

Reliability Panel
Australian Energy Market Commission
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6 June 2012

Reliability Panel's review of the guidelines for identifying reviewable operating incidents - AEMC reference REL0048

The private generators operating in the National Electricity Market have established an informal network to deal with issues of common concern. The generators listed on the side-bar welcome the opportunity to make a submission to the Reliability Panel (Panel) on this important matter.

The Panel's issues paper asks stakeholders to respond to a series of questions, and so this submission has been prepared based on the Panel's questions.

Scope of reviewable operating incidents:

1. Is there a need in the market for information on operating incidents that only involve transmission elements with a nominal voltage below 220kV? If so, what are the purpose and benefits?

The Panel has asked stakeholders to comment on the objectives of reviewing operating incidents, noting that the rules do not provide a specific objective. We agree with the statement by the Panel that the objective of operating incident reviews is to promote the secure operation of the power system. We would suggest that the importance of this high-level objective is reinforced by noting the following points:

- Operating incidents can drive the power system to operating points not normally experienced, and therefore provide an ideal learning opportunity to better understand the dynamics and capability of the power system.
- As new plant and equipment is connected to the power system there is a need to continuously measure and understand how the power system characteristics are evolving, and that existing power system security arrangements are still appropriate.
- Power system incidents provide opportunities for assessing compliance of participants, networks and AEMO with market and power system security obligations.
- By their very nature, ancillary services are services that are generally provided during brief periods of system stress. Power system incidents therefore provide an opportunity to assess the adequacy of ancillary service arrangements.

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- Power system incidents provide an opportunity to understand causes of events and review procedures to respond to or prevent recurrence.

The scope of reviewable operating incidents should be linked to the actual or potential power system impact, and the likelihood that valuable lessons are learned to ensure the ongoing secure operation of the power system. Whilst it is generally true that incidents involving higher voltage assets have a greater impact, it is also true that some important incidents do not directly involve equipment at 220 kV and above.

The existing Rule 4.8.15(a)(1)(i) already limits reporting to the *transmission system* which by current rule definitions is limited to 220 kV plus parts of the network between 66 and 220 kV in parallel which supports the higher voltage transmission network. This seems to provide a reasonable threshold by recognising that some lower voltage assets can provide important support to the 220 kV network.

2. Is information on low voltage incidents currently available anywhere other than in AEMO operating incident reports?

Whilst it may be the case that TNSPs currently prepare reports on some network events below 220 kV under the terms of their connection agreements, these reports are not provided to all industry stakeholders. If the proposal is that TNSPs perform the task of preparing operating incident reports on lower voltage assets, then it will be important that such reports are made available to all industry stakeholders, and that their scope and detail is at least consistent with the level of reporting currently carried out by AEMO.

Low voltage incidents interrupting load or generation

1. Should AEMO be required to review and report on incidents where there is load or generation interruption, regardless of the nominal voltage of the transmission infrastructure affected?

2. If so, should there be a reporting threshold for the level of load or generation interrupted and what factors would need to be considered in setting the threshold?

Whilst all power system incidents potentially provide some valuable insights into power system operation, it is acknowledged that there is a cost associated with the investigation and reporting process, and therefore a scaled approach would seem appropriate. As an example of how a scaled approach might work, the following suggestion is offered:

- For incidents involving load or generation loss below 5 MW, then a very basic report is provided (e.g. the current AEMO irregularity report would be sufficient).
- For incidents involving load or generation loss between 5 and 30 MW, a slightly more detailed investigation into the cause and possible recommendations would be made. A report would then be provided in a simplified and standardised format to minimise effort in report preparation.
- For incidents involving load or generation loss above 30 MW, a more detailed investigation and report similar to current operating incident reports would be provided.
- All reports should be included in a power system incident register to maintain convenient historical record of all power system incidents.

Efficiency of operating incident reporting

1. What are the costs and benefits of the existing arrangements for AEMO's operating incident investigations and reports?

2. Is there currently a duplication of effort between AEMO and TNSPs reporting on low voltage incidents?

3. What kind of reports do TNSPs provide to market participants on low voltage incidents?

It is recognised that there are industry costs associated with the preparation and publication of power system incident reports. However, as set out earlier in this submission, we believe that the potential value of these incident reports is high, and furthermore, a decision to limit the scope of incident reporting carries a risk that important lessons will be missed, and the power system operation might drift into insecure territory.

The suggested scaled approach outlined above is thought to provide a good balance between ensuring that the value of incident investigation is obtained with a view to efficiency of effort and cost.

It is difficult to comment on any duplication of incident reporting between the TNSPs and AEMO, as the TNSP reports are not visible to most participants. We are not aware of any reports currently provided by TNSPs to the industry on low voltage incidents, although it is understood that TNSPs do provide input into some of the AEMO incident reports.

Minor amendments

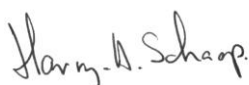
1. Are there any objections to the Panel adopting these minor amendments?

2. Are other minor amendments to the guidelines required?

We have no objection to the minor amendments proposed by the Panel.

Should you wish to discuss this submission further, please do not hesitate to contact Chris Deague on 03 9617 8331.

Yours sincerely



Dr Harry Schaap
(on behalf of the listed generators)