

Minutes

Meeting Title:	RC_2014_03 (Administrative Improvements to the Outage Process) Workshop
Date:	17 January 2018
Time:	10:00 AM – 2:05 PM
Location:	Pods 1 and 2, Albert Facey House 469 Wellington Street, Perth

Attendees	Class	Comment
Jenny Laidlaw	RCP Support	
Sandra Ng Wing Lit	RCP Support	
Jake Flynn	Economic Regulation Authority (ERA)	from 12:35 PM
Matthew Fairclough	Australian Energy Market Operator (AEMO)	
Kang Chew	AEMO	
Chris Wilson	AEMO	
Prem Mahli	AEMO	to 12:05 PM
Nicky Hong	AEMO	to 12:05 PM
Angelina Cox	Synergy	
Wendy Ng	Market Generators (ERM Power)	
Margaret Pyrchla	Western Power	to 12:05 PM
Dean Frost	Western Power	
Ignatius Chin	Bluewaters Power	
Adam Stephen	Bluewaters Power	
Daniel Kurz	Bluewaters Power	
Jacinda Papps	Market Generators (Alinta Energy)	
Sam Lei	Alinta Energy	by phone

Slide	Subject	Action
3	<p>Consequential Outages terminology</p> <p>Most attendees agreed the Market Rules should refer to a Market Participant “requesting” rather than “reporting” a Consequential Outage, as the participant was asking for AEMO’s approval for an Outage to be deemed a Consequential Outage.</p>	

4	<p>Ex-ante Consequential Outages – general principles</p> <p>No concerns were raised regarding the general principles for ex-ante Consequential Outages listed in Slide 4.</p>	
5	<p>Consequential Outages – working assumptions</p> <p>AEMO clarified that a rescheduled Outage was treated by AEMO as a new Outage, except that the linkage to the original Outage was a factor AEMO took into account when prioritising competing Planned Outages under the Market Rules.</p> <p>There was some discussion about when a delay to the start of a triggering outage should require that Outage to be formally delayed/rescheduled, resulting in changes to any associated Consequential Outages. There was general agreement that AEMO should only need to reschedule the triggering outage if the delay was long enough to allow the affected generator(s) to return to service. As this period would depend on the characteristics of the generator(s) involved (e.g. start-up and gate closure times) it was agreed that AEMO should exercise its judgement in these situations, taking the relevant factors into account.</p> <p>Ms Jenny Laidlaw clarified that a Market Generator was not supposed to undertake maintenance while it was on a Consequential Outage. Several attendees agreed on the need to ensure that this obligation is explicit in the Market Rules.</p> <p>Several attendees confirmed that in some (but not all) cases a Consequential Outage might extend past the end of the triggering outage, e.g. where a Facility needed its network connection to be restored before it could commence its start-up.</p>	
6-7	<p>Linking ex-ante Consequential Outage to triggering outage</p> <p>The group discussed several options for establishing a link between an ex-ante Consequential Outage request and the triggering outage, including:</p> <ul style="list-style-type: none"> • whether the Network Operator or AEMO should be responsible for notifying affected participants of a triggering outage; • whether formal notification of affected participants should occur when the triggering outage request is first submitted to AEMO, or when AEMO first accepts/accepts with conditions/approves the triggering outage; • whether Market Participants should be able to request a Consequential Outage before the triggering outage has been accepted/accepted with conditions/approved; and • whether a reference id for the triggering outage should be provided to affected participants, and if so how (and by whom) it should be determined. 	

