

25 September 2017

By electronic submission to [SRAS2018@aemo.com.au](mailto:SRAS2018@aemo.com.au)

Australian Energy Market Operator  
Level 22, 530 Collins Street  
Melbourne VIC 3000

Dear AEMO

### **Second Stage System Restart Ancillary Services (SRAS) Guideline Consultation**

Hydro Tasmania appreciates the opportunity to make a submission to the Australian Energy Market Operator (AEMO) in relation to the SRAS guideline, electrical sub-network boundaries, and NSCAS tender guidelines (Guidelines).

#### **Individual Reliability**

Hydro Tasmania supports AEMO's move to add redundancy and operational reliability factors for addressing 'single point[s] of failure' when considering individual reliability of SRAS sources. These additional factors can only add to the overall surety that the SRAS source will respond as anticipated.

Hydro Tasmania strongly agrees with the Energy Networks Australia (ENA) that a clear elucidation of a weighting process to assess individual reliability of potential SRAS providers is required. AEMO's proposed methodology is logical but some form of weighting of increased risk of loss during a system black event should be considered.

#### **Aggregate Reliability**

Hydro Tasmania is pleased AEMO recognises that reliability assessments should be conducted as a whole-of-network exercise. AEMO has stated in its draft report it proposes to include a set of principles for assessment in the Guideline, based on good engineering practice, rather than detailed reliability measures. AEMO has not provided any further detail for comment and the diversity criteria is not adequately covered. Hydro Tasmania echoes ENA's documented request that AEMO must include the ability to restore significant customer load from the SRAS source(s) and not confine the application of the System Restart Standard. ENA continued that it is insufficient for AEMO to procure SRAS sources in a generation-rich area (like the West Coast of Tasmania for example) with the ability to meet the standard, if that generation cannot facilitate power system restoration because of vulnerable transmission corridors, like the Tasmanian North-South corridor, which connect major load centres. Whilst there is little detail to evaluate based on AEMO's general approach there appears to be little particular consideration of path diversity other than standard reliability calculations. Hydro Tasmania again requests that AEMO include the specific criteria they are

considering for evaluating these diversity and strategic locational risks including considering weighting factors as suggested above.

### **Testing**

Hydro Tasmania supports AEMO in its endeavours to improve testing and fully appreciates AEMO's position for proposing a 5 day notice period and does not seek any special SRAS provider's convenience. Hydro Tasmania does however seek further documented comfort from AEMO that industry's concerns in relation to market price events and the like are separately identified (along with the other factors already identified). AEMO providing certainty and comfort to providers around market risks may result in reduced cost of testing.

### **Modelling and Assessment**

Hydro Tasmania is confident it can and has accommodated AEMO's ongoing Generator Performance Standard data requirements. In terms of the assessment process, similar to others we believe AEMO's assessment appears to be highly theoretical and takes little account of operational contingencies and thus is over-optimistic. We reiterate Snowy Hydro's comments and the Reliability Panel's recommendations that AEMO increase its engagement with network service providers in its procurement of SRAS.

### **Procurement Process**

Hydro Tasmania notes AEMO's comments that any potential provider is free to approach AEMO at any time, and AEMO would request the data necessary to assess its SRAS potential. This would indicate a level of flexibility AEMO may have when procuring SRAS. Hydro Tasmania would like to clarify further the level of flexibility AEMO has, or will be willing to demonstrate as the entitled entity under clause 6.5(c), during negotiations. Hydro Tasmania would like AEMO to be able to engage with it in innovative ways to find the best possible solution not only to satisfy the National Electricity Rules objective but also to mitigate identified Tasmanian system restart risks.

### **Determination of Electrical Sub-Networks**

Hydro Tasmania believes AEMO is well aware of our position concerning sub-networks in Tasmania and appreciates AEMO working with the local transmission network service provider to address the risk of the North-South transmission corridor separation. Hydro Tasmania believes that this risk should be a critical consideration as part of AEMO's upcoming SRAS procurement process and associated aggregate reliability assessments.

Yours sincerely,



Allan Jones  
Manager Spot Market & Operations  
m +61 417 156 119  
e allan.jones@hydro.com.au