



System Management

Procedure Change Report
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INTRODUCTION

This document is the Procedure Change Report for System Management proposed amendments to the Power System Operating Procedure: Dispatch.

- This proposal was first published on the IMO website on 27 November 2009.
- A request for submissions to the proposal was published on 30 November 2009 with a deadline of 30 December 2009.
- This Procedure Change Report is submitted to the IMO for publication on 4 January 2010.
- This proposed amended procedure is to commence at 8 am on 1 March 2010.
- Commencement is pending approval by the IMO. Market Rule 2.10.14 requires the IMO to make its decision within 10 Business days of this Report being published.

THE WORDING OF THE AMENDMENT TO THE POWER SYSTEM OPERATING PROCEDURE

The amended procedure is attached to this Report.

THE REASON FOR THE AMENDMENT TO THE POWER SYSTEM OPERATING PROCEDURE

Following the conclusion of a previous procedure change process for the Dispatch Power System Operation Procedure on 14 October 2009 [PPCL0013], System Management identified two significant amendments which imposed undesirable implications for Market Participants, System Management and the IMO.

These amendments, which were approved by the IMO to commence on 1 February 2010, have two essential components:

- generation participants are required to conform to a linear trajectory when following a Resource Plan between consecutive Trading Intervals; and
- participants were confined to a 6MW/minute ramp rate for normal operation.

Details of the implications of these changes were fully described in the Procedure Change Proposal [PPCL0014] published by the IMO on 27 November 2009.

Further amendments to the Dispatch Power System Operation Procedure were proposed. These were to require a participant to use “reasonable endeavours” to ramp at a rate that didn’t exceed 6MW/minute (clause 6.1), and to amend clause 13.1 as follows:

13.1 Provision of daily dispatch profile

1. *Operators of Non-EGC Scheduled Generators must use reasonable endeavours to provide System Management their intended dispatch profiles on a minute by minute resolution for each facility by 3pm each Scheduling Day prior to the Trading Day via email to an address nominated by System Management or as otherwise directed.*
2. *When creating an intended dispatch profile Operators of Non-EGC Scheduled Generators must use reasonable endeavours to incorporate a 6MW average ramping limit into the dispatch profiles where operationally possible.*
3. *Operators of Non-EGC Scheduled generators must use reasonable endeavours to adhere to the internal dispatch profile prescribed in subsection (1) & (2) above.*
4. *Furthermore, Operators of Non-EGC Scheduled Generators must use reasonable endeavours to provide System Management early notification (five minutes) of expected deviations from intended dispatch profiles where such deviations exceed 20 MW and timing of 5 minutes, via telephone and then must be logged in SMMITS.*

The subject of this Procedure Change Proposal requires participants to provide System Management with a dispatch profile (on a 1 minute resolution) by 3pm on the Scheduling Day. This will give System Management visibility of intended ramping behaviour to facilitate managing the power system.

These proposed amendments have been subject to formal public consultation, consultation within the System Management Power System Operation Procedure Working Group (constituted under the auspices of the MAC) and with the Independent Market Operator.

THE MARKET ADVISORY COMMITTEE

The Market Advisory Committee (MAC) did not meet regarding this procedure change proposal.

However, the System Management Procedure Change Working Group did discuss the procedure change and made recommendations on 12 November 2009. All recommendations made by the Working Group were adopted.

SUBMISSIONS

System Management received two submissions regarding this procedure, from Landfill Gas and Power and Alinta Sales Pty Ltd.

Landfill Gas and Power submitted:

“LGP supports the procedure change proposal on the grounds that it seeks to correct an oversight in a recently instituted procedure change that would

otherwise place unreasonable restrictions on Market Participants and unreasonable monitoring obligations on System Management.

LGP is not itself impacted by the proposal and accepts in good faith the nominated 6MW per hour average ramp rate and the practicality of the 1 minute generation profile.

We perceive that in clause 13.1.2 the ramping limit should be stated as 6MW per hour.”

System Management notes the view expressed by Landfill Gas and Power. It is not technically or operationally feasible to impose a ramping limit of 6MW per hour in subsection 13.1(2), as this inconsistent with any particular facility's Standing Data may operate to prevent a generator from following its resource plan for any given interval in a Trading Day. System Management has incorporated a time specific MW ramping limit of '6MW per minute' in sub-section 13.1(2) which is consistent with section 6.1 of the Dispatch PSOP. This amendment is illustrated in the following section of this Procedure Change Report.

