
**Status Report prepared under
clause 7.12 of the Market Rules by
System Management
1 April 2013 – 30 June 2013**



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1 Introduction

1.1 System Management

Western Power is established under section 4(1)(b) of the *Electricity Corporations Act 2005* and has the functions conferred under section 41 of that act.

Part 9 of the *Electricity Industry Act 2004* makes provision for a wholesale electricity market and provides for the establishment of Market Rules.

Regulation 13 of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* provides that the Market Rules may confer on an entity the function of operating the SWIS in a secure and reliable manner.

Clause 2.2 of the *Wholesale Electricity Market Amending Rules (September 2006)* (**Market Rules**) confers this responsibility upon the segregated (“ring fenced”) business unit of Western Power known as System Management. Amongst these responsibilities, the functions of System Management are to:

- release information required by the Market Rules;
- monitor rule participants compliance with the Market Rules relating to dispatch and power system security and power system reliability; and
- provide regular reports to the IMO and other market participants.

Included in the requirement to monitor and report is this Status Report, described in clause 7.12 of the Market Rules.

1.2 Status Report

Clause 7.12 requires System Management to provide a quarterly report on the performance of the market with respect to the dispatch process. The report must include details of:

- the incidence and extent of issuance of Operating Instructions and Dispatch Instructions;
- the incidence and extent of non-compliance with Operating Instructions and Dispatch Instructions;
- the incidence and reasons for the issuance of Dispatch Instructions to Balancing Facilities Out of Merit, including for the purposes of this clause, issuing Dispatch Orders to the Verve Energy Balancing Portfolio in accordance with clause 7.6.2;
- the incidence and extent of transmission constraints;
- the incidence and extent of shortfalls in Ancillary Services, involuntary curtailment of load, High Risk Operating States and Emergency Operating States;
- the incidence and reasons for the selection and use of LFAS Facilities under clause 7B.3.8.

System Management has prepared this report pursuant to its obligations under clause 7.12 of the Market Rules, for the period 1 April 2013 to 30 June 2013.

Unless otherwise specified, data contained within this report refers to trading dates and not calendar dates.

2 Issuance of Dispatch and Operating Instructions

System Management issued a total of 8,735 Dispatch Instructions to Market Participants during the current reporting period.

On 5 December 2012, as part of the full transition of the Competitive Balancing and Load Following Market, System Management deployed its Real Time Dispatch Engine (RTDE).

The RTDE is an automated system configured to issue pre interval Dispatch Instructions 10 minutes before the interval start. Intra interval Dispatch Instructions may also be issued at 5 minutes past and 15 minutes into an interval with response times of 5 minutes after the issue time. The implementation of the RTDE and corresponding Dispatch cycle has resulted in an increase in volume of Dispatch Instructions being issued since 5 December 2012.

Figure 1 below shows the number of Dispatch Instructions issued by month for the 2012/13 Financial Year.

