO's Response
<p>1. Any concerns or suggestions regarding the proposed use of triggering outage notifications to provide Market Participants with greater certainty and transparency about the effects of triggering outages.</p>	<p>AEMO provides the following responses:</p> <p><u>Form of Publication</u></p> <p>Improving the transparency of triggering outages could be achieved through several means, such as the publication of Network Outages as part of the already published real-time outage data.</p> <p>AEMO acknowledges that the preferred solution proposed in the CFFS requires a push type notification in the form of 'triggering outage notifications' issued through Dispatch Advisories. After further consideration, AEMO is of the view that there are other alternatives for issuing these notifications. Dispatch Advisories usually pertain to real-time events, whereas the proposal in the CFFS will require triggering outage notifications to be issued well in advance of the event.</p> <p>AEMO's view is that other push type publication methods may be more appropriate, and it is not necessary to prescribe the form of delivery of triggering outage notifications in the Market Rules. AEMO is cognisant that the Rule Change Panel is considering simple and low-cost options.</p> <p><u>Timing</u></p> <p>The CFFS states that AEMO will be required to issue a triggering outage notification 'at the time of' acceptance, approval or rejection of the triggering outage. There is likely to be a time delay between the trigger event (i.e. outage acceptance, approval or rejection) and AEMO's publication of the triggering outage notification. An automated solution would minimise the time delay. Irrespective of the solution, the notification is not likely to be issued at the exact same time as the outage acceptance, approval or rejection. In these circumstances, an 'as soon as practicable' timeframe or similar is preferred for issuing these notifications.</p>
<p>2. Any concerns or suggestions regarding the proposed restrictions on late changes to foreseeable constraints.</p>	<p>At this time, AEMO has not identified any concerns or suggestions to the proposed changes.</p>

CFFS Question	AEMO's Response
<p>3. Whether System Management should be required to ensure that the dispatch of Non-Scheduled Generators is consistent with their foreseeable constraints</p>	<p>Prior to the dispatch of a Non-Scheduled Generator, AEMO is unable to determine the ramp up and ramp down duration on either side of the triggering outage in advance as this will depend on the prevailing Network conditions. Not including these ramping periods in the foreseeable constraint would in normal circumstances, mean that AEMO's dispatch is consistent with the foreseeable constraint.</p> <p>AEMO notes that the CFFS also recognises that AEMO may need to dispatch differently to prevent the power system moving to an elevated operating state or where the power system is already in an elevated operating state. When this is necessary, AEMO's dispatch may not be consistent with the previously published foreseeable constraint.</p>
<p>4. How Non-Scheduled Generator capacity should be removed from service before a Consequential Outage and returned to service after a Consequential Outage</p>	<p>At present, AEMO dispatches Non-Scheduled Generators to ensure they have ramped down and are not generating by the commencement of the Trading Interval in which the triggering outage begins.</p> <p>At completion of the triggering outage, AEMO may limit the ramp rate of the facility on its return to service depending on the prevailing Network conditions. In some circumstances (e.g. low wind), it is not necessary for AEMO to constrain the ramp rate of the Non-Scheduled Generator on its return to service.</p> <p>It would be reasonable for a Non-Scheduled Generator to include the ramp up and ramp down periods in their Consequential Outage because these periods of ramping correspond directly to the triggering outage. That is, in absence of the triggering outage, and assuming no other unusual circumstances, the facility would have been operating as per normal (also refer to AEMO's response to question 8).</p>
<p>5. Whether a Network Operator should be able to reduce the period of a triggering outage (for the purposes of its performance statistics) if it notifies System Management too late for System Management to update the associated foreseeable constraints.</p>	<p>At this time, AEMO has not identified any implications from the proposal and has no further comment.</p>

