

## TWG Summary

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ERC0304: Enhancing operational resilience in relation to indistinct events Technical Working Group (TWG) 30 November 2021

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### 1. Attendees

- AEMC – Amy Wiech, John Mackay, Clare Stark, Victoria Mollard, Ben Bronneberg, Haven Roche
- AEMO – Louise Thomson, Mark Stedwell, Reena Kwong
- AGL – Kyle Auret
- CS Energy – Henry Gorniak
- MottMac – Stephen Hincliffe
- Shell Energy – Ron Logan
- TasNetworks – Tim Astley

**Apologies:** Chris Ridings (AER)

The views expressed by the AEMC in the meeting and captured in this summary are AEMC staff level views and are not the final decisions of the Commission.

At the start of the meeting the relevant paragraph from the AEMC's competition protocol for the working group was read out. A copy of the of the protocol (attached) was provided to each member of the group prior to the meeting.

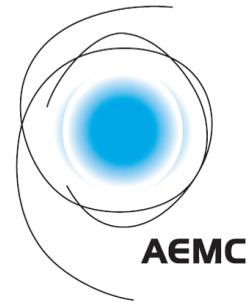
### 2. Framework for managing indistinct events

#### 2.1. *Definition of 'contingency event'*

Members of the TWG generally supported the policy intentions of the proposed changes to the definition of 'contingency event' in the draft rule but raised concerns with some of the wording. In particular, the definition of 'plant' not specifically including connected loads. A member also noted that the term 'loading level' is only used in relation to dispatch with respect to scheduled plants or load in the context of the NER, so there may be a perception that semi or non-scheduled plant would be excluded. Industry stakeholders also raised concerns that the proposed definition focuses on generation and distribution/transmission elements while excluding consumption-side interactions. AEMC staff explained that the intent of the draft rule was to capture both supply and demand-side elements in the new definition, as well as adjusting the use of language around 'plant' and 'load level', but we welcome feedback on this approach. TWG Members also considered the AEMC could consider introducing the word 'significant' to indicate that it is meaningful, not trivial changes that AEMO should be managing for.

#### 2.2. *Updates to reclassification criteria and power system operation procedures*

Stakeholders supported the proposed policy approach but had mixed views on the use of targeted, rather than public, consultation for the development of reclassification criteria for indistinct events. Some members suggested that AEMO's initial development of these criteria be publicly consulted on, followed by targeted consultation going forward. Other TWG members noted the AEMC's intention to implement a pragmatic consultation process that draws on existing arrangements in the NER could support targeted consultation. AEMC staff emphasised the intent as set out in the draft determination is to ensure known indistinct events



are captured through the reclassification criteria, with AEMO taking discretionary action only in emergency situations, but feedback on this approach is welcomed. Members of the TWG supported incorporating AEMO's potential actions into the reclassification criteria for indistinct events rather than separating them into the power system operation procedures.

### **2.3. Discretionary mechanism for AEMO**

TWG members supported the proposed mechanism and considered it provided a sensible degree of flexibility for AEMO to manage indistinct events not captured within the reclassification criteria. Although some suggested to emphasise the policy position that this would be an emergency measures, the word 'must' could be inserted before the reference to using existing mechanisms where reasonably practical (NER cl. 4.3.1(j1)). AEMO noted it is important to clarify that the draft determination's reference to 'contingency analysis' is broader than the operator's contingency analysis tool. It was noted by AEMC staff that this feedback was useful and that the use of 'contingency analysis' may not be inappropriate given its specific meaning in the industry context. Alternative framing, such as 'contingency risk assessment', may be considered and stakeholder feedback is welcome on this point.

### **2.4. Approach to standing indistinct events**

TWG members supported the proposed approach to leaving the protected events framework (and thereby standing indistinct events) unchanged in the Draft Determination.

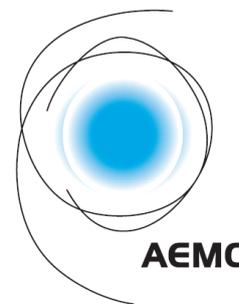
## **3. Governance and transparency**

### **3.1. Expanding the definition of 'Reviewable operating incident' and use of the General Power System Risk Review (GPSRR)**

Generally TWG Members supported the proposed reporting framework. However, they questioned whether the reviewable operating incident was the right spot for reporting on use of the discretionary mechanism. AEMC staff noted that it was consistent with the requirement to report where AEMO's actions had impacted Registered Participants, as well as with the Reliability Panel's work on guidelines for Reviewable Operating Incidents. Some members noted that it was AEMO's monitoring, decisions, and rationale that was important in relation to the discretionary mechanism and that other reporting could capture the impact on the power system. AEMO proposed that reporting on indistinct events and the actions it took to manage them should be included in a reclassification report instead so that stakeholders would be able to easily isolate relevant reports. Whilst supporting the AEMC's intentions for additional AEMO reporting on its discretionary management of indistinct events as set out in the draft determination, industry stakeholders agreed that bespoke reporting might better meet stakeholder requirements. They suggested alternative reporting could be considered to provide the desired transparency around AEMO's ex-ante actions taken in response to indistinct events, offering the market a clear rationale behind what risks to the power system they observed, how they managed it and why. There was strong support from most TWG members for these events to be captured through the GPSRR to provide a feedback loop to support the evolution of the reclassification criteria.

### **3.2. Existing reporting requirements**

TWG Members supported expanding existing market notice requirements to include indistinct events. Some noted that this arrangement has been adequate for reclassification events to date and would serve well in informing the market of indistinct events and actions taken to manage them.



### **3.3. *AEMC review of the contingency event framework***

TWG members supported the draft determination committing to an AEMC review of the contingency event framework within five years proposed in the Draft Determination. They noted that AEMO would need time to use this framework before a review would be useful and that a flexible timeframe allowed for an earlier review if circumstances required.

### **3.4. *Reliability Panel guidelines***

TWG members supported the adjustment to the Reliability Panel guidelines to proposed in the Draft Determination to clarify that the Reliability Panel can advise on both ex-ante and ex-post management of contingency events.