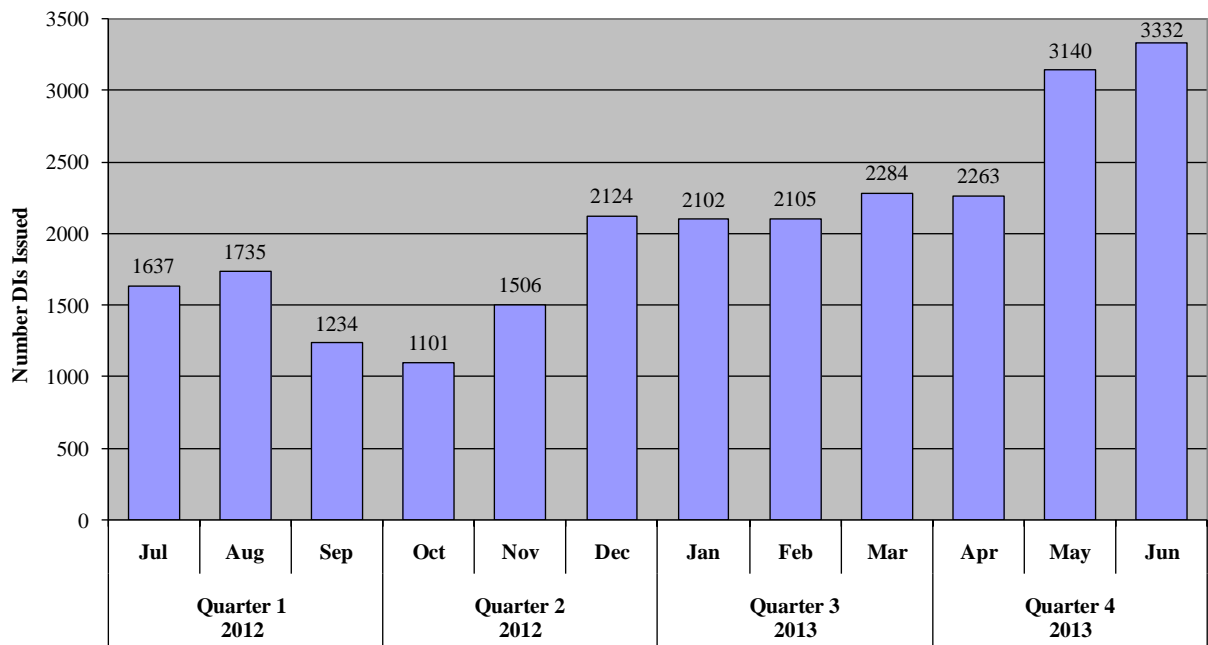


Figure 1: Dispatch Instructions per month for FY13

During the current reporting period, System Management issued a total of 98 Operating Instructions.

Under the Market Rules an Operating Instruction is required for Commissioning and Reserve Capacity Testing.

Figure 2 below shows the number of Operating Instructions issued by month since 1 July 2012 split by Commissioning and Reserve Capacity Testing.