CFFS Question	AEMO's Response
<p>6. Whether a Rule Participant should be obliged to notify System Management if it is aware that its Outage Facility will suffer a Forced Outage in the near future.</p>	<p>At this time, AEMO has not identified any concerns with the proposed obligation. Notwithstanding this, consideration may need to be given as to whether the obligations introduced in RC_2013_15: Outage Planning Phase 2 (commencing 1 February 2020) concerning circumstances where a participant becomes aware or ought to have become aware that its facility will be unavailable for service, cover the Forced Outage scenarios described in the CFFS.</p>
<p>7. Whether triggering outage notifications for network Forced Outages that are triggering outages should be optional or mandatory, and if mandatory, what materiality thresholds should apply (if any).</p>	<p>When determining whether triggering outage notifications should apply to Forced Outages, consideration should be given as to whether the existing Dispatch Advisory rules provide the necessary transparency for many of these Network Forced Outage events. For example, there are existing requirements to issue Dispatch Advisories for out of merit dispatch as well as requirements to issue Dispatch Advisories for significant outages.</p> <p>Should the use of triggering outages be extended to Forced Outages and therefore require triggering outage notifications, AEMO considers that this should be a mandatory obligation. Removing discretion from this obligation will give both AEMO and the market certainty as to when these notifications are required.</p> <p>If triggering outage notifications are extended to Forced Outages, when drafting the proposed rules consideration will need to be given to the differences between the level of information available for these outages when compared to planned triggering outages. For example, the CFFS recognises that the end date/time of the triggering Forced Outage will need to be estimated when the triggering outage notification is first issued. There are other items that may also not be known or not applicable for forced triggering outages (e.g. the reference id of the forced triggering outage will not be known until such time as that outage is logged and there is also no acceptance/approval stage for a Forced Outage).</p>
<p>8. Any additional reasons why a Consequential Outage associated with a triggering outage might need to extend outside the period of the foreseeable constraint.</p>	<p>As discussed at question 3, the foreseeable constraint should not include the ramp up and ramp down periods because this information will not be certain until closer to real time. However, the Consequential Outage should be able to extend beyond the foreseeable constraint to cover ramp up and ramp down periods for the reasons given in question 4.</p>

CFFS Question	AEMO's Response
<p>9. Any concerns about restricting the proposed exemption from a Reserve Capacity Test to situations where System Management has notified a Market Participant of a foreseeable constraint on its Facility, or where the Market Participant has notified System Management that its Facility will be subject to a Forced Outage in the relevant period.</p>	<p>At this time, AEMO has not identified any concerns with the proposed restrictions.</p>
<p>10. Any concerns or suggestions regarding the proposed definition for the maximum sent out capacity Standing Data items in Appendix 1(b)(iii) and Appendix 1(e)(iiiA).</p>	<p>At this time, AEMO has not identified any concerns with the proposed definition.</p>
<p>11. Any concerns about the proposed changes to the method used for capturing unadjusted outage quantities for Scheduled Generators in SMMITS.</p>	<p>AEMO considers that the proposed changes are consistent with those discussed with the Rule Change Panel previously.</p>
<p>12. Viable alternatives to the Rule Change Panel's proposed approach for reporting unadjusted outage quantities for Scheduled Generators that have failed to comply with an instruction from System Management (e.g. where a Scheduled Generator trips off during a Trading Interval, fails to synchronise when expected or fails to achieve the output levels specified in its Dispatch Instructions).</p>	<p>AEMO supports the proposal to clarify the method for calculating a Forced Outage where a generator has failed to comply with a Dispatch Instruction. AEMO does not have any suggestions for alternative calculation methods.</p>

CFFS Question	AEMO's Response
13.Any concerns about the proposed changes to the method used for capturing unadjusted outage quantities for Non-Scheduled Generators in SMMITS.	At this time, AEMO has not identified any concerns with the proposed changes.
14.Any suggestions or concerns about the proposed changes relating to the calculation of capacity-adjusted outage quantities	At this time, AEMO has not identified any concerns with the proposed changes.
15.Any concerns about the proposed removal of the requirement to report a Forced Outage because of a failure to comply with instructions during an approved Commissioning Test.	At this time, AEMO has not identified any concerns with the proposed changes
16.Any concerns or suggestions regarding the proposed allocation of outage quantity types to provisions of the Market Rules.	At this time, AEMO does not have any concerns with the proposed allocations of outage quantity types.
17.Any concerns or suggestions regarding the proposed Planned Outage Rate, Forced Outage Rate and Equivalent Planned Outage Hours calculations.	AEMO does not have any concerns with the proposed calculations.
18.Whether clause 3.21.2 should be amended to extend the criteria for a Consequential Outage to include triggering outages of any item of equipment that is part of a Network, not just those items that are included on the Equipment List.	AEMO supports this proposed change to extend the criteria for a Consequential Outage to include triggering outages of any equipment that is part of a Network.

