

CONGESTION INFORMATION RESOURCE GUIDELINES

CONSULTATION PAPER

PREPARED BY: Electricity System Operations Planning and Performance

VERSION NO: 1

Final

Version Control

VERSION	DATE	REVISION DESCRIPTION
v1	November 2009	Initial version for the first stage consultation

Table of Contents

1.	BACKGROUND TO MATTER UNDER CONSULTATION	3
2.	MATTERS UNDER CONSULTATION	3
3.	CONGESTION INFORMATION RESOURCE GUIDELINES	4
3.1	Reference point for consultation	5
3.2	Questions for consultation	6
3.3	Intervals for update of CIR content	6
3.4	Questions for consultation	7
4.	ONGOING DEVELOPMENT OF THE CIR	7
4.1	Questions for consultation	8
5.	GLOSSARY AND ABBREVIATIONS	9

1. Background to matter under consultation

In June 2008, the AEMC published the final report of its Congestion Management Review (**the CMR final report**). The CMR final report contained a series of recommended changes to the Rules, one of which was the Exposure Draft National Electricity Amendment (Congestion Information Resource) Rule 2008.

The CMR final report and other associated reports published by the AEMC during its Congestion Management Review provide important background information relevant to this consultation. That material is available on the AEMC website¹.

On 19 February 2009, the AEMC received a Rule change proposal from the MCE in respect of the Congestion Information Resource. The AEMC then commenced a fast tracked Rule change consultation process. Following completion of that consultation, the National Electricity Amendment (Congestion Information Resource Rule) No 16 2009 commenced operation on 1 September 2009. Full details of the Rule change consultation leading to the making of this Rule are also available on the AEMC website. It should be noted that the information published by the AEMC in conjunction with its Congestion Management Review, and with the making of this Rule is relevant background to this consultation.

2. Matters under consultation

The matters under consultation relate to the Congestion Information Resource Guidelines, and are as follows:

- The first congestion information resource guidelines;
- The intervals at which information contained within the congestion information resource will be updated, noting that those intervals will subsequently be included in the spot market timetable; and
- The means by which AEMO proposes to manage the ongoing development of the congestion information resource guidelines, and the congestion information resource.

AEMO's obligation to establish the congestion information resource guidelines, are set out in clause 3.7A of the Rules. The more specific obligations that give rise to this consultation are identified in clauses 3.7A(k)-(m) of the Rules. Those clauses provide:

- (k) AEMO must develop and *publish* guidelines (the *congestion information resource* guidelines) in relation to:
 - (1) the categories of information to be contained in the *congestion information resource* including the source of that information;

¹ See AEMC website at: <http://www.aemc.gov.au/electricity.php?r=20070416.102156>

- (2) the scope and type of information to be provided by *Transmission Network Service Providers* in accordance with paragraphs (n) and (o);
 - (3) the processes to be implemented by *AEMO* to obtain the information from *Transmission Network Service Providers* in accordance with paragraphs (n) and (o);
 - (4) the determination of the intervals for updating and *publishing* the *congestion information resource* under paragraph (e); and
 - (5) the processes to be implemented by *AEMO* for providing *Market Participants* with information under paragraph (g).
- (l) *AEMO* must develop and *publish* the first *congestion information resource guidelines* in accordance with the *Rules consultation procedures* by 1 September 2010 and there must be a set of *congestion information resource guidelines* available and up to date at all times after that date.
 - (m) *AEMO* must amend the *congestion information resource guidelines* in accordance with the *Rules consultation procedures*.

Further to the above, clauses 3.7A(e) and (f) provide that:

- (e) Subject to paragraph (f), *AEMO* must update and *publish* the information contained in the *congestion information resource* (whether in whole or in part) at intervals to be determined by *AEMO* in accordance with the *congestion information resource guidelines*.
- (f) The intervals determined by *AEMO* for updating and *publishing* the *congestion information resource* must be included in the *timetable*.

The intervals at which the information contained in the congestion information resource will be included in this consultation process, and the outcomes will be included in the spot market timetable when the first congestion information resource guidelines are published.