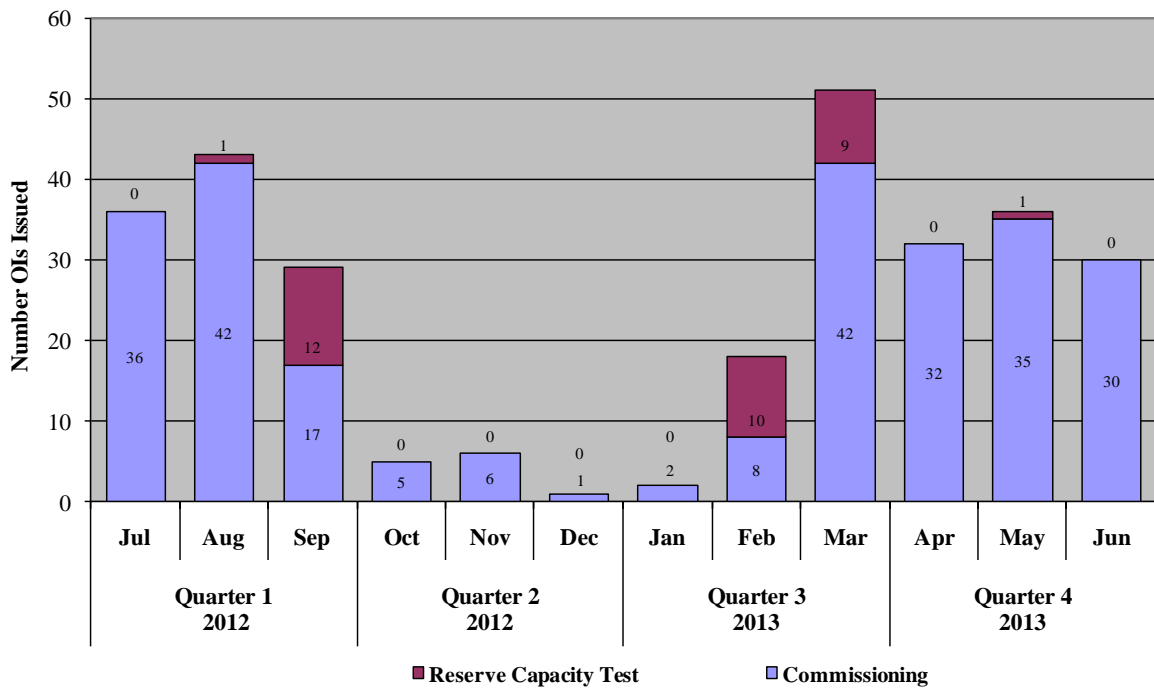


Figure 2: Operating Instructions per month for FY13

3 Non-compliance with Dispatch and Operating Instructions

In the current reporting period System Management reported 595 instances of non-compliance with Dispatch Instructions by a Market Participant at the end of their scheduled interval taking into account the Tolerance Range where applicable.

System Management issued 21,900 one minute non-compliance notifications to Market Participants for non-compliance with Dispatch Instructions during the reporting period taking into account the Tolerance Range where applicable.

There were a total of 651 failures by a Market Participant to acknowledge a Dispatch Instruction through the Market Participant Interface where applicable.

During the reporting period there were a total of 2 failures by a Market Participant to acknowledge an Operating Instruction.

Figure 3¹ below provides historical non-compliance data since 1 July 2012.

¹ The automated DI Compliance Tool for dispatch instruction compliance was deployed in August 2012 (hence no data shown for July 2012). Incremental improvements have been made to this tool since deployment. As a result the figures reported in Figure 3 differ from figures reported in the quarter 1 (July to September) and quarter 2 (November to December) MR 7.12 reports. In particular, data for DI non-acknowledgments for the period September 2012 to January 2013 was unavailable in previous reports but has since been obtained and is now included in this report in Figure 3. In addition, the quarter 1 (July to September) and quarter 2 (November to December) only captured DI non-compliance for scheduled generators. Both scheduled and intermittent generators are now included in the reported data.

