Reliability Panel
AEMC

Public meeting – draft report, review of the template for generator compliance programs

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Notes from the meeting
Teleconference
10:30 AM (Sydney time), 16 May 2012

Organisation	Participant
AEMO	Garth Gum Gee
AER	Mark Wilson
AGL	Marissa McCauley
AGL	Darren Hunt
Delta Electricity	Simon Bolt
Eraring and NGF	Methsiri Aratchige
Eraring	Peter Lyons
SKM	Keith Frearson
SKM	Alan Peiniger
Snowy Hydro	Jennifer Sai
Macquarie Generation	Justin Bryde

Panel Members
Neville Henderson
Mark Grenning
Tim O'Grady
Nick Sankey
Stephen Orr
Andrew Nance
Trevor Armstrong
Chris Murphy
AEMC Staff
Anita Lai
Skye d'Almeida

1. Introduction

The Reliability Panel Chairman, Neville Henderson, welcomed participants to the public meeting held by teleconference. Mr Henderson set out the purpose of the meeting to discuss the Panel's review of the template for generator compliance programs and comments raised by stakeholders.

2. Template history and purpose

Mr Henderson provided background on how the template had been developed following the AEMC review of technical standards in 2006 and a subsequent rule change proposed by the National Generators Forum in 2008. The Panel undertook extensive consultation to establish the template in 2009.

The template's objectives include assisting generators in developing compliance programs and assisting the AER in monitoring and enforcing compliance. Mr Henderson noted that a key principle in designing the template was to ensure it was flexible enough to allow generators to develop compliance programs suited to their business and plant needs – there is no expectation for generators to follow the template to the letter.

3. Progress of the review to date

Anita Lai (AEMC) gave an overview of the Panel's review process. Ms Lai explained that the rules require the template to be reviewed every three years form its introduction and that the AEMC had provided terms of reference to the Panel requiring the review to be completed by the end of July 2012.

Ms Lai noted there were four submissions on the issues paper, which was published on 21 December 2011. Ms Lai discussed how the Panel addressed the issues raised in its draft report, published on 28 March 2012. This included clarifying whether tests apply to asynchronous or synchronous generation, clarifying that the frequency of conducting tests outlined in the table are 'suggested' frequencies and updating some of the headings and general formatting to improve readability.

4. Discussion

Skye d'Almeida (AEMC) set out four topics for discussion that related to issues raised by Delta Electricity in their submission to the draft report, which was the only submission received. The four topics were: 1) the level of prescription in the template; 2) specific changes to the template; 3) the ease of use of the template; and 4) potential work for future reviews. Ms d'Almeida noted that the Panel was considering all issues raised in Delta's submission but was focussing on the four topics during the public meeting to gain broader stakeholder views on these particular issues.

5. Discussion topic 1 – level of prescription in the template

Ms d'Almeida noted that Delta's submission made a series of suggestions that relate to the level of prescription in the template. Mr Henderson noted the template needs to provide enough guidance to generators and the AER, while maintaining an appropriate level of flexibility to address differences between generators.

Mr Henderson asked Mark Wilson (AER) to provide an overview of their audit process. Mr Wilson noted the AER focusses on the overall compliance approach and has audited eight generators across the NEM to date. Mr Wilson explained that each generator has a different approach to compliance, which reflects the specific requirements of each individual plant or business. Mr Wilson also provided a brief overview of the audit process the AER undertakes.

In response to a comment on appropriate testing frequencies, Mr Henderson noted that the draft report included revisions to make clear that the testing frequencies in the template are 'suggested frequencies' and are not rigid requirements.

There was a brief discussion of the intent of the template, with participants commenting on the following issues:

- Whether the template should be considered 'the bare minimum' to meet compliance requirements – for example, to ensure that similar technologies have similar testing frequencies [the topic 2 discussion returned to this point and there were dissenting views – notes for topic 2 refer].
- How the template addresses synchronous and asynchronous generation.
- The way in which the template was developed with nine compliance principles and that it was not intended as a prescriptive set of tests; each generator can apply its own requirements.
- The difficulty of making the template detailed, yet also simple enough to provide flexibility.

- Suggestions that future reviews consider creating separate templates that provided guidance according to the type of plant, the systems, the plant size, and the location.

