



Your Ref: 2023 General Power System Risk Review Approach Paper Consultation
<https://aemo.com.au/consultations/current-and-closed-consultations/general-power-system-risk-review-approach-consultation>

11 October 2022

Australian Energy Market Operator
Submitted via email: gpsrr@aemo.com.au

Dear Madam/Sir

Submission: 2023 General Power System Risk Review Approach Paper (GPSRR Approach paper)

CS Energy welcomes the opportunity to provide a submission to the Australian Energy Market Operator (**AEMO**) consultation on the 2023 General Power System Risk Review Approach (**GPSRR Approach 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 B coal-fired power stations and has a 50% share in the Callide C station (which it also operates). 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.

Key views and feedback

The NEM is changing and will continue to do so as it transitions to a market with more Variable Renewable Energy (**VRE**) and an overall lower carbon footprint. This transition will bring changes in how power system security is managed, and CS Energy thus supports the

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initiative of developing the GPSRR Approach Paper that reflects good electricity industry practice.

AEMO is to be commended in committing to undertake the comprehensive approach and suite of studies detailed in the GPSRR Approach Paper.

Responses to the consultation questions

1. Is it appropriate to apply the 2022 ISP Step Change scenario to assess future power system risks?

CS Energy supports the proposal. While this approach will arguably overstate the potential risk to the power system, the benefits should result in AEMO being at a high level of situational awareness and preparedness with a resultant level of confidence in delivering power system security in the event of an onerous major supply disruption event(s) in the National Electricity Market (NEM).
2. Is the risk assessment approach suitable to apply for future GPSRRs?

Yes, comprehensive and well structured.
3. What are stakeholder views regarding the need for studies associated with Category 2 events as part of the 2023 GPSRR?

Studies associated with Category 2 events are required however there is a need to quantify the examples to conduct the studies. It is assumed that the Category 2 events will incorporate the ERC 0304 Enhancing operational resilience in relation to indistinct events¹ scheduled to take effect on 9 March 2023.

CS Energy is seeking to understand if the following example would be deemed to reside in Category 2 - the loss of normal redundancy levels resulting in a single point of failure that may result in the loss of a multiple unit power station.
4. Category 3 events relate to those where AEMO has identified priority events for detailed analysis. What are stakeholder views regarding the priority events proposed to be considered as part of the 2023 GPSRR, including any proposed changes to the events or the methodology for assessment?

CS Energy supports the proposed approach as it demonstrates high levels of collaboration between AEMO and the TNSP resulting in what appears to be a rigorous risk assessment approach to identify the priority events for detailed analysis.
5. What are stakeholder views regarding the proposed modelling approach for the Category 3 events proposed for assessment in the 2023 GPSRR?

Scenario H3 in Table 6 on page 18, 2023 GPSRR approach paper², refers to the Liddell region. While acknowledging it is an historical study, is it appropriate when the last Liddell PS unit is scheduled to retire in April 2023³ which is prior to the publication of the final 2023 GPSRR report by 31 July 2023?

CS Energy accepts the proposed modelling approach. To deliver an enhanced level of confidence, AEMO is encouraged to develop the means for the provision of all updated models of relevant systems and to minimise the utilisation of assumptions where information is unavailable to ensure enhanced levels of assessment of non-credible risks.

¹ <https://www.aemc.gov.au/sites/default/files/2022-03/Indistinct%20Events%20Information%20Sheet.pdf>

² https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/nem-consultations/2022/general-power-system-risk-review-approach-consultation/2023-gpsrr-approach-paper-for-consultation.pdf?la=en

³ <https://aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-planning-data/generation-information>

6. Does the consultation approach meet stakeholder expectations and how would stakeholders like to engage with the GPSRR?


The proposed approach meets CS Energy expectations. The proposed industry consultation will enable stakeholders to gain insights and assess the potential risk arising from the findings.

Conclusion

CS Energy commends AEMO on its work, both preparing the Approach Paper and engaging with stakeholders.

If you would like to discuss this submission, please contact Henry Gorniak on 0418 380 432 or hgorniak@csenergy.com.au.

Yours sincerely



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