

MINUTES

MEETING: AEMO Procedure Change Working Group
 DATE: Thursday, 2 May 2019
 TIME: 9.30 – 11.00am
 LOCATION: AEMO Perth Office, Level 45, Central Park, 152 – 158 St Georges Terrace, PERTH

ATTENDEES:

NAME	COMPANY / DEPARTMENT
Greg Ruthven	AEMO - Chair
Jason Hart	AEMO
Kaye Anderson	AEMO
Matthew Fairclough	AEMO
Michael Dalton	AEMO
Rebecca Petchey	AEMO
Rick Dolling	AEMO
Vinay Chandrasekaran	AEMO
Adam Stephen	Alinta
Kirk Reeve	Alinta
Scott Davis	Australian Energy Council
Paul Arias	Bluewaters
Bindi Shah	Collgar
Wendy Ng	ERM Power
Chayan Gunendran	Kleenheat
Timothy Edwards	Metro Power
Vlasta Barac	Metro Power
Erin Stone	Point
Oscar Carlberg	Synergy
Jess Ting	TransAlta Energy
Kei Sukmadjaja	Western Power
Matt Veryard	Western Power

APOLOGIES:

NAME	COMPANY / DEPARTMENT
Rebecca White	Public Utilities Office
Jenny Laidlaw	Rule Change Panel
Paul Myburgh	Synergy
Angelina Cox	Synergy

1. Welcome and Introduction

Greg Ruthven (AEMO) thanked everyone for their attendance and noted that although there were a large number of procedures for review, most of the changes for the individual procedures were fairly small in scope.

As per the explanatory note distributed with the procedures, the main driver for the changes to the procedures was RC_2014_06 Removal of Resource Plans and Dispatchable Loads, as well as some template and administrative changes. More detail was provided around the PSOP: Dispatch, for which the changes are more involved.

2. PSOP: Dispatch

Wendy Ng (ERM Power) noted that explanatory note indicated that some proposed amendments to the procedure related to rule changes that were still in the rule change process and queried why these were being dealt with now.

Matthew Fairclough (AEMO) responded. The PSOP: Dispatch is an extensive procedure that links to various processes including forecasting, dispatch and settlements. Extensive updates to this procedure are required so AEMO has decided to stage the amendments into three phases:

- the current revision to be reviewed in this meeting, addressing general editorial changes that are being dealt with for all procedures; align with some recent rule changes (particularly RC_2014_06: Removal of Resource Plans and Dispatchable Loads); align with the general principles in some upcoming rule changes (such as RC_2018_07: Removal of constrained off compensation for Outages of network equipment, for which the Final Rule Change Report was published after papers were issues for this meeting). Other changes relate to addressing comments from the Market Auditor and other operational matters which we have identified. These have all been summarised in the information provided.
- around September 2019, the back sections of the procedure dealing with administrative and settlement issues (approx. last 15 pages) will be extracted out, revised and updated into a new procedure;
- around January 2020, AEMO will review the rest of the procedure to update and clarify the remaining sections.

Due to the amount to be covered today, and the time restrictions, Mr Fairclough requested participants to focus on the changes being proposed. He welcomed any additional comments but noted that these would not be acted on until the next round of revision, unless there were any material issues identified.

The following issues were identified during section by section review of the amendments:

- **Step 3.1.3(a):** Ms Ng queried the origin of this step. Can AEMO confirm that it creates a Dispatch Plan for each Facility in the Balancing Portfolio? Mr Fairclough confirmed that this was a formalisation of the requirements to provide the information per facility.
- **Steps 3.1.2 and 3.1.5:** Adam Stephen (Alinta) suggested these steps could be combined. AEMO will consider amending the steps.
- **Section 4.5:** Mr Stephen noted that System Management previously issued a direction (when it was part of Western Power) that forecasts of Non-Scheduled Generator output were not required, and to his knowledge this has not been rescinded, so questioned whether this should be acknowledged in the procedure. Mr Fairclough agreed to review the requirement and confirm.
- Mr Stephen also queried if all of **section 4.7** should be moved forward to **section 3**. Mr Fairclough responded that updating the Dispatch Plan has a different timeframe requirement to the creation of the initial Dispatch Plan. Accordingly, section 4.7 has been included separately to section 3. However, AEMO will consider this in future reviews of the procedure.
- **Step 4.8.1:** Mr Fairclough advised that the wording “specified by” in this step would be replaced with the wording “agreed with”.

- **Step 5.4.1(d):** Mr Stephen suggested the wording be updated to align with the final approved drafting from rule change RC_2018_07, now that it has been approved. AEMO agreed to review the step.
- **Step 5.7.2(a):** Ms Ng suggested expanding the phrase “a digital method” to add clarity – “digital methods including Automatic Balancing Control (ABC) and Automatic Generation Control (AGC)”. AEMO agreed to amend this step accordingly.
- **Step 5.9.1:** Mr Stephen suggested updating the terminology for enablement of Facilities providing Load Following Ancillary Service (LFAS) – LFAS Up, LFAS Down. AEMO agreed to amend this step accordingly.

Paul Arias (Bluewaters) enquired whether the sections on Dispatch Advisories that were proposed to be removed would be moved to a separate procedure. Mr Fairclough advised that AEMO considers that the material in the current version of the procedure does not add any obligations in addition to those specified in the WEM Rules and, accordingly, removed the relevant steps in the Procedure. AEMO is happy to publish this information if participants consider it valuable.

