

Consultation on Reliability Panel's review of the system restart standard

Publication of consultation paper

The Australian Energy Market Commission has issued terms of reference to the Reliability Panel (Panel) to review the system restart standard (the Standard). The Panel has published a consultation paper setting out the key issues and proposed approach to the review and is seeking stakeholder feedback by 18 September 2020.

Background

System Restart Ancillary Services (SRAS) are services that AEMO procures to help re-energise parts of the power system affected by a major supply disruption or black system event. Major supply disruptions and black system events are rare but not impossible events. The most recent black system event was in South Australia in September 2016. Prior to that event, two more have occurred in; northern Queensland in 2009; and New South Wales in 1964. SRAS are provided by facilities that can either self-start without drawing power from the network or support the stable restoration of the power system following its initial re-energisation. AEMO's procurement of SRAS can be likened to an "insurance policy" which minimises the economic disruption arising from a major supply disruption or black system event.

AEMO procures SRAS in accordance with the requirements set out in the Standard, which is determined by the Panel. The Standard provides qualitative guidance on a number of issues relating to SRAS, including the determination of electrical sub-network boundaries and the diversity and strategic location of SRAS sources. The Standard also prescribes quantitative settings applying to AEMO's procurement of SRAS, including the level of restoration, restoration time and required aggregate reliability for SRAS in each sub-network in the NEM.¹

Scope of the review

The Commission's final rule for the System restart services, standards and testing rule change (SRAS rule) required the Panel to review the Standard as soon as practicable to account for changes the final rule made to the SRAS frameworks in the NER.² In particular, the final rule expanded the definition of SRAS to include black start services provided by facilities other than generating units and system restoration support services that support the stable re-energisation of the grid following a major blackout.

In addition to the changes made under the SRAS rule, AEMO is currently considering whether to make changes to the existing electrical sub-network boundaries for Queensland. Specifically, AEMO has published a draft determination to combine the two existing Queensland sub-networks into a single sub-network for SRAS procurement purposes.³ Should AEMO make a final determination to combine the two Queensland sub-

¹ The NEM is divided into sub-networks for the purpose of AEMO's procurement of SRAS. AEMO determines the sub-network boundaries in accordance with guidance set out in the Standard.

² The Commission's SRAS rule was made on 2 April 2020.

³ There are currently two electrical sub-networks for Queensland for the purposes of SRAS: North Queensland and South Queensland. AEMO has responsibility for determining sub-network boundaries under the NER following consultation with stakeholders. For more information on AEMO's draft determination see: <https://aemo.com.au/en/consultations/current-and-closed-consultations/sras-guideline-2020>.

networks, amendments to the quantitative settings for SRAS in Queensland prescribed in the Standard will be required to ensure that the Standard is able to guide AEMO's procurement of SRAS for a single Queensland sub-network in its next procurement round, which is likely to commence for Queensland in early 2021.

In light of the above, the terms of reference issued by the Commission recommend the Panel:

- review the Standard and make any changes necessary to account for the changes to the definition of SRAS made by the SRAS rule
- determine quantitative settings in the Standard for a single Queensland sub-network, should AEMO make a final determination to combine the two existing sub-networks.

Issues for consultation

In relation to the qualitative guidance in the Standard, the Panel is seeking stakeholder feedback on its proposal to remove language that is inappropriate and/or could act as a barrier to AEMO's procurement of restoration support services and SRAS from non-traditional providers.

The Panel is also seeking stakeholder feedback on a number of issues related to the determination of quantitative settings for a single Queensland sub-network. These include:

- whether the approach used by the Panel in its 2016 review of the Standard remains appropriate to determine Standard settings for restoration levels, time frames and aggregate reliability
- how AER's model for estimating the economic costs of Wide Area Long Duration Outages (WALDO) may inform the Panel's assessment
- whether the Standard should expressly address any locational power system needs in the context of a single Queensland sub-network.

Next steps

The Panel invites written submissions on this consultation paper from interested parties by no later than 18 September 2020.

The Panel intends to publish an interim Standard and final report on the changes to the qualitative elements of the Standard to reflect the changes to the definition of SRAS in October 2020. At the same time, the Panel will publish its draft determination on proposed quantitative Standard settings for a combined Queensland sub-network (assuming AEMO makes a final determination to combine the existing sub-networks). A final determination on these quantitative settings will then be published in January 2021, prior to AEMO commencing its next round of SRAS procurement for Queensland.

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