

WHOLESALE ELECTRICITY MARKET

Submission to Procedure Change Proposal

AEPC_2020_04 Reserve Capacity Testing

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

Synergy welcomes the opportunity to provide feedback on the call for submissions: “Reserve Capacity Testing (AEPC_2020_04)” and wishes to commend AEMO for the improvements observed in the Procedure Change Proposal, including points of clarification and enhanced sequencing of steps.

Further points of consideration have been raised below for AEMO’s review.

Step 2.1.2:

Under section 3.1 of the ‘Procedure Change Proposal AEPC_2020_04’¹, AEMO states that amendments to the Market Procedure include an “added requirement for AEMO to inform Market Participants of the date when Observation Tests should be completed and first Reserve Capacity Tests will be scheduled”.

Synergy recommends that step 2.1.2 should be amended to “must” to align with the intention stated above and notes that the usage of “may” reduces perceived benefits.

2.1.2. Within 10 Business Days of the start of each testing period listed in step 2.1.1 of this Procedure, AEMO ~~must~~**may** determine and notify Market Participants of the date when AEMO will start scheduling Reserve Capacity Tests, which must allow sufficient time to complete all required Reserve Capacity Tests for each testing period.

Step 3.2.4:

Step 3.2.4 requires Market Participants to respond within two Business Days to AEMO’s request for calibration of a Facility’s Temperature Measurement System. However, two business days is insufficient in situations where equipment resides on a third party site (e.g. Western Power) and approval is required from the third party.

Synergy suggests that a more appropriate timeframe would be five business days.

Step 5.2.5:

Synergy considers that there are additional scenarios in which a Reserve Capacity Test should be deemed as an Invalid Test and warrant inclusion in the Market Procedure:

- (a) Instances where System Management incorrectly processed instructions from Synergy which adversely affected the output of the facility; and
- (b) Where output of a generator is reduced in response to an over-frequency event.

¹ See page 6, https://aemo.com.au/-/media/files/stakeholder_consultation/consultations/wa_wem_consultation_documents/2020/aepc-2020-04/procedure-change-proposal-aepc-2020-04.pdf?la=en

Administrative Improvements:

Step 2.1.1:

Synergy suggests the following amendments for consistency throughout the Market Procedure:

2.1.1. AEMO must take steps to verify, in accordance with clause 4.25.2 of the WEM Rules, that each Facility providing Capacity Credits can [clause 4.25.1]:

(a) ~~(i)~~ in the case of a generation system,...

(i) ~~(A)~~ 1 October to 31 March; and

(ii) ~~(B)~~ 1 April to 30 September; and

(b) ~~(ii)~~ in the case of a Demand Side Programme....

Steps 5.2.1(a)(ii) and 5.2.1(b)(i):

Synergy considers that these should be 'or' statements as opposed to 'and' as a Facility can either pass or fail a Reserve Capacity Test but not both.

Step 5.4.1:

Synergy requests that this step be subject to step 5.1.5(c) to account for restrictions imposed by the timeline in clause 4.25.5 of the WEM Rules.

Steps 7.1.2(a)(i) and 7.1.3(a)(i):

Synergy suggests the addition of an "and" at the end of these steps.

Please provide an assessment whether the Procedure Change Proposal is consistent with the Market Objectives and the Wholesale Electricity Market Rules.

Synergy considers that the Market Procedure, if implemented with Synergy's suggested review points, would be consistent with the Wholesale Market Objectives as it provides further clarification of Market Participants' and AEMO's obligations under the WEM Rules.

Please indicate if the Procedure Change Proposal will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

The proposed changes have no foreseeable impacts on Synergy IT and business systems.

Please indicate the time required for your organisation to implement the changes, should they be accepted as proposed.

Synergy is able to implement the proposed changes immediately.