



**Review of the System Restart Standard**  
**AEMC Terms of Reference to the Reliability Panel**  
**24 June 2020**

## **Introduction**

These terms of reference are intended to guide the Reliability Panel (the Panel) in developing the System Restart Standard (the Standard).

In accordance with clause 8.8.3(b) of the National Electricity Rules (NER), the Australian Energy Market Commission (AEMC) requests that the Panel undertake a review of the Standard. The purpose, scope and timing for this review are set out below in these Terms of Reference. If there are any inconsistencies between the NER requirements and these Terms of Reference, the NER takes precedence.

## **Background**

In the event of a major supply disruption, System Restart Ancillary Services (SRAS or restart services) may be used to supply sufficient energy to restart power stations in order to begin the process of restoring the power system.

The Panel is responsible for determining the Standard, which sets out several key parameters for system restoration, including the speed of restoration, how much supply is to be restored and the level of reliability of SRAS. The Australian Energy Market Operator (AEMO) then procures restart services to meet the Standard, and develops the System Restart Plan in accordance with the Standard.

On 2 April 2020, the AEMC published a final rule that made a number of changes to the SRAS frameworks in the National Electricity Market (SRAS rule), including expanding the definition of SRAS to include system restoration support services.<sup>1</sup> The Reliability Panel is required by the final rule to update the System Restart Standard as soon as practicable after the date on which the transitional rule becomes effective (2 April 2020) to take into account those changes.

The Panel's review and determination of the Standard to incorporate changes made in the AEMC's SRAS rule must be finalised in time to allow AEMO to amend the SRAS Guideline, and to be used by AEMO for the next round of SRAS procurement.

On 13 May 2020, AEMO published a notice of consultation on an amended SRAS guideline.<sup>2</sup> As part of this consultation, AEMO is consulting on a change to electrical sub-network boundaries in Queensland, specifically to consolidate the two existing Queensland sub-networks. In the issues paper published at the same time as its notice of consultation, AEMO identified that a change to the Standard would be required to procure SRAS for a combined Queensland sub-network in its next round of procurement. AEMO anticipates making a decision on combining the Queensland subnetworks by 16 October 2020.

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<sup>1</sup> AEMC, *System restart services, standards, and testing rule – final determination*, 2 April 2020.

<sup>2</sup> AEMC, notice of first stage of consultation, system restart ancillary services (SRAS) guideline, <https://aemo.com.au/consultations/current-and-closed-consultations/sras-guideline-2020>

## Scope of this Review

When determining the Standard, the Panel must consider whether the relevant requirements in the NER have been met. The NER requirements applying to the Panel's determination of the Standard are described below.

In accordance with clause 8.8.3(aa)(1) of the NER, the Reliability Panel must review and determine the Standard in accordance with the SRAS Objective.<sup>3</sup>

Clauses 8.8.3(aa)(2) to (7) of the NER state that the system restart standard must:

- (2) identify the maximum amount of time within which system restart ancillary services are required to restore supply in an electrical sub-network to a specified level, under the assumption that supply (other than that provided under a system restart ancillary services agreement acquired by AEMO for that electrical sub-network) is not available from any neighbouring electrical sub-network;
- (3) include the aggregate required reliability of system restart ancillary services for each electrical sub-network;
- (4) apply equally across all regions, unless the Reliability Panel varies the system restart standard between electrical sub-networks to the extent necessary:
  - (A) to reflect any technical system limitations or requirements; or
  - (B) to reflect any specific economic circumstances in an electrical sub-network, including but not limited to the existence of one or more sensitive loads;
- (5) specify that a system restart ancillary service can only be acquired by AEMO under a system restart ancillary services agreement for one electrical sub-network at any one time;
- (6) include guidelines to be followed by AEMO in determining electrical sub-networks, including the determination of the appropriate number of electrical sub-networks and the characteristics required within an electrical sub-network (such as the amount of generation or load, or electrical distance between generation centres, within an electrical sub-network); and
- (7) include guidelines specifying the diversity and strategic locations required of system restart ancillary services.

Given that the review needs to be completed as soon as practicable, the Commission requests that the Panel limit the scope of this review as follows:

- To provide guidance to AEMO in its procurement of SRAS for all electrical sub-networks, the Commission recommends the Panel publish an interim Standard by 2 November 2020 updating relevant elements of the Standard to reflect the inclusion of system restoration support services in the definition of SRAS under the NER.
- The Commission recommends the Panel consider amending relevant Standard settings should AEMO determine to combine the Queensland sub-networks. In particular, if the two existing Queensland sub-networks are combined into a single sub-network, the Panel should determine and publish restoration timeframes, levels of restoration and aggregate reliability requirements for a single Queensland sub-network in a final standard.

## Consultation

Stakeholder engagement will be central to the effective development of the Standard. The Panel should consult with as wide a range of stakeholders as possible, including network service providers, generators, consumers, jurisdictional governments and any other relevant bodies.

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<sup>3</sup> The SRAS Objective is defined in Chapter 10 of the NER as: The objective for system restart ancillary services is to minimise the expected costs of a major supply disruption to the extent appropriate, having regard to the national electricity objective.

The Panel should also consider whether holding public forums and/or workshops may be helpful in facilitating more effective engagement with stakeholders, taking into account the current unique circumstances that we find ourselves in.

### **Timing and deliverables**

The Panel must carry out the review to develop the Standard in accordance with the following process:<sup>4</sup>

- Give notice to all registered participants of commencement of this review and invite submissions for a period of at least four weeks.
- Publish an issues paper for consultation with stakeholders at the time of notifying stakeholders of the review. This paper should outline the key issues and questions the Panel will consider when determining the Standard.
- If stakeholders have requested a public meeting, notify stakeholders that a public meeting will be held. The Reliability Panel must give reasonable notice of any such meeting (in this case, at least two weeks' notice of the public meeting will be given).
- Publish an interim standard updating relevant elements of the standard to reflect the inclusion of system restoration support services in the definition of SRAS. This interim standard should be published by 2 November 2020.
- If AEMO determines to combine the two existing Queensland sub-networks into a single sub-network:
  - consider publishing a draft report setting out proposed restoration timeframes, levels of restoration and aggregate reliability requirements for a combined Queensland subnetwork. This draft report may be published at the same time as the interim standard.
  - publish a final report and submit this report to the AEMC following consultation on the issues paper or draft report (as applicable). The final report for the review should be published by 31 January 2020.

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<sup>4</sup> CI 8.8.3(d) to (l) of the NER