

## OUTCOME OF 2016 REVIEW OF TOLERANCE RANGES

### 1. Background

In accordance with clauses 2.13.6D and 2.13.6E of the Wholesale Electricity Market Rules, System Management may determine the Tolerance Range and Facility Tolerance Range<sup>1</sup> to apply to Facilities for the purpose of System Management's reporting of alleged breaches of clauses 3.21 and 7.10.1 concerning Forced Outages and compliance with Dispatch Instructions under clause 2.13.6A.

Since 1 July 2012 System Management has applied a Tolerance Range derived from monitoring methodologies present in the National Electricity Market. There has been no change to the Tolerance Range since it was first applied. For more information regarding the initial setting of the Tolerance Range formula please visit: <http://wa.aemo.com.au/home/electricity/market-information/tolerance-ranges>.

During the 2015 review of the Tolerance Range, a submission was received from Collgar Wind Farm requesting that a Facility Tolerance Range be applied to its Facility, INVESTEC\_COLLGAR\_WF1, pursuant to clause 2.13.6E of the Market Rules. A Facility Tolerance Range of +6MW for INVESTEC\_COLLGAR\_WF1 was granted as it is consistent with the Tolerance Range applied to Scheduled Generators, in so far as it is equivalent to the minimum tolerance applicable to those Facilities and is also consistent with the Settlement Tolerance applied under clause 6.17.9 of the WEM Rules.

### 2. 2016 Annual Review

Clause 2.13.6G of the Market Rules requires System Management to review the Tolerance Range and any Facility Tolerance Range at least annually.

The consultation period for the 2016 Tolerance Range and Facility Tolerance Range review commenced on 14 April 2016 and concluded on 27 May 2016. Invitations for submissions were published on the AEMO website at <http://wa.aemo.com.au/home/electricity/consultations/system-management-2016-review-of-proposed-tolerance-range-and-facility-tolerance-range> and through Rules Watch. No submissions were received.

Given the absence of any issues being raised and in light of the ongoing Electricity Market Review and its proposed reforms, System Management is not proposing to change the current Tolerance Range formula or Facility Tolerance Range for 2016/17.

### 3. Tolerance Range and Facility Tolerance Range to apply from 1 July 2016

The Tolerance Range to apply from 1 July 2016 will continue to be calculated with the following formula:

$$\text{Tolerance Range} = (+/-) \text{MAX}(6, \text{MIN}[5\% \text{NPC}, 4 * \text{ROC}])$$

Where:

**NPC:** Name plate capacity of the generator, expressed in MW (Market Rules Appendix 1(b)(ii))

**ROC:** Rate of Change or Ramp Rate of a Unit per minute (Market Rules Appendix 1(b)(v))

The +6MW Facility Tolerance Range for INVESTEC\_COLLGAR\_WF1 will continue to apply from 1 July 2016.

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<sup>1</sup> A Facility Tolerance Range applies to an individual Facility in place of any Tolerance Range.