	<p>No final positions were agreed, although there was general agreement that the MPI Id from SMMITS could provide a suitable reference id.</p> <p>Mr Dean Frost considered it would be reasonable and good practice for Western Power to notify affected Market Participants and provide them with the relevant MPI Id when it submitted a Planned Outage request. Mr Frost noted that most network Planned Outages were requested about six weeks in advance and suggested the Network Operator could be required to notify the affected Market Participants within two Business Days of making the request. Mr Frost noted that this option would not however work for Opportunistic Maintenance requests.</p> <p>Most generator attendees indicated that although they were unlikely to request a Consequential Outage before the triggering outage was accepted/accepted with conditions/approved, it was useful to know when the triggering outage request was submitted.</p> <p>AEMO attendees indicated a preference for the Network Operator to be responsible for notifying affected Market Participants. Mr Matthew Fairclough questioned the need for a reference id.</p> <p>It was noted that the entire process (including the handling of exception cases) needed to be considered in order to determine the most efficient approach.</p>	
<p>8-9</p>	<p>Normal process for ex-ante Consequential Outage</p> <p>Mr Prem Mahli questioned the value of assigning an accepted or accepted with conditions status to a Consequential Outage, and asked whether instead an ex-ante Consequential Outage request could remain in a Submitted status until the triggering outage was approved or rejected. Mr Mahli agreed that AEMO would need to reject Consequential Outages promptly if they were inconsistent with a valid triggering outage.</p> <p>It was noted that if AEMO approves a Consequential Outage in SMMITS then the relevant Market Participant will be notified automatically (as this is an existing feature of SMMITS). Affected Market Participants with Planned Outage requests (or no outage requests) would not be automatically notified by SMMITS, unless the system was modified to do so. There was some discussion about the net benefits of automatically notifying all affected Market Participants when a triggering outage is approved, rejected, etc.</p>	
<p>10</p>	<p>Changes to triggering outage – rejection/withdrawal before approval and cancellation before the start of the triggering outage</p> <p>Rejection before approval: there was general agreement that AEMO should reject any linked Consequential Outages awaiting approval, in which case the relevant Market Participants would be automatically notified by SMMITS. There was also general agreement that this notification should occur as soon as practicable.</p> <p>Cancellation: Mr Matthew Fairclough clarified that if AEMO decides before the start of a triggering outage that the outage cannot</p>	

	<p>proceed, then it will “reject” rather than “cancel” that outage. If a decision is made not to proceed with a triggering outage then AEMO would reject any linked Consequential Outages (and therefore would notify the relevant Market Participants).</p> <p>It was agreed that in some cases the late rejection or withdrawal of a triggering outage could leave a generating unit unavailable for dispatch for some period after the start of its anticipated Consequential Outage. In these situations the Market Generator would need to submit a new Consequential Outage request for the relevant period. It was agreed that the definition of a Consequential Outage will need to be extended to account for these situations.</p>	
<p>11</p>	<p>Changes to triggering outage – reschedule and early finish</p> <p>Reschedule: It was agreed that because a rescheduled outage is treated as a new outage (albeit one with special prioritisation), the simplest approach is for AEMO to reject any Consequential Outages linked to the original triggering outage and notify the affected generators. The generators would need to be promptly notified of the details of the new triggering outage; the generators would then submit a Consequential Outage request for the new triggering outage and, if necessary, an additional Consequential Outage request to cover any unavoidable delay in returning to the Balancing Market. It was noted that the timeframes for a reschedule may be much tighter than for a typical Scheduled Outage.</p> <p>Early finish: There was general agreement that AEMO should promptly notify affected Market Participants if a triggering outage is going to end earlier than originally planned, and that the notification should include the revised end time. Market Generators should be responsible for updating their Consequential Outage records to reflect the change to the triggering outage and ensuring they make their Facilities available as soon as possible. There should be no need for a Market Generator to submit an additional Consequential Outage request in these situations.</p> <p>There was some discussion about potential changes to the Market Rules to allow Market Generators to return to the market earlier in these situations.</p> <p>There was also some discussion about how to treat periods at the end of a triggering outage in which a Market Generator can physically reconnect to the network, but Western Power is still performing tests and so the connection is unreliable. There was general agreement that the Market Generator should not return to service unless it is notified by AEMO that the triggering outage is ending early.</p>	
<p>12</p>	<p>Changes to triggering outage – delayed finish</p> <p>There was general agreement that:</p> <ul style="list-style-type: none"> • if the extension of the triggering outage is covered by another Planned Outage then the normal processes would be followed for the new triggering outage; and 	