3. Congestion information resource guidelines

Rule 11.30.2(d) requires *AEMO* to publish an Interim Congestion Information Resource (Interim CIR) by 1 March 2010. On 28 October 2009 *AEMO* published the “Guide to the Interim Congestion Information Resource”, (Guide to the Interim CIR)², which contains a structured description of the Interim CIR that is currently being implemented. Therefore, the Guide to the Interim CIR essentially describes the baseline information that will be required

² The Guide to the Interim CIR can be accessed from <http://www.aemo.com.au/electricityops/congestion.html>

to be published under the CIR Guidelines, and provides an appropriate point of reference for this consultation.

On that basis, AEMO is keen to understand what improvements to the Interim CIR stakeholders would like AEMO to put in place through the CIR Guidelines, and the priority of those proposed improvements.

3.1 Reference point for consultation

As noted above, a useful point of reference for this consultation is the Guide to the Interim CIR, which describes the information that will be contained in the Interim CIR. Following is a brief description of that information (for details refer to the related sections in the Guide to the Interim CIR):

- **Policy and Process Documentation:** This section of the interim CIR contains congestion related policies and procedures that are used by AEMO in the management of network congestion. These documents are updated whenever there is a change to the related policy or process. A list of the policies and procedures contained in the interim CIR is set out below:
 - Network & FCAS Constraint Formulation Policy and Constraint Formulation Guidelines
 - Constraint Naming Guidelines
 - FCAS Constraints Guides
 - Dispatch Constraint Violation Penalty Factors
 - Confidence levels, Offsets and Operating Margins
 - Generic Constraints due to Network Limitations Procedure SO_OP3709
 - Over-Constrained Dispatch Process Stage 1 Changes
 - Basslink Energy and FCAS Equations
 - Constraint Guide: Frequently Asked Questions
- **Education Material:** AEMO is considering how elements of the Constraints Management course developed by AEMO can be adapted to become accessible through the CIR. The potential for this to be progressed will be further developed through the future CIR Guidelines. This material will be updated when there is a significant change to the Constraints Management course. AEMO envisages that this would not occur frequently.
- **Network Status and Capability:** This section of the interim CIR contains information relating to physical status of the electricity transmission network, and its capability to

transfer power between network locations. This includes information about the following:

- Network Outage Scheduler (NOS) reports – updated every 4 hours
- Transmission Equipment Ratings (TER) reports – updated when AEMO receives new information from NSPs and loads it into their EMS.
- Planned Network Events reports – published monthly
- **Statistical Reporting Streams:** This section of the interim CIR contains continuous reporting streams that provide stakeholders with specific views of the congestion that are updated regularly through time. These reports aim to provide information at a higher level than that of raw data, so that trends might be revealed in the specific reporting area. These reports include
 - Comparison of Regional and Locational Prices – will be updated quarterly
 - *Interconnector Quarterly Performance Report*
 - *Interconnector Limits for MT PASA – updated as required.*
- **Issues and Transitional Arrangements:** This section contains information on aspects of congestion management that are currently under development or are subject to change.

3.2 Questions for consultation

While not limiting the responses that stakeholders might want to make to this consultation, AEMO is particularly seeking views on the following specific questions in relation to the CIR Guidelines:

- Q1: What additional information do stakeholders consider should be included in the CIR? Provide reasoning for your proposal to assist AEMO in its assessment of outcomes and priorities.
- Q2: Of the congestion related information currently published by AEMO, what information should AEMO stop publishing?

3.3 Intervals for update of CIR content

Rule 3.7A(e) and (f) require that AEMO update the information contained in the CIR at intervals determined by AEMO in accordance with the CIR Guidelines, and that those intervals be included in the spot market timetable.

Clause 3.4.3 of the Rules requires that the spot market timetable be amended by consultation. AEMO is, therefore, going to run a consultation on the spot market timetable concurrently with this consultation to address consequential issues arising out of this

consultation so as to be able to amend the spot market timetable in accordance with the Rules.

This section of the consultation paper relates specifically to the intervals at which information contained in the CIR should be updated (refer to the intervals in section 3.1 above).