3. Market Procedure: Determining Loss Factors

As per the explanatory note, the proposed changes to the Market Procedure: Determining Loss Factors predominantly relate to updates to the Reference Services in Western Power’s fourth access arrangement (AA4), removal of references to Dispatchable Loads to reflect changes required by RC_2014_06 and template updates.

Matt Veryard (Western Power) provided an overview of the updates to Reference Services and why these are no longer specified within the procedure. Previous reference services specified within the procedure were based around the AA3 reference services. AA4 includes a considerably expanded number of reference services, many of which do not relate to loss factor classification. Instead of classifying loss factor codes by reference service, this has been replaced by a classification system where all residential customers are assigned a common DLF code. Western Power will publish in the annual Loss Factor Report the mapping of Reference Services to DLF codes. This approach will mean that the procedure will not need to be updated each time a new reference list is generated.

No issues were identified in the section-by-section review.

4. Market Procedure: Balancing Market Forecast

As per the explanatory note, the proposed amendments are predominantly driven by rule change RC_2014_06, the specification of equations for AEMO’s Spare Capacity forecasts and template updates.

The following issues were identified during section-by-section review of the amendments:

- **Section 1:** Mr Arias identified that throughout the procedure instances of Balancing Quantity had been replaced by ‘quantity’ with a lower case ‘q’, but the term is not defined in the procedure. Suggestion made to add the term into the Glossary table. Ms Ng suggested that if a defined term, the lower case ‘q’ should be changed to upper case. AEMO to review use of terminology.
- **Step 2.2.1(e)(iii):** refers to step ‘0’. Cross referencing needs to be updated. AEMO to review all step references throughout procedure.
- **Step 2.2.2:** remove ‘[’ at end of sentence.

- **Steps 2.3.1 and 2.4.1:** Need to clarify which Power System Operation Procedure is being referred to.
- **Section 2.6:** Step numbering needs updating.
- **Step 2.6.2:** Oscar Carlberg (Synergy) enquired as to the frequency of publication of the Spare Capacity calculation. Rick Dolling (AEMO) responded that this was with each Balancing Forecast, which is issued half-hourly.
- **Step 2.7.1(c):** Mr Stephen noted that “(in its capacity as System Management)” was crossed out in this step but had been inserted in other places. AEMO agreed to review for consistency within the procedure and with other procedures. Ms Ng suggested that this has been discussed in previous forums and the preference was to retain the bracketed “in its capacity as System Management”.
- **Step 2.8.1:** need to correct wording “including the and the” on the second line.

5. Market Procedure: Certification of Reserve Capacity

As per the explanatory note changes to this procedure are driven by RC_2014_06 Removal of Resource Plans and Dispatchable Loads, and template updates.

The following issues were identified during section by section review of the amendments:

- **Step 1.1.1:** suggestions to remove “The Procedure describes the processes that:”, to make the next two sentences separate sub-steps, and to fix grammatical errors.
- **Step 1.1.2:** review consistency of numbering and levels and fix grammatical errors.
- **Section 1.2:** amend the numbering of level 3 headings for consistency with other procedures and consider adding step numbering to text where appropriate.
- **Step 3.1.1:** Mr Stephen suggested adding a line to acknowledge potential timing changes as per step 2.1.1. AEMO agreed to make this change.
- **Step 4.6.4(a):** Mr Stephen noted that “reasons for outages” are noted in SMMITS and queried whether it should be necessary for participants to provide this information again under this step. Rebecca Petchey (AEMO) noted that there may be additional relevant detail beyond what is reported in SMMITS. Given the gravity of the potential AEMO decision to refuse certification based on this information, AEMO considers it should retain the ability to request further information in this step to provide the market participant with an opportunity to provide explanation or additional information.
- **Step 4.6.6(c)(i):** Mr Stephen queried if “specified” should be changed to “required”. Ms Petchey indicated that she believed “specified” to be correct but agreed to check.
- **Step 4.6.7(b)(i):** Numbering consistency to be checked to ensure this aligns with template numbering in other procedures (A-D or 1-4).
- **Step 4.6.8:** Mr Stephen suggested clarifying the timing of the notification. AEMO to update step to refer to notification in step 4.10.1

6. Market Procedure: Balancing Facility Requirements

The following issues were identified during the section-by-section review of the amendments:

- **Step 1.1.5:** Mr Stephen noted that in this instance the bracketed text was “(including in its capacity as System Management)” in contrast with other procedures which

stated did not contain the word 'including'. Suggested review of wording for consistency.

- **Step 4.1.2(a)**: Mr Stephen questioned whether "Outages" should be capitalised, and whether AEMO can clarify the type of outage (generation or network). What type of outage does this apply to? AEMO agreed to clarify.

Mr Arias requested clarification on what was meant by "expected generation". AEMO agreed to clarify.

7. Market Procedure: Settlement

The following issue was identified during the section-by-section review of the amendments:

- **Step 3.4.1(c)**: Update cross reference from Section '0'.

8. Market Procedure: Determination of DSM Dispatch Payment Tranches & Adjustments

No issues were identified during the section-by-section review of changes.

9. Closing

Previously listed on the agenda was the Market Procedure: Data and IT Interface Requirements. Mr Ruthven advised that this had been withdrawn as a review of the head of power clause for that procedure indicated that AEMO is required to document system requirements in the procedure to which the process relates. The current procedure consolidates this information into a single procedure, so this approach is under discussion with the Rule Change Panel.

Mr Ruthven thanked everyone for their attendance and noted that the next meeting had not yet been scheduled.

AEMO anticipates that the PSOP: Dispatch will be released for consultation by 7 May. The remaining procedures are also intended to be released for consultation in the week ending 10 May.