	<ul style="list-style-type: none"> • if the extension of the triggering outage was a Forced Outage, then Western Power should be responsible for promptly informing AEMO of the extension (including its estimated end time), and AEMO should then be responsible for promptly notifying the affected Market Generators. Market Generators should be responsible for amending their Balancing Submissions as appropriate and submitting a new Consequential Outage request to cover the extension. <p>There was some discussion about the benefits of promptly notifying Market Participants of triggering outage extensions so that they can make themselves unavailable in the Balancing Market, and so prevent the payment of unwarranted constrained off compensation.</p> <p>Ms Laidlaw noted that if the triggering outage extension is a Forced Outage then an MPI Id may not exist when AEMO notifies the affected Market Participants, and the Market Participants may not have time to log the additional Consequential Outage before the Forced Outage begins.</p> <p>Attendees agreed on the need for a general understanding of how the various notification processes would work before determining deadlines for actions, to ensure that they are set as early as practicable but are fair and achievable at a reasonable cost.</p>	
<p>13</p>	<p>Changes to the triggering outage – straw man variations</p> <p>There was general agreement that AEMO should reject Consequential Outage requests where appropriate but should not be required to create new Consequential Outage requests or amend the times of existing requests. Instead, AEMO will notify the affected Market Participants, who will be responsible for amending their Consequential Outage records and submitting any new requests that are required.</p>	
<p>14</p>	<p>Late notification rules for changes to triggering outage</p> <p>Attendees did not identify any additional factors (apart from reaction time, gate closure time, start-up times and the operational state of the unit at the time of the notification) that should be considered under the late notification rules for Consequential Outages. Mr Chris Wilson noted that these considerations were already covered to some extent in Chapter 7A, in respect of the obligations for Balancing Submissions.</p> <p>There was general agreement that Market Participants should be responsible for determining when they can return to the Balancing Market under the late notification rules, and that it may be helpful for Market Participants to include details of their reasoning in Consequential Outage submissions that relate to late notifications.</p> <p>There was some discussion about the inclusion of start-up times in outage periods for Market Generators. Ms Laidlaw noted that a generating unit returning from a Consequential Outage was not available to the market until it was able to synchronise, but agreed that this needed to be made clear in the Market Rules. Ms Laidlaw</p>	

	<i>proposed to discuss the inclusion of start-up times in outage periods further at the February 2018 MAC meeting.</i>	RCP Support
15	<p>Ex-post Consequential Outages</p> <p>The AEMO attendees agreed that if AEMO rejected an ex-post Consequential Outage request then it should convert the Outage to a Forced Outage in SMMITS. There was general agreement that it should be possible for participants to amend the end time of a Forced or Consequential Outage (subject to appropriate audit controls).</p> <p>Mr Frost noted that currently all Western Power Forced Outage notifications were dealt with within two weeks of their having occurred, and asked whether any changes were proposed to the requirement to provide full and final details of a Forced Outage within 15 days. Ms Laidlaw noted that while she did not know when the matter would be addressed, there was likely to be value in requiring Market Generators to record at least preliminary details of Forced Outages in SMMITS before the current 15 day deadline, to provide greater transparency and improve the accuracy of Outstanding Amount calculations. It was unclear whether similar benefits would apply to earlier logging of network Forced Outages.</p> <p>Mr Daniel Kurz asked whether the opportunity to convert a Forced Outage to a Consequential Outage would remain (i.e. if a Market Generator, after logging the original Forced Outage, became aware that the outage was actually a Consequential Outage). There was some discussion about the implications of supporting this option and other late changes to outage records. <i>Ms Laidlaw proposed to arrange a follow up meeting with AEMO, to discuss the administrative, settlement and prudential implications of changes to Forced and Consequential Outages after their initial lodgement; and the late logging of Forced Outages (i.e. after the 15 day deadline).</i></p>	RCP Support
16	<p>Consequential Outages and Reserve Capacity Tests</p> <p>There was general support from attendees for the proposed approach.</p>	
17	<p>Consequential Outages - Next steps</p> <p><i>Ms Laidlaw advised that RCP Support would send out a reminder for any action items identified during the workshop, and would also arrange any follow up meetings that were needed before the 14 February 2018 MAC meeting.</i></p> <p>Mrs Jacinda Papps asked what aspects of the process were likely to be included in the Market Rules versus the Market Procedures. Ms Laidlaw replied that the intention was to leave as much detail as possible to the Market Procedures, but to specify key deadlines and responsibilities for achieving those deadlines (and providing the necessary audit trail) in the Market Rules.</p> <p>Attendees advised that they would need about two weeks to review a call for further submissions, assuming that it covered concepts but did not include drafting. Attendees also agreed that the second</p>	RCP Support

