

# DIRECTIONS REPORT – QUEENSLAND REGION – 21 MARCH 2010

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FINAL

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## 1 Background

Clause 3.13.6A of the National Electricity Rules (NER) requires AEMO to publish a report as soon as reasonably practical after issuing a direction.

Details of the direction covered in this report are tabled below:

DIRECTION ISSUED	DIRECTION CANCELLED
02:23 hrs, 21 March 2010 (Market Notice 30971 refers)	08:05 hrs, 21 March 2010 (Market Notice 30979 refers)

A copy of clause 3.13.6A is provided in Appendix 1.

## 2 NER Requirements

### 2.1 Directions – clause 3.13.6A(a)

*Circumstances giving rise for the need to direct*

Tropical cyclone Ului crossed the north Queensland coast around 01:30 hrs on 21 March 2010.

At 01:59 hrs 132kV feeder 7125 (Collinsville to Mackay) tripped.

Around 02:00 hrs Queensland TNSP recommended to AEMO that the cyclone posed an increased risk of the simultaneous trip of 275kV feeders 879 and 880 ((Ross to Strathmore). At 02:10 hrs AEMO declared the simultaneous trip of the 275kV feeders 879 and 880 as a credible contingent event and invoked constraint set Q-SMRS\_N-2\_A.(Market Notice 30970 refers).

At 02:15 hrs constraint Q\_RS\_260, which limits the flow from central Queensland to north Queensland to 260MW began to violate.

Following discussions with Registered Participants with available plant in north Queensland, AEMO at 02:23 hrs issued a direction to a Participant to start up one of their available generating units, synchronise and follow dispatch targets so that the power system in north Queensland could be restored to a secure system.

Constraint Q\_RS\_260 ceased violating around 08:00 hrs following which AEMO cancelled the direction at 08:05 hrs.

Intervention pricing was not initiated during the directions.

*Basis for the latest time for issuing the direction and basis on which AEMO determined that a market response would not have avoided the need for the direction.*

With constraint Q\_RS\_260 violating immediate action was required to restore the power system in north Queensland to a secure state.

*Changes to dispatch outcomes due to the direction*

There were no changes to dispatch outcomes. The alternative to issuing the direction would have been to shed load in the local area to an extent equal to the level of required under the direction.

*AEMO's process for issuing directions*

During the direction AEMO followed its Standard Operating Procedures for the management of Directions and Interventions.

*If applicable, the basis on which AEMO did not follow any of the processes set out in clause 4.8 prior to issuing the direction*

Not applicable. AEMO followed the processes in accordance with clause 4.8 of the NER.

*If applicable, the basis on which it was impractical to set spot and ancillary service prices in accordance with clause 3.9.3(b)*

Not applicable. Intervention pricing is subject to a direction at the regional reference node avoiding the need for the direction in question (refer to clauses 3.9.3(b) and (d) of the NER).

*Information regarding any notification from Registered Participants under clause 4.8.9(d) that they would not be able to comply with the direction*

No information was received from Registered Participants indicating that they would not be able to comply with the direction.

*Details of the adequacy and effectiveness of responses to inquiries under clause 4.8.5A(d)*

As there was an immediate need for action, AEMO did not request information with respect to the latest time for intervention.

## **2.2 Compensation – clause 3.13.6A(b)**

AEMO Communication No. 277 advised Registered Participants, the direction of 21 March 2010 was considered by AEMO as being a direction for ‘Other Service - Network Support’.

Compensation for the direction will be determined pursuant to clause 3.15.7A of the NER.

In accordance with clause 3.15.7A(e), compensation will be determined by applying the Fair Payment Price methodology detailed in the Independent Report titled “Independent Expert Report for Directions in Queensland and Victoria” published on AEMO’s website on 18 August 2009.

## APPENDIX 1

### National Electricity Rules

#### 3.13.6A – Report by AEMO

- (a) AEMO must, as soon as reasonably practical after issuing a *direction*, *publish* a report outlining:
- (1) the circumstances giving rise to the need for the *direction*;
  - (2) the basis on which it determined the latest time for that *direction* and on what basis that it determined that a *market* response would not have avoided the need for the *direction*;
  - (3) details of the changes in *dispatch* outcomes due to the *direction*;
  - (4) the processes implemented by AEMO to issue the *direction*;
  - (5) if applicable, the basis upon which AEMO did not follow any or all of the processes set out in rule 4.8 either in whole or in part prior to the issuance of the *direction*;
  - (6) if applicable, the basis upon which AEMO considered it impractical to set *spot prices* and *ancillary service prices* in accordance with clause 3.9.3(b);
  - (7) details of the adequacy and effectiveness of responses to inquiries made by AEMO under clause 4.8.5A(d); and
  - (8) information regarding any notification by a *Registered Participant* that it will not be able to comply with a *direction* under clause 4.8.9(d).
- (b) As soon as reasonably practical after AEMO has, in accordance with clause 3.15.10C, included the amount arising from a *direction* in a settlement statement provided under clause 3.15.15, AEMO must publish details of:
- (1) the *compensation recovery amount* arising from the *direction* as calculated under clause 3.15.8(a) for the period of the *direction*;
  - (2) details of the calculation of the regional benefit determined under clause 3.15.8(b1); and
  - (3) a breakdown of the compensation recovery amount by each category of Registered Participant, as determined by AEMO, in each region.