

26/09/2017

Mr Glenn Gillin
Manager Operations Planning
Operations
Australian Energy Market Operator Ltd
GPO Box 2008
Melbourne VIC 3001

By e-mail: stras2018@aemo.com.au

Dear Mr Gillen

System Restart Ancillary Service (SRAS) Draft Determination

TransGrid welcomes the opportunity to be consulted on the SRAS guideline and electrical sub-networks.

Transmission Component Reliability

TransGrid supports the use of quantifiable methods by AEMO when assessing system restart sources. In line with reliability block diagram approach AEMO has proposed in the draft determination, TransGrid is able to provide the probability of failure for plant and equipment which form part of the restoration pathway. In using this data TransGrid provides the following advice:

- Given the small data set for each component, it is suggested that AEMO undertakes sensitivity checks of at least $\pm 25\%$;
- Qualitative assessments should also be considered. As we raised at the third Sydney forum, the extent of inter-organisation communications in a system black situation may impact on the effectiveness and efficiency of a restart source; and
- The probability of failure of system components may materially change over time. We suggest that AEMO should take into account the possible need to revisit the reliability calculations over the SRAS contract life.

Aggregate Reliability

The AEMO examples in the draft determination appear to have adopted a shallow connection policy. That is in the examples provided the connection point and delivery point appear to be at the same substation/switching station.

The Reliability Panel's final determination indicated a requirement for AEMO to consider the following:

...the failure of any single significant transmission element, such as a single line or corridor, that is downstream of the first transmission substation in the restoration path.

TransGrid's understanding is that this implies a deeper set of assets be included in the analysis and could include relevant transmission lines (or lines in a corridor) to a downstream transmission substation. We seek further explanation on how AEMO will implement this requirement.

SRAS Testing Windows

While TransGrid has no objection to the process outlined by AEMO, we would expect an agreed protocol to be in place to support this arrangement. Reserving test windows may impose work restrictions, and TransGrid would expect to work closely with AEMO to ensure the move from test window options to confirmed test window is achieved expeditiously.

We note that during the Sydney forums a number of potential SRAS providers raised a concern with NER clause 5.7.5(a) and the requirement for 15 business days' notice in writing to the TNSP. TransGrid understands their concern as non-compliance with this clause carries a civil penalty. To avoid any uncertainty, we suggest AEMO align its notice period for testing to SRAS providers to align with this clause.

SRAS Test Costs

TransGrid notes AEMO's view on the operation of the AER incentive scheme. However, we would require a written statement from the AER confirming this interpretation. Further, the AER have a history of amending this scheme and this may result in material scheme changes during an SRAS contract period. Given that SRAS testing is a negotiable service, contractually managing this risk using back to back contractual arrangements between TransGrid - SRAS Service Provider- AEMO is the most likely outcome.

We suggest that AEMO should take this into account in when developing the commercial arrangements with SRAS providers.

Determination of Electrical Sub-networks

TransGrid notes that the Reliability panel determined the standard in a manner that mirrors two electrical sub-networks in NSW. Our understanding as to the rationale for this is that the Panel did not have the authority to amend the electrical sub-network.

During the Sydney forum on 27 July 2017 information was forthcoming by one customer Tomago Aluminium, that we believe warranted consideration. TransGrid's understanding was that AEMO would undertake further engagement directly with Tomago to obtain specific quantitative and qualitative information to facilitate an economic and technical appraisal of the restoration of NSW with both one and two electrical sub-networks.

TransGrid is unable to see any evidence of this assessment having been completed. As was noted at the forum, only AEMO appears to have access to the suite of technical and economic information to undertake this analysis.

Should you have any additional queries, please contact Garrie Chubb, Energy Services Manager on (02) 9620 0407 or Garrie.Chubb@TransGrid.com.au.

Yours faithfully



John Howland

Acting Executive Manager Network Planning and Operations