

AEMO publishes preliminary recommendations following the South Australian state-wide power outage

The Australian Energy Market Operator (AEMO) has today published its third incident report into the South Australian (SA) state-wide power outage (referred to as the 'SA region Black System event') that occurred on Wednesday, 28 September 2016.

This report, using collated information as at 7 December 2016, provides a consolidated view of all information published to date, together with further insight into AEMO's pre-event planning and system restart process in South Australia, and power system and market operations during the Market suspension period.

While this report focuses on the specifics of the SA region Black System event, it also highlights a number of challenges and measures relevant to broader considerations of how the changing power system responds to extreme events.

While extreme events will occur from time to time, testing the wider resilience of the grid system, this report outlines for further analysis a number of preliminary recommendations to mitigate the risk of similar major supply disruptions in South Australia.

This third report provides 15 preliminary recommendations with respect to industry's preparation pre-event, actions during the event, the process for restoration, and communication during the market suspension.

Recommendations - pre-event

Power system security will always be our number one focus, and we constantly look to improve our processes to ensure this remains paramount. AEMO recommends establishing additional guidelines and processes for forecasting, assessment, and reclassification decisions for a broader range of extreme weather conditions.

Recommendations - event

These recommendations look at system protection schemes and other measures to minimise the risk of separation at the Heywood Interconnector after a major supply disruption, and to maximise the chances of avoiding a black system if separation occurs.

Recommendations - restoration

System restarts are rare events, and therefore each event represents a valuable learning experience for both AEMO and the industry. Our preliminary recommendations in this report aim to improve the speed of restoration, without increasing risk, should another Black System occur.

Recommendations - market suspension

Operation of the market during extended periods of market suspension revealed a number of challenges that had not been anticipated. Our preliminary recommendations address the need to develop procedures to minimise unintended dispatch and pricing outcomes.

AEMO's investigation has also identified possible improvements to facilitate the conduct of major event investigations in future. Our preliminary recommendations address the need to develop a more structured process to source and capture data after a major event, and better co-ordinate data requests.

Further analysis is required before final recommendations are made following the Black System event in South Australia. Energy and climate policy, consumer preferences, and new technology options are driving the need for long term National Electricity Market wide solutions.

A fourth and final report, expected to be published in March 2017, will provide more detailed information from these investigations, including in regard to generator performance standards. Where these wider investigations indicate changes are required to processes and systems, the March report will outline these final recommendations.

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ABOUT AEMO

AEMO is responsible for operating Australia's largest gas and electricity markets and power systems, including the National Electricity Market and interconnected power system in Australia's eastern and south-eastern seaboard, and the Wholesale Electricity Market and power system in Western Australia.

AEMO also operates the Victorian Declared Wholesale Gas Market and the Victorian gas transmission system; the wholesale gas Short Term Trading Market hubs in Adelaide, Sydney and Brisbane; the Wallumbilla Gas Supply Hub in Queensland; and the Moomba Gas Supply Hub in South Australia.

As Australia's independent energy markets and power systems operator, AEMO provides critical planning, forecasting and power systems security advice and services to deliver energy security for all Australians. For more information, head to www.aemo.com.au