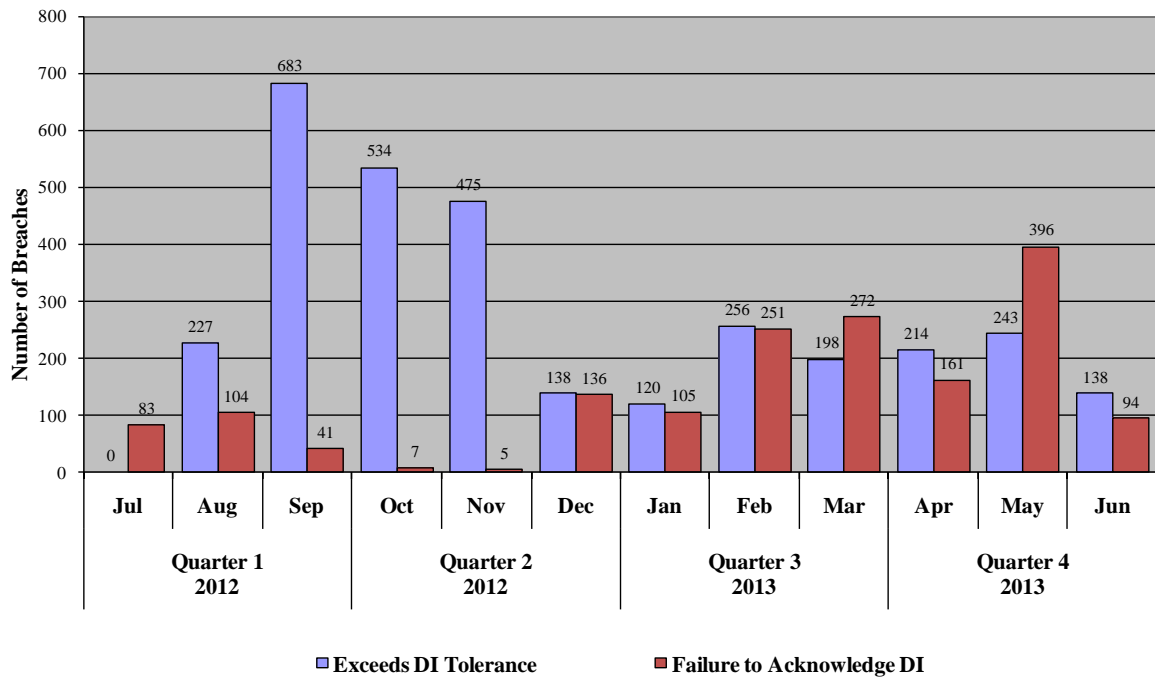


Figure 3: Dispatch Instruction non-compliance notifications (end of interval) and non-acknowledged Dispatch Instructions

4 Issuance of Dispatch Instructions to Balancing Facilities Out of Merit Order

4.1 Out of Merit instances reported to the IMO

During the period System Management reported the following occasions of potential Out of Merit Dispatch to the IMO.

Date	14 May 2013
Interval	16:1
Details	At 4:08pm a Market Participant informed System Management that its Facility was unable to synchronise (and meet its BMO quantity) for the 16:1 interval. System Management entered a corresponding constraint on the Facility in the RTDE. The Facility notified System Management of its return to full availability at 4:47pm. However, the RTDE Facility Constraint was inadvertently left in place. This resulted in an incorrect DI of zero MW being sent to the Facility at 5:30pm rather than the correct DI of 5.2MW.
System Management action	The constraint on the Facility was lifted in the RTDE at 4:16pm and the Facility was dispatched as per the BMO.

Date	6 May 2013
Interval	8:2
Details	At 8:10am an issue with the Corporate PI server caused System Management's RTDE to issue a number of incorrect Dispatch Instructions to Market Participants for interval 8:2. System Management verbally advised the affected Market Participants to remain at their last known Dispatch Instruction. However three Market Participants responded to the incorrect Dispatch Instructions. At 8:35am the PI server issues were resolved.
System Management action	System Management issued verbal Dispatch Instructions to the Market Participants and issued a corresponding Dispatch Advisory notification (DA#2421).

4.2 Other instances of Out of Merit dispatch

Section 5 of this report contains information pertaining to facilities that have been impacted by transmission constraints. Where a transmission constraint reported in section 5 has resulted in a facility/ies being dispatched to a position that differs from the applicable Balancing Merit Order then these instances will constitute Out of Merit dispatch. Dispatch Advisory notifications are released for these transmission constraint related instances.

Section 6 of this report describes occasions of High Risk and Emergency Operating States that have occurred during the reporting period. During elevated Operating States there may be a need to dispatch facilities Out of Merit to return the power system to a Normal Operating State where indicated in the information provided in section 6.

5 Transmission constraints

A "transmission constraint" refers to the configuration of the transmission network that has an effect or potential effect of constraining or otherwise varying the output of a generator. The resultant situation has a generation facility either decrease output, or not increase output as it would if the constraint did not exist.

During the period there were 13 intervals of decreased output due to a transmission constraint on ALINTA_WWF. This was the result of a transmission outage in the North Country Region. System Management issued a Dispatch Advisory to Market Participants corresponding to the constraint.

6 Operating States, Shortfalls in Ancillary Services and Involuntary Curtailment of Load

6.1 High Risk Operating State

Two instances of a High Risk State occurred during the report period.

Date	17 April 2013
Interval/s	7:2
DA Number	DA2301
Details	An issue with the SCADA System was impacting System Management's forecasting system. The published forecast was unable to be used for Dispatch purposes until the issue was resolved.
System Management action	System Management dispatched in line with near real time estimates of actual loads.

