

Wholesale Electricity Market Rule Change Proposal Submission

RC_2013_15: Outage Planning Phase 2 – Outage Process Refinements (Call for Further Submissions)

Submitted by:

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Date submitted:	11 January 2019

Submissions on Rule Change Proposals can be sent by:

Email to: rcp.secretariat@rcpwa.com.au

Post to: Rule Change Panel
 Attn: Executive Officer
 C/o Economic Regulation Authority
 PO Box 8469
 PERTH BC WA 6849

1. Please provide your views on the proposal, including any objections or suggested revisions.

Alinta Energy (**Alinta**) welcomes the opportunity to provide a submission to the Rule Change Panel on its *Call for Further Submissions* for the Rule Change Proposal: *Outage Planning Phase 2 – Outage Process Refinements (RC_2013_15)*.

Alinta confirms that this submission supersedes the submission provided by Alinta on 4 March 2014 as part of the first submission period.

Alinta is supportive of any proposal that aims to reduce complexity and increase flexibility in a process and, in that respect, is broadly supportive of the concepts outlined in the Call for Further Submissions. Alinta considers that the proposed amendments represent a vast improvement over the current process. Furthermore, Alinta commends the consultative process that has been undertaken in developing the proposed amendments.

Alinta's response to each of the Rule Change Panel's questions is provided in the table over the page.

Issue	Question	Alinta Response
Outage obligations for small Scheduled Generators with Capacity Credits	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <ol style="list-style-type: none"> Whether proposed clause 3.18.2(c)(ii) should be further amended to require the inclusion of all Scheduled Generators holding Capacity Credits on the Equipment List, not just those with a nameplate capacity of at least 10 MW. 	<p>Yes - all Scheduled Generators holding Capacity Credits should be included in the Equipment List.</p> <p>Alinta agrees with the Rule Change Panel that any incentive to undertake maintenance on these Facilities at times of peak demand reduces the value of such Facilities as a source of reliable capacity compared with larger Scheduled Generators that need to have their Planned Outages approved by AEMO.</p>
Materiality threshold for non-scheduled generator outages	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <ol style="list-style-type: none"> Whether the obligations on Non-Scheduled Generator Outage Facilities to request or report Outages should be further clarified through the specification of a materiality threshold; and If so, whether a materiality threshold of <i>minimum (0.2 * Facility's nameplate capacity, 6) MW</i> should be adopted, or whether another threshold is preferable. 	<p>Alinta considers that the obligations on Non-Scheduled Generator Outage Facilities to request or report Outages should be further clarified through the specification of a materiality threshold.</p> <p>Individual Wind Turbine Generator (WTGs) outages can occur many times per day, often for very, very short periods. They occur due to the operating protocols within the SCADA systems – where a range of alarms monitor the status of the WTGs. When these alarms experience anything out of the ordinary the WTGs are often automatically powered down until the alarm is either overridden by an operator, or the root-cause returns to within a specified parameter and the WTG is again synchronised. It would be very difficult to report these every day, most of these last less than a trading interval and compared to the discrepancy in the forecast versus actual energy output, they have no materiality.</p> <p>Noting the above, Alinta agrees that there will be “material” outages i.e. infrastructure failures and multiple WTGs which will be unavailable for longer periods and these should be requested and/or reported.</p>

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		<p>Alinta notes that when the proposed materiality threshold was first discussed in the EMOP Consultation Group the largest individual WTG on the system was likely no larger than 2MW and in that respect the proposed materiality threshold seemed appropriate.</p> <p>Individual WTGs are increasing in size and are now between 4 – 6MW each, depending on the technology chosen.</p> <p>Alinta considers that the materiality threshold needs to be addressed within the context of increasing WTG size and that the workload of both Market Participants and AEMO vs the market being aware of such outages needs to be balanced.</p> <p>Alinta suggests that the materiality threshold would be more appropriately set as a percentage of a Facility's Nameplate Capacity only and not an absolute MW value.</p> <p>Alinta considers that the threshold should be at least 10% of a facility's nameplate capacity (i.e. for a 100MW wind farm comprised of twenty 5MW WTGs, this would represent 2 WTGs).</p>
Unavailable Quantity Requirement for Non-Scheduled Generator Balancing Submissions	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>4. Whether there is any need for the proposed requirement to include declared MW quantities of unavailable capacity in Balancing Submissions for Non-Scheduled Generators.</p>	<p>No. If AEMO does not require it then participants should not be required to provide it.</p> <p>Further, Alinta supports aligning the drafting of the clause with the Amending Rules in RC_2014_06. This is particularly important given Alinta has already incurred costs in preparing to implement the Amending Rules in RC_2014_06.</p>
Treatment of scheduled generator capacity without capacity credits	<p>The Rule Change Panel seeks feedback from stakeholders on:</p>	<p>Q5. No</p>

