



Government
of South Australia

Department for
Energy and Mining

Our Ref: D191112901

21 October 2019

Mr John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

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Dear Mr Pierce

Thank you for the opportunity to comment on the Australian Energy Market Commission's (AEMC) consultation paper, 'System Restart Services, Standards and Testing' (your ref ERC0278).

I note that the proposed rule changes by the Australian Energy Market Operator (AEMO) and the Australian Energy Regulator (AER) seek to address some of the identified issues arising from the South Australian Black System Event in September 2016. Additionally, the AEMO proposals stem from the need to take into account the transitioning nature of the power system and provide for a broadening of opportunities to improve the delivery of System Restart Ancillary Services (SRAS).

The South Australian Government supports the proposed rule changes, noting that in some cases the identified issues have already been addressed through other measures, for instance AEMO's SRAS Guidelines (as revised in 2017).

Nevertheless, the Government agrees that explicitly stating requirements such as written communication protocols between SRAS participants within the National Electricity Rules will provide ongoing clarity for the relevant participants into the future.

The Government supports AEMO's proposal to broaden the definition of SRAS given the changing generation profile. I also support the proposal for additional restoration support services to assist in the full restoration of the power system following a major supply disruption. I suggest that AEMO would be best placed to determine these additional services. Further, the Government notes that the AEMO proposal would



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enable inverter technology generation to participate in the provision of these additional restoration services. Leveraging further network support from inverter technologies (which in many cases already have this capability but may not be utilising it), could assist avoiding a Black Start Event and in such an event, assist with system stability when re-energising the system and restoring demand loads.

The Government supports the AEMO proposal to amend the SRAS Procurement Objective to align with the National Electricity Objective. The proposal would provide more scope to procure SRAS from a wider source of potential providers but still balancing the overall costs to consumers.

The AER's Compliance Report into the South Australian Black System Event identified various gaps in participants' understanding of their role and obligations during and immediately after a Black System Event. I support the proposed changes including the need for written communication protocols, to ensure clarity and mutual understanding between the market operator and Network Service Providers is achieved prior to any major supply disruption. This should potentially increase confidence in the restoration of supply process.

With respect to the AEMO proposal to extend SRAS testing beyond the current requirement (that is the connection point), I note that AEMO has raised the concerns put forward by Network Service Providers concerning additional costs for their organisation and potentially other generators not involved in the provision of SRAS. I also note your paper highlights that AEMO has not costed these potential increased costs. Therefore, while I generally support the concept of testing system restoration pathways beyond the connection point and more broadly with relevant participants, I urge caution until a full understanding of the costs and any adverse impacts on supply are available.

I trust that this submission assists the AEMC in progressing the proposed rule change requests. Should you have any questions in relation to this submission, please contact Ms Rebecca Knights, Director, Energy Policy and Projects, Department for Energy and Mining on (08) 8429 3185.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Vince Duffy'.

Vince Duffy
Executive Director
Energy and Technical Regulation

