



13 July 2017

Submitted via email: wa.sm.operations@aemo.com.au

Dear AEMO System Management

2017 Annual review of tolerance ranges and request for facility tolerance range

Alinta Energy (**Alinta**) welcomes the opportunity to comment on the Australian Energy Market Operator (**AEMO**) System Management's *Invitation for Submissions: 2017 Annual review of tolerance ranges and request for facility tolerance range (Invitation for Submissions)*.

Alinta understands that the Wholesale Electricity Market Rules (**Market Rules**) allows System Management to determine the Tolerance Range and Facility Tolerance Range to apply to Facilities for the purpose of its reporting of alleged breaches regarding Forced Outages and compliance with Dispatch Instructions.

Alinta notes that System Management has determined that the Tolerance Range (for Scheduled Generators) will be calculated in accordance 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))

Further to this, Alinta notes that historically a general tolerance has not been applied to Non-Scheduled Generators¹. In its invitation for submissions, System Management has stated that this is:

...primarily because these Facilities are usually subject to a maximum Dispatch Instruction, so any output below the target would be considered compliant and there is no need for a downwards tolerance. While a tolerance could be applied for upwards deviations where a Facility was dispatched to a target below its maximum capacity, it was not considered necessary at the time.

There is currently a reasonable number of instances of Non-Scheduled Generation facilities being dispatched to targets below their maximum capacity each year, and that, with the introduction of the Generator Interim Access solution, we would reasonably expect the frequency of this to increase. With this, there would also be a corresponding increase in the reporting requirements for System Management for each and every variance from a Dispatch Instruction.

Given the likelihood that over the coming years Non-Scheduled Generation is likely to be increasingly dispatched to targets below their maximum capacity, Alinta recommends that System Management:

- revisit its position, adopted in 2011, that it is not necessary to apply a general tolerance to all Non Scheduled Generators; and

¹ Collgar Wind Farm and Mumbida Wind Farm have each requested a Facility Tolerance Range. System Management has granted a Facility Tolerance Range for Collgar Wind Farm, and proposes to grant for Mumbida Windfarm, a Facility Tolerance Range of +6MW 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.

- look to amend the general Tolerance Range to include a general tolerance for both Scheduled Generators and Non-Scheduled Generators.

In making these recommendations, Alinta is aware that the establishment of a general Tolerance Range for Non-Scheduled Generation facilities would not alter Market Participants' obligations under the Market Rules, and would not preclude System Management from reporting instances of non-compliance that fall within the Tolerance Range.

If you would like to discuss this submission further, or require additional information, please contact me on either: 08 9486 3009 or Jacinda.papps@alintaenergy.com.au.

Yours sincerely



Jacinda Papps

Manager Wholesale Regulation