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	<p>5. Whether a Market Generator should be obliged to request or report an outage if it is not undertaking maintenance on its Scheduled Generator but does not wish to offer some or all of the Facility's capacity that is not associated with Capacity Credits into the Balancing Market; and</p> <p>6. Whether AEMO should take generator capacity that is not subject to Capacity Credits into account when determining reserve margins for Medium Term and Short Term PASA studies and evaluating Planned Outage requests.</p>	<p>Q6: Yes</p>
<p>Re-entry to Balancing Market after Planned Outage Recall or Late Rejection.</p>	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>7. Whether AEMO should be allowed, in the event of a late rejection or recall of an approved Planned Outage, to direct the Market Generator to return the relevant capacity to the Balancing Market as soon as practicable, even if this is after Balancing Gate Closure (noting that the Market Generator would not be required to provide any subsequent notification to AEMO to explain the late Balancing Submission).</p>	<p>Yes, AEMO should be allowed, in the event of a late rejection or recall of an approved Planned Outage, to direct the Market Generator to return the relevant capacity to the Balancing Market as soon as practicable, even if this is after Balancing Gate Closure (subject to start up and recall times).</p> <p>Alinta agrees with the sentiment behind not requiring a Market Generator to provide a subsequent notification to AEMO to explain the late Balancing Submission in this circumstance.</p> <p>Noting this, Alinta is concerned that there could be a compliance risk to participants by exempting some late Balancing Submissions from the reporting process. It would be Alinta's preference to provide a notice for all late Balancing Submissions. Given late rejections or recalls of approved Planned Outages are a rare occurrence, the obligation to provide a notice shouldn't represent significant additional impost on Market Participants.</p>

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Commissioning tests and outages	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>8. Details of any stakeholder concerns about the inclusion of a clarification in the proposed Amending Rules for this Rule Change Proposal that a Market Generator may operate its Facility in accordance with an approved Commissioning Test while under a Planned Outage.</p>	<p>Alinta does not have any concerns about the inclusion of a clarification in the proposed Amending Rules for this Rule Change Proposal that a Market Generator may operate its Facility in accordance with an approved Commissioning Test while under a Planned Outage.</p> <p>Noting this, Alinta considers that this should remain a “may” obligation i.e. it’s not a “must” obligation to undertake commissioning under a Planned Outage.</p>
Clarification of requirements for opportunistic maintenance requests	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>9. Whether clause 3.19.2(b)(ii) should be deleted or otherwise amended.</p>	<p>Alinta considers clause 3.19.2(b)(ii) should be deleted.</p>
Deadline for approval or rejection of a scheduled outage	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>10. What deadline should apply to the approval of Scheduled Outages.</p>	<p>Alinta agrees with the proposal that 2:00 PM on TD-2 is an appropriate deadline for AEMO to approve Scheduled Outages (noting that AEMO should still endeavour to provide approval as early as possible).</p> <p>Alinta notes that in recent times AEMO has been providing approval with conditions. This is a concept that is not addressed in the Market Rules at present. Alinta recommends that the rules require the Facility Outages PSOP address the concept of conditional approval.</p>
Clarification of AEMO obligations after approval/rejection of outage	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>11. What, if any, additional prescription or guidance should be included in the Market Rules.</p>	<p>Alinta considers that there is no need for additional prescription or guidance in the Market Rules – the detail in the PSOP is sufficient.</p>
Interpretation of “removal from service”	<p>No specific question.</p>	<p>Alinta strongly supports amending the rules to clarify that relevant capacity is not always required to be available</p>