Alinta Sales Pty Ltd submitted:

“Alinta has been advised by Mitsubishi Heavy Industries and Alstrom that changing the ramping rates of its Pinjarra and Wagerup Facilities would require changing the programming logic as each units' current ramp rate (of 9.4 MW and 8 MW respectively) is 'hardwired'. The information provided to Alinta suggests that the direct cost of making this change is likely to be in the order of \$10,000 to \$20,000 in total.

However, adjusting the programming logic to reflect ramp rates of 6MW for each Facility would also prevent Alinta's Facilities from complying with a request from System Management to ramp up (or down) at higher (or lower) rates.

Alinta notes that its Wagerup Facility operates predominantly as a peaking unit, and it is possible that 'hardwiring' the lower ramp up rate of 6MW may potentially impede the ability of System Management to manage power system reliability and security.

Alinta supports Scheduled Generators (other than Verve Energy) being required to:

- 1. use reasonable endeavours to provide their intended dispatch profiles on a minute by minute resolution by 3pm on each Scheduling Day for the following Trading Day; and*
- 2. notify System Management where deviations from intended dispatch profiles exceed 20MW and 5 minutes.*

However, Alinta is not persuaded that it is either necessary or desirable to require that Market Participants incorporate an average 6 MW ramping rate into their dispatch profile, or to require that reasonable endeavours be used to not exceed a ramp rate of 6MW during normal operation. Instead, Alinta

suggests that it may be preferable to allow the dispatch profile of Market Participants to incorporate the (single) dispatch profile included in a Facility's standing data."

System Management notes the views expressed by Alinta Sales Pty Ltd. The following section of this Procedure Change Report provides System Management's response.

AMENDMENT TO THE POWER SYSTEM OPERATION PROCEDURE FOLLOWING PUBLIC CONSULTATION

System Management has made several amendments to proposed clause 13.1 following the completion of the public submission period, chiefly to address issues raised by Alinta Sales Pty Ltd.

In order to assist in the maintenance of system security, System Management requires not just visibility of a participant's ramping behaviour, but also the ability to restrict ramping to values which can be accommodated by the system. System Management accepts that it is not appropriate to preclude a participant from ramping at a value in excess of 6MW/minute, but notes that it is appropriate to restrict this to the circumstances now included within section 6.1 of the proposed revised PSOP. Requiring participants to exercise reasonable endeavours to ramp at a rate not exceeding 6MW/minute will facilitate the maintenance of ancillary service standards and aid in retaining a Normal Operating State.

The amended sections are included below. Deleted wording is shown in "strike through" and new wording has been bolded and underlined.

Section 6.1 Standing Data

Market Participants must use reasonable endeavours to not ~~ramp~~ **exceed a** ~~their facility above 6MW per minute~~ **average rate when ramping a Scheduled Generator where this:** ~~during normal operations, unless directed by System Management.~~

- a. **is operationally possible;**
- b. **allows a Market Participant to comply with the Resource Plan for the relevant Trading Day; and**
- c. **would not be inconsistent with the relevant Facility's Standing Data.**

Section 13.1(2) Provision of daily dispatch profile

When creating an intended dispatch profile, operators of Non-EGC Scheduled Generators must use reasonable endeavours to incorporate a 6MW **per minute** average ramping limit into the dispatch profiles where **this:**

- a. **is operationally possible;**
- b. **allows a Market Participant to comply with the Resource Plan for the relevant Trading Day; and**
- c. **would not be inconsistent with the relevant Facility's Standing Data.**

IMPLEMENTATION

Operational

Provision of the dispatch profile referred to in clause 13.1 must be through a secure and reliable medium.

System Management is currently developing an automated system for the provision of a dispatch profile to facilitate control of a particular Market Participant. It is anticipated that this mechanism will be used to assist participants in complying with clause 13.1 of the Procedure.

Before this automated system is completed, participants will be requested to provide the required information in spreadsheet form.

Commencement

System Management recommends this amended procedure commence at 8 am 1 March 2010.

The above date, in System Management's opinion, allows sufficient time after the date of publication of the IMO's approval of the Procedure Change Proposal under clause 2.10.12, for Rule Participants to implement changes required by this Proposal.

Commencement is pending approval by the IMO. Market Rule 2.10.14 requires the IMO to make its decision within 10 Business days of this Report being published. This decision will include the final commencement date.