CFFS Question	AEMO's Response
<p>19. Whether the time periods in the proposed obligation to report extended Forced Outages in SMMITS (i.e. to report within 24 hours if the outage period exceeds 24 hours) is appropriate or whether different time periods should be used.</p>	<p>At this time, AEMO has not identified any concerns with the proposed changes.</p>
<p>20. Whether the proposed deadlines for reporting Forced Outages for Non-Intermittent Generators with Capacity Credits provide an appropriate balance between prudential risk and administrative burden; and if not, what deadlines would provide a better balance.</p>	<p>At this time, AEMO has not identified any concerns with the proposed deadlines.</p>
<p>21. Any concerns about the proposed requirement to update existing Forced Outage records within 1 Business Day of receiving more accurate information about the end time or outage quantity.</p>	<p>At this time, AEMO has not identified any concerns with the proposed requirement.</p>
<p>22. Any concerns about the proposed 9-month deadline for late changes to Forced Outage details in SMMITS.</p>	<p>AEMO considers that the 9-month period from the commencement of the outage enables the longest period for updates while allowing sufficient time for AEMO to assess the outage.</p>
<p>23. Any reasons why stricter deadlines should be imposed on Outage Facilities that are not Scheduled Generators or Non-Scheduled Generators.</p>	<p>AEMO has not identified any reasons why Outage Facilities that are not Scheduled or Non-Scheduled Generators should have stricter deadlines.</p>

CFFS Question	AEMO's Response
24. Under what circumstances (apart from the late submission of a Consequential Outage request as suggested by Bluewaters) would a Rule Participant need to be able to update a Consequential Outage after the normal 15-day deadline.	AEMO considers that this is a matter for Market Participants to respond to.
25. Any concerns about the proposed 9-month deadline for late changes to Consequential Outage requests in SMMITS.	AEMO considers that the 9-month period from the commencement of the outage enables the longest period for updates while allowing sufficient time for AEMO to assess the outage.
26. What transitional provisions would need to be included in the Amending Rules to support the implementation of this Rule Change Proposal.	<p>The Final Rule Change Report will need to specify the treatment of:</p> <ul style="list-style-type: none"> • existing outages already approved • existing outage requests that have yet to be approved.

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

The IMO's original rule change proposal assessed that the proposed amendments will better achieve Wholesale Market Objectives (a) and (d):

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system; and
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system.

The IMO proposed that this would be achieved by reducing unnecessary administrative burden, providing greater transparency, improving its own compliance, and providing greater clarity to existing obligations. AEMO agrees with the IMO's original assessment and notes that the Rule Change Panel is proposing additional changes to those originally considered in the IMO's Rule Change Proposal. However, draft rules are not available reflecting the latest changes being proposed so AEMO has not undertaken any further assessment against the market objectives.

The timeframes for completion of the Rule Change Process, together with AEMO's implementation timeframes, could result in the useful life of the proposed changes being relatively short prior to the scheduled new market commencement in October 2022. These

timeframes should be considered when assessing the Rule Change Proposal against the 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.

Should the Rule Change Proposal incorporate the proposed changes detailed in the CFFS, AEMO will be required to modify its systems and processes to implement the new obligations.

In the absence of proposed amending rules, AEMO's previous ROM estimate to implement these changes is \$759,000. AEMO will provide a revised implementation estimate when further details on the proposed amending rules are available.

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

Based on the ROM estimate in Section 3 above, AEMO estimates it will require 6 to 9 months to implement all the changes proposed in the CFFS, including any required procedure changes. As stated above, AEMO will provide a revised estimate of the time required to implement these changes once further details on the proposed amending rules are available.

As this rule change will require AEMO to modify the systems being transferred as a part of the System Management Systems Transitions (**SMST**) project, the earliest AEMO anticipates it will be able to commence modification of these systems is during the second half of 2020 (following a 3-month bedding in period after the SMST project is completed).