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<p>Implications of outage plan changes</p>	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>12. What other changes to an Outage Plan or Opportunistic Maintenance request (in addition to the two changes listed in column to the left) should result in the revised outage request being treated as a new request for the purposes of assessment and prioritisation, including for the application of availability declaration requirements, if any.</p>	<p>prior to the start of a planned outage i.e. allowing extensions of planned outages.</p> <p>Alinta notes that the Rule Change Panel is considering limiting the changes that would effectively create a new outage request to:</p> <ul style="list-style-type: none"> • changes to the timing of the outage that shift the outage period beyond its previous boundaries (i.e. so that the outage was to either start earlier or end later than previously); and • a material increase in the quantity of de-rating. <p>Alinta considers that outage plan changes should be considered as new outage requests where they would impact on AEMO's ability to maintain system adequacy rather than boundary changes.</p> <p>Alternatively, the rules should reflect that minor changes in previous boundaries may need to be allowed to avoid perverse consequences, for example where a major Scheduled Outage of a Generator loses its priority in the outage schedule because of a small change to the outage start or end date after the acceptance of the Outage Plan (this is similar to the approach set out in footnote 11).</p>
<p>Nature of the Availability Declaration Requirement</p>	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>13. Whether the changes to the proposed availability requirements for Planned Outages discussed in this section would lead to more efficient outcomes than the requirements proposed in the Rule Change Proposal; and</p>	<p>Yes, the changes to the proposed availability requirements for Planned Outages discussed in this section should lead to more efficient outcomes than the requirements proposed in the Rule Change Proposal.</p> <p>Alinta notes that it would be very difficult to make a good faith declaration that a facility would have otherwise been available for the duration of an outage, particularly when applying for outages months or years in advance.</p>

Issue	Question	Alinta Response
	<p>14. If the changes to the proposed availability requirements for Planned Outages discussed in this section were to be implemented, whether AEMO should be obliged (rather than just allowed) to reject an outage request if it is aware that the relevant capacity would not otherwise be available for the full duration of the outage period.</p>	<p>Alinta is supportive of the intent of the Rule Change Panel's proposed approach which is to restrict a Market Generator from requesting a planned outage if it is aware that the facility would not be available for the full duration of the outage period. However, Alinta would like to assess this more fully once the proposed Amending Rules are available, and as such, reserves its right to make further comment on this issue in a future submission.</p>
<p>Availability declaration timeframes</p>	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>15. Whether the point after which a Scheduled Outage no longer needs to be withdrawn or rejected because it ceases to meet the applicable availability requirement be the point of first acceptance into AEMO's outage schedule or the point at which the Scheduled Outage is approved.</p>	<p>Alinta considers that this should be when it is first accepted into AEMO's Outage schedule.</p>
<p>Ability to Start Work on a Scheduled Outage Early</p>	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>16. Whether the Rule Change Panel should extend the proposed exemption from the availability requirements currently set out in proposed clause 3.19.2D(a) to apply to Planned Outages that immediately follow any Planned Outage of the relevant capacity, not just a Scheduled Outage.</p>	<p>Yes. Alinta is strongly supportive of the rules including the ability to start work on a Scheduled Outage early.</p>

Issue	Question	Alinta Response
<p>Prevention of Disingenuous Planned Outage Requests</p>	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>17. Whether the additional changes discussed in this section provide an appropriate and sufficient safeguard against disingenuous Planned Outage requests where it is likely that the relevant capacity will be unavailable for dispatch if the request is rejected; and</p> <p>18. What principles or guidelines, if any, should be included in the Market Rules to guide AEMO's assessment of evidence that capacity would be able to be made available for dispatch prior to the start of a requested Planned Outage.</p>	<p>Alinta is supportive of the intent of the Rule Change Panel's proposed additional changes. However, Alinta would like to assess this more fully once the proposed Amending Rules are available, and as such, reserves its right to make further comment on this issue in a future submission.</p>
<p>Application of Availability Declaration Requirements to non-Generator Equipment List Facilities</p>	<p>The Rule Change Panel seeks feedback from stakeholders on:</p> <p>19. The extent to which the proposed availability declaration requirements for Scheduled Generators and Non-Scheduled Generators discussed in this section 4.4 should also apply to Planned Outages of other Equipment List Facilities, including items of Network equipment and Registered Facilities subject to an Ancillary Services Contract.</p>	<p>No comment.</p>

Issue	Question	Alinta Response
<p>Additional issue – early return to service following a planned outage</p>	<p>N/a</p>	<p>Alinta considers that if a facility returns to service prior to the end of the Planned Outage then its capacity should be allowed to return to the Balancing Market as soon as available, even if gate closure has already occurred.</p> <p>To this end, Alinta supports ERM's proposal to amend clause 7A.2.8A as part of its submission in the first submission period.</p>