



Your Ref: Consultation under National Electricity Rules
- Clause 3.11.4

10 July 2020

Planning
Australian Energy Market Operator
Melbourne VIC 3000
Submitted by email to: planning@aemo.com.au

Dear Sir/Madam

Submission: Network Support and Control Ancillary Services Description and Quantity Procedure Amendments

CS Energy welcomes the opportunity to provide a submission on the 2020 Network Support and Control Ancillary Services (**NSCAS**) Description and Quantity Procedure Review Issues Paper (**Issues Paper**).

About CS Energy

CS Energy is a Queensland energy company that generates and sells electricity in the National Electricity Market (**NEM**). CS Energy owns and operates the Kogan Creek and Callide coal-fired power stations. CS Energy sells electricity into the NEM from these power stations, as well as electricity generated by other power stations that CS Energy holds the trading rights to.

CS Energy also operates a retail business, offering retail contracts to large commercial and industrial users in Queensland, and is part of the South-East Queensland retail market through our joint venture with Alinta Energy.

CS Energy is 100 percent owned by the Queensland government.

General comments

CS Energy broadly supports AEMO's proposal to ensure that the NSCAS description and the NSCAS quantity procedures are fit for purpose in anticipation of the significant change in the NEM over the coming five years which will enable AEMO to respond to the changing needs of the power system. Our support is conditional on the provision of timely and transparent information demonstrating justification for AEMO's actions and outcomes arising from this process.

Our detailed comments on the Issues Paper are set out in the Attachment.

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Please contact us if you would like to discuss this submission further.

Yours sincerely

A handwritten signature in black ink, appearing to read 'T. Scott', with a stylized flourish at the end.

Teresa Scott
Market Policy Manager

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ATTACHMENT

1. System security and reliability assessment assumptions

CS Energy is supportive of the AEMO proposal to include in the assessment the ability to restore the network to a secure state within 30 minutes following a credible contingency. It is anticipated that the proposed amendment will significantly reduce the instances of AEMO intervention and instruction to switch transmission lines to maintain a secure network.

2. Increase power transfer capability methodology

CS Energy supports the proposal to allow for flexibility in the methodology to ensure the delivery of relevant analysis that enables the identification of any constraints inhibiting net economic benefits.

3. Modelling assumptions

CS Energy supports AEMO's proposal to adopt high-level modelling principles on the proviso AEMO provide details of the modelling assumptions coupled with an opportunity for Participants to challenge or seek further information on the modelling assumptions. CS Energy notes that AEMO proposes to include any detailed assumptions in the annual NSCAS review.

4. Response to AEMO questions for consultation

CS Energy recognises the changing context for the NSCAS framework but remains unconvinced that the changes justify a change to the NSCAS description at this stage. The proposal does not acknowledge the Energy Security Board (**ESB**) and Australian Energy Market Commission (**AEMC**) workstreams on system services. CS Energy suggests that AEMO consider a change to the NSCAS description following the completion of the ESB and AEMC system services workstreams. Furthermore, there is possibility of conflicting outcomes arising on the appropriate pricing mechanisms for the provision of the system services through real time markets.

The AEMO proposal to include in the NSCAS assessment the ability to return the network to a secure state within 30 minutes following a contingency is supported as it is likely to reduce the number of AEMO interventions in the market.

CS Energy supports the AEMO proposal to extend the suite of constraints to be assessed for determining net market benefit from system normal constraints to relevant constraints that would include constraints for high impact network outages.

CS Energy supports the proposed changes to the modelling assumptions as detailed in Section 4, schedule 1. At this stage we cannot identify any assumptions that should be included or excluded but note that a draft description and quantity procedure will be provided in the Draft Report for further consultation.