Date	5 June 2013
Interval/s	15:2
DA Number	DA2601
Details	SCADA system issues increased the risk of generation facilities to be dispatched up/down to maintain Power System Security and Reliability.
System Management action	System Management issued Dispatch Instructions as per the latest Balancing Merit Order (BMO).

6.2 Emergency Operating State

During the reporting period, there were no instances of Emergency Operating States.

Figure 4 below provides historical data for High Risk and Emergency Operating States that have occurred since 1 July 2012.

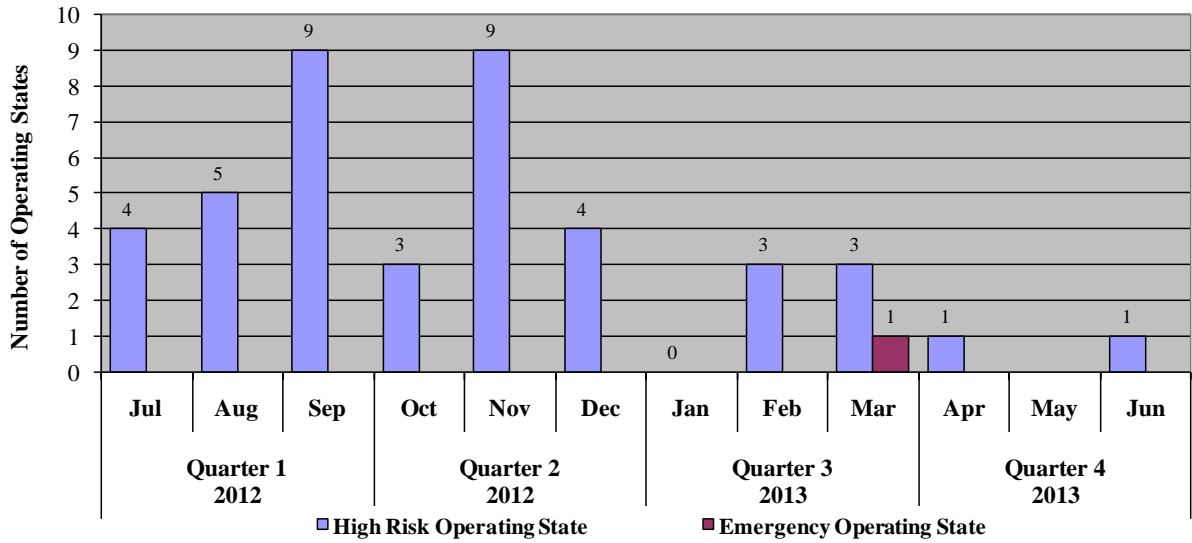


Figure 4: Number of High Risk and Emergency Operating States

6.3 Shortfalls in Ancillary Services

There were no instances of shortfalls in Ancillary Services for the period.

6.4 Involuntary curtailment of load

There were no instances of involuntary curtailment of load.

7 LFAS Facilities out of Merit Order

During the current reporting period there were no incidents where System Management was required to use LFAS Facilities outside of the LFAS Merit Order to operate the SWIS in a reliable and safe manner as per MR7B.3.8.

However, there were two occasions where for other reasons the LFAS Merit Order was not followed:

Date	8 April 2013
Interval	21:1
Details	On 8 April 2013, due to a system issue System Management incorrectly selected a Facility to provide LFAS from 9:00pm. The Facility was not scheduled to commence LFAS until 10:00pm.
System Management actions	Issue was reported to the IMO as per System Management’s compliance reporting procedures.

Date	4 April 2013
Interval	20:1
Details	On 4 April at 8:00pm due to a system issue System Management incorrectly selected a Facility to provide LFAS. The Facility was not scheduled to commence LFAS until 10:00pm.
System Management actions	The Facility was switched out of LFAS mode for intervals 20:2, 21:1 and 21:2. At interval 22:1 the facility was switched back on to LFAS mode. The issue was reported to the IMO as per System Management's compliance reporting procedures.