

WHOLESALE ELECTRICITY MARKET

Submission to Procedure Change Proposal

AEPC_2020_01

Revisions to the tie-break methodology

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: “Revisions to the Balancing Merit Order tie-break methodology (AEPC_2020_01)”.

AEMO has proposed the creation of a new category, ‘Minimum Generation Category’ to facilitate the differentiation between energy that can be curtailed and tranches of energy that are minimum generation quantities for Facilities. In low demand scenarios, Facilities with these minimum generation tranches will be curtailed after other energy tranches at the same price, reducing risks associated with the de-synchronisation of these Facilities.

Synergy does not consider the addition of this new tranche to be a significant departure to current practises and agrees with AEMO that these changes will better assist System Management in managing Power System Security during periods of low demand by minimising the risk of de-synchronisation of large-scale generation.

However, under step 4.2.4 of the Balancing Market Forecast Procedure, the proposed methodology continues to apply a random number to each Facility to determine the priority for decommitment within each tranche. Synergy notes that during periods of low demand, the risk of out of merit dispatch still exists if a large Scheduled Facility with a long restart time was assigned a high random number and was decommitted, leading to an instantaneous generation shortfall.

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

Inclusion of the new ‘Minimum Generation Category’ during the tie-breaking process means that non-scheduled generation will always be curtailed off prior to scheduled generators.

Although this can be viewed as discriminatory against particular energy options, in conflict with Wholesale Market Objective (c), Synergy considers that any adverse impacts are outweighed by benefits to economic efficiency to the Wholesale Electricity Market (Wholesale Market Objective (a)).

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.

Synergy trading systems will need to be updated to accommodate the new ‘Minimum Generation Category’.

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

Synergy estimates that system changes to enable the efficient application of the proposed changes can be completed by 1 July 2020.