6. **Discussion topic 2 – specific changes to template provisions**

i. Reactive power capability (Delta submission, page 11)

Participants considered there was merit in adopting Delta's suggestion where the basis for compliance is changed from 'Achieving' to 'Be capable of achieving'. This was to better reflect instances where generators are unable to achieve reactive power requirements due to issues outside of their control, such as network limitations. Mr Wilson noted a generator could potentially conduct the appropriate tests, remedy the issue identified or explored why it couldn't be remedied, and document the reason (e.g. there were network limitations).

Participants discussed Delta's other suggested amendment to this provision to require generators to 'investigate and report any known plant condition that arises that is known to restrict the capability'. Mr Henderson noted this step is required under 4.15(f) of the rules and asked for views on including the suggestion to remind generators of their obligations.

Participants compared Delta's suggestion to other provisions in the template where monitoring is required. There was a brief discussion of internal review and reporting options for compliance operators and external reporting requirements under the rules, where generators have an obligation to inform AEMO of conditions restricting reactive power capability.

Additional suggestions for this provision were offered for the Panel's consideration including:

- adding 'or network condition' to Delta's amendment: 'investigate and report any known plant condition or network condition that arises that is known to restrict the capability'; and
- potentially include a reminder in the template that generators need to revise performance standards if they can't meet the reactive power limit.

Mr Bolt also raised Delta's suggested change to the name of the 'power factor requirements' provision in the table. Participants discussed whether this change was necessary.

ii. Power factor requirements (Delta submission, page 13)

Ms d'Almeida noted this provision relates to the power factor for loads. Delta's submission suggested changing the basis of compliance from 'actual capability be directly demonstrated' to 'Power factor within allowable range/specification' and Mr Henderson noted that this change appears reasonable and is consistent with the rules.

There was a discussion of power factor limits and performance standards, where participants shared their experience with smaller generators and hydro generation. The issue of how prescriptive the template should be was raised again and Mr Wilson noted that he did not consider the template the 'bare minimum' in terms of meeting a plant's compliance requirements. The template is to provide assistance to generators and to help provide generators with a level of assurance that they will meet the compliance requirements.

Mr Henderson summed up the discussion by noting that the materiality of a provision in the template needs to be considered by generators when using the template to develop their compliance programs.

Participants did not have any material concerns with Delta's suggested change to this provision.

iii. Quality of electricity generated (Delta submission, page 13)

Participants discussed whether it was appropriate to remove 'prior to synchronisation' from the description of method one, per Delta's submission. Participants did not have concerns with this amendment to the provision.

iv. Partial load rejection (Delta submission, page 25)

Mr Henderson noted that Delta's suggestion may need modifying due to the fact that high frequency excursions out of the operational frequency tolerance band are uncommon - all of the excursions in the past six years have been due to under-frequency. Mr Wilson noted that generators would be expected to demonstrate that monitoring was occurring on a reasonable basis and agreed that Delta's suggested frequency of testing may not be frequent enough.

7. Improving the usability of the template

Mr Henderson asked for views on Delta's suggestion to provide the template in Word format in addition to PDF; noting that the PDF should remain the reference document. Participants advised that a Word version of the template would be useful.

8. Potential work for future reviews

Ms d'Almeida explained that AEMO and Delta had raised the issue of the commissioning process in their submissions on the issues paper and draft report respectively. Mr Henderson noted that the commissioning process and on-going compliance process involved different requirements and are discrete processes. Under the rules, the template is specifically for meeting the requirements of ongoing compliance.

There was a brief discussion of issues with negotiating performance standards at commissioning and the timing of implementing compliance programs. Participants agreed the process could be improved. It was suggested that wording could be added to the template where any matters identified at commissioning stage should inform compliance programs.

9. Next steps

Ms d'Almeida invited participants to contact her with additional questions or comments. She advised that the Panel would consider all issues raised and noted that the review was due to be finalised by July 2012.

10. Other issues

Participants discussed whether there was a need for greater emphasis in the template on the use of real time monitoring during incidents as a means to demonstrate compliance. For example, where a black start has recently occurred, the generator could use real time performance data during and after the disturbance to demonstrate compliance as opposed to using the modelling tests within the template. The Panel agreed to consider how to address this in the template, noting a number of provisions in the template include performance monitoring.

The Chairman closed the meeting at 11.45 am.