

Our Ref: 13443282
Your Ref: ERC0304
Contact Officer: Chris Ridings
Contact Phone: 08 8213 3487
Date: 7 January 2022

Ms Anna Collyer
Chair - Australian Energy Market Commission
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Ms Collyer,

Enhancing operational resilience in relation to indistinct events – Draft Determination

The Australian Energy Regulator (**AER**) welcomes the opportunity to comment on the Australian Energy Market Commission's (**AEMC**) *Enhancing operational resilience in relation to indistinct events Draft Determination*.

This rule change proposal seeks to introduce a framework for managing indistinct events – which encompass widespread and unpredictable events which may impact multiple assets in the power system to varying degrees.

The widespread and variable nature of these indistinct events has resulted in some uncertainty as to whether they can be addressed under the existing contingency reclassification framework. This issue was noted in our review of the 2016 South Australian black system event.¹ As a result, we support the AEMC's proposed approach that will provide the Australian Energy Market Operator (AEMO) more flexibility to deal with these events, and provide market participants more transparency on how the framework will operate.

We understand that the AEMC intends to adapt the existing contingency event framework to more explicitly capture indistinct events. We suggest that more clarity on the definition of the contingency event framework would be supported by (draft clause 4.2.3(a)(2)) amending it from:

“a sudden and unplanned change to the *loading level of plant*.”

To:

“a **significant**, sudden and unplanned change to the *loading level of plant*.”

Our view is that this may better reflect the intent of the framework to provide AEMO an operational tool to manage system conditions which are not already addressed through other

¹ AER, *The Black System Event Compliance Report*, 2018, p. 190

mechanisms. We consider this change to the draft definition would ensure the proposed framework can continue to be used in rare situations and avoid ambiguity as to what situations this framework could address.

We thank the AEMC for the opportunity to submit on this process. If you have any questions about our submission, please contact Chris Ridings on 08 8213 3487.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'MF', is located below the closing text.

Mark Feather
General Manager, Strategic Policy and Energy Systems Innovation
Australian Energy Regulator