

WHOLESALE ELECTRICITY MARKET

Submission to Procedure Change Proposal

AEPC_2019_07 Ancillary Services

Submitted by	
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Submission

Clause 2.10.7 of the Wholesale Electricity Market Rules provides that any person may make a submission for a Procedure Change Proposal (including proposals developed by AEMO, the Economic Regulation Authority or the Rule Change Panel) by completing this Procedure Change Submission form.

Submissions should be provided by email to the nominated contact in the call for submissions published with the Procedure Change Proposal.

Please provide your views on the Procedure Change Proposal, including any objections or suggested revisions

Alinta Energy (**Alinta**) welcomes the opportunity to provide a submission to the Australian Energy Market Operator (**AEMO**) on its *Procedure Change Proposal: AEPC_2019_07 Ancillary Services*.

Steps 2.3.1 and 2.4.1

Alinta suggests that clauses 2.3.1 and 2.4.1 should be amended to reflect that the contracts contemplated in these steps are for a Rule Participant other than Synergy.

Further, consideration should be given to whether steps 2.3.1 and 2.4.1 should also refer to clauses 3.11.8 and 3.11.8A of the Market Rules respectively (in addition to referring to clauses 3.9.3 and 3.9.7 of the Market Rules respectively).

Step 3.2.3

Alinta considers that the certification processes for Ancillary Services where Synergy is not the default provider and are procured under contract (i.e. for Dispatch Support Services and System Restart Ancillary Services) should be the same for all facilities. This ensures that the principles of competitive neutrality are maintained.

Given this, step 3.2.3 should be modified as follows:

3.2.3. AEMO will certify a Facility for a relevant Ancillary Service in step 3.1.2(a):

- a) for Synergy, as part of registering the relevant Facility in accordance with clause 2.29 of the WEM Rules, ~~or~~ as requested by Synergy or as part of establishing an Ancillary Service Contract (if required);
- b) for all other Rule Participants, as part of establishing the agreement or Ancillary Services Contract in step 3.2.2.

Step 3.3.2

Alinta notes that section 3.3 outlines the process for reassessing a Facility's certification to provide Ancillary Services. This includes a process whereby AEMO can suspend or modify a Facility's certification.

While step 3.3.2 includes the requirement for AEMO to act reasonably, Alinta requests AEMO consider further amendments to steps 3.3.2 (b) and (d) to clarify that AEMO would only suspend or modify a Facility's certification where there was evidence of a systemic and or underlying issue preventing that Facility from reliably providing the Ancillary Service as per the suggested amendments below:

- Step 3.3.2(b) Repeated and/or sustained non-conformance with AGC signals.
- Step 3.3.2(d) Repeated and/or sustained non-provision of the Ancillary Service.

Steps 3.3.2 – 3.3.4

Alinta considers that the process outlined in steps 3.3.2 – 3.3.4 requires further clarification. For example:

- Step 3.3.2 refers to "suspend or modify the certification", step 3.3.3 refers to "vary the certification" and step 3.3.4 refers to withdrawing certification following a sustained suspension. Given this, does the reference to "vary" in step 3.3.3 mean both a suspension and a modification of certification or is step 3.3.3 intended to just capture modifications to certification and step 3.3.4 intended to capture suspensions to certification?
- Under this process Alinta assumes that a participant can either provide evidence to AEMO as to why it shouldn't vary its certification and/or remedy the issues that led to the notice of intention to vary a Facility's certification within the time period outlined in step 3.3.3(b) prior to the suspension or modification taking effect. If the participant satisfies AEMO, then the intention to suspend or modify would be lifted. If not, the suspension or modification would be enacted.

Alinta assumes the process under steps 3.3.3 and 3.3.4 is intended to be:

- AEMO provide a participant with notice that it intends to vary (modify or suspend) a Facility's certification with the reasons for that intention.
- The participant has a set period of time to provide evidence to AEMO why it shouldn't vary its certification and/or remedy the issues that led to the notice of intention to vary a Facility's certification.
- AEMO would then decide whether to enact the variation (modify or suspend).
- While modified or suspended a participant would still be able to seek to remedy the situation that led to the variation.
- If a facility was suspended for 30 business days or more without rectification, AEMO would then withdraw its certification.

Alinta requests that AEMO re-draft the process outlined in steps 3.3.2 – 3.3.4.