In determining the intervals for update, AEMO proposes that the following matters will be taken into account:

- Some information is only updated when an external party provides new information to AEMO (such as Transmission Equipment Ratings). This information will not be included in the Spot Market timetable.
- manual processes are required to update some information (such as Planned Network Events reports)
- existing Rule requirements define minimum times for updates

3.4 Questions for consultation

While not limiting the responses that stakeholders might want to make to this consultation, AEMO is particularly seeking views on the following specific questions in relation to intervals for updating information in the CIR:

- | |
|--|
| <p>Q3: For each item of information identified by AEMO in the Guideline to the Interim CIR, at what intervals should AEMO update that information? Provide reasoning for your position to assist AEMO's assessment.</p> <p>Q4: For each item of additional information that you have sought in response to Q1, at what interval should that information be updated? Provide reasoning for your position to assist AEMO's assessment.</p> |
|--|

4. Ongoing development of the CIR

AEMO is keen to ensure that the CIR is continually developed to match stakeholder needs, and consistent with the requirements of clause 3.7A(d). This will require ongoing engagement between stakeholders and AEMO to identify matters such as:

- what changes stakeholders are seeking to the CIR in the future to include new information, change the intervals of updating information, or remove information that is no longer required;
- assess the viability of proposed changes; and
- identify priorities for future updates, noting that different proposals will translate into projects of differing size and complexity, which will then compete for implementation resources along with other market developments and Rule changes.

To provide a reference point for stakeholder comments on this matter, AEMO is providing the following indicative process as a “strawman” option:

- AEMO could include CIR development as a standing agenda item for meetings of the Dispatch and Pricing Reference Group (DPRG);
- Under that agenda item proposals for change, viability of the proposals, and priorities would be discussed in some detail. AEMO and stakeholder groups would be expected to take action items away for analysis and discussion between meetings.
- Approximately annually, the position of the group would be crystallised for consultation in accordance with Rule 3.7A(d).
- AEMO would carry out the formal stakeholder consultation in accordance with clause 3.7A(d) to determine how the CIR Guidelines should be changed;
- The process would continue on an ongoing basis.

In the development of the CIR there will be a need to strike a balance between the benefits of enhancing the CIR and the costs involved. It is proposed that this would be managed in the following manner.

A release planning strategy similar to that used for MMS and MSATS would be adopted. Under this approach:

- all proposals accepted through the consultation process would be ranked in terms of relative benefit - based upon certain criteria – this ranking would be developed as part of the consultation process.
- the resources required to implement each proposal would be identified. This would include both development costs and ongoing operational costs (including resources required by TNSPs where appropriate)
- the proposals would then be grouped into annual releases according to the ranking and the resources available for each release.

This could well mean that some proposals may take a number of years to implement. If this was considered unacceptable by the proponent then the costs of accelerating this work through increased resources could be identified and a decision made by AEMO in consultation with the DPRG, to determine whether the increased cost required to accelerate the work would be justified

4.1 Questions for consultation

Noting that the above is a “strawman” process only, AEMO is particularly seeking views on the following specific questions in relation to ongoing development of the CIR:

- Q5: What vehicle (e.g. the DPRG or another means) do stakeholders consider to be a suitable means for ongoing engagement with AEMO in respect of the ongoing development of the CIR? Provide reasoning for your position to assist AEMO's assessment.
- Q6: How should AEMO structure and operate the engagement mechanism you have proposed (e.g. frequency of meetings, how should stakeholder representatives be determined, means of interaction)? Provide reasoning for your position to assist AEMO's assessment.

5. Glossary and abbreviations

Following is a glossary of terms and a description of the abbreviations, including acronyms, used in this document.

Note that italicised terms in this document have their meaning as defined in Chapter 10 of the Rules. Capitalised terms bear the meaning given in the table below:

ABBREVIATION OR TERM	DEFINITION
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
CIR	Congestion Information Resource
Guideline to the Interim CIR	A document developed by AEMO to provide users of the interim CIR with a reference that will assist them to identify what information is available, interpret the information and understand how the information has been derived.
Interim CIR	The <i>Interim Congestion Information resource</i> as described in Rule 11.30.2 of the Rules
MCE	Ministerial Council on Energy
NSP	Network Service Provider
Rules	National Electricity Rules
TNSP	Transmission Network Service Provider