	submission period may need to be extended, to allow sufficient time for stakeholders to consider the revised drafting for the Rule Change Proposal.	
	Lunch (12:05 – 12:35 PM)	
20-21	<p>Outage quantity reporting – December 2017 MAC straw man</p> <p>No concerns were raised about the proposal to make outage quantity reporting temperature-independent.</p> <p>Attendees agreed that the incremental benefits of the Remaining Available Capacity approach for outage quantity reporting over the straw man approach (de-rating against Maximum Sent Out Capacity) were insufficient to warrant having to implement a new outage system or make far more material changes to SMMITS to implement RC_2014_03, given the high urgency rating of the proposal and the current uncertainties about the scope and timing of future market reforms.</p> <p>There was some discussion about how Maximum Sent Out Capacity should be defined. Ms Laidlaw noted that this Standing Data value would be the MW quantity that a Market Generator needs to cover in its Balancing Submission (even if some of that quantity is usually unavailable); and the maximum available capacity value used by a Market Generator to calculate its outage quantities. <i>Ms Laidlaw asked attendees to email RCP Support their views on how Maximum Sent Out Capacity should be defined, and in particular:</i></p> <ul style="list-style-type: none"> • <i>whether it should be limited by the physical limits of the network connection;</i> • <i>whether it should be limited by the contractual DSOC of the Facility;</i> • <i>whether it should represent the maximum sustainable capacity under normal, optimal conditions or the maximum output achievable for short periods only under emergency conditions; and</i> • <i>how and whether any generation capacity normally reserved for embedded loads should be accounted for.</i> 	All
22	<p>Forced Outage quantities for Scheduled Generators</p> <p>There was some discussion about the straw man methodology to determine the outage quantity for a Scheduled Generator that trips off during a Trading Interval or otherwise fails to meet its required output levels. Some attendees expressed concern that the straw man might over-estimate the outage quantity in some situations, but no practical alternative approaches were offered. <i>Ms Laidlaw asked any attendee who wished to propose an alternative methodology to contact her to arrange a meeting.</i></p>	All
23-25	<p>RCOQ and Capacity Adjusted Outage Quantities</p> <p>The group discussed the factors that can affect the RCOQ of a Facility and their implications for the calculation of Capacity</p>	

	<p>Adjusted Outage Quantities, and in particular what quantity (currently specified as “RCOQ”) should be used in the clause 3.21.6 calculations.</p> <p>There was general support for adopting the straw man approach rather than an alternative approach that would require changes to the definition of RCOQ and consequential changes such as changes to the Net STEM Shortfall calculation.</p> <p>It was suggested that the Appendix 1(k)(i)(3) and (4) values could be used explicitly in the clause 3.21.6 calculations, provided that their definitions were updated to clarify that the values excluded any adjustments under clauses 4.12.4(b)(ii), 4.12.4(b)(iii) and 4.12.6.</p>	
26	<p>Use of outage quantities in the Market Rules</p> <p><i>Ms Laidlaw asked AEMO to email RCP Support details of what outage quantities were/should be used in the preparation of LoadWatch reports under clauses 3.23.1(e), (f) and (h).</i></p> <p><i>Ms Laidlaw asked all attendees to review the “Use of Outage quantities in the Market Rules – straw man” table in the workshop handout document, and email RCP Support if they had questions or concerns about the proposed approach for any of the clauses listed in that table.</i></p>	<p>AEMO</p> <p>All</p>
27	<p>Calculation of Outage Rates and Equivalent Planned Outage Hours</p> <p>Attendees raised no concerns about the proposal to move the calculation of Outage Rates and Equivalent Planned Outage Hours to an Appendix of the Market Rules.</p> <p><i>Ms Laidlaw asked attendees to review the proposed methodology for calculation of Equivalent Planned Outage Hours, Equivalent Forced Outage Hours, Planned Outage Rate and Forced Outage Rate for Scheduled Generators and Non-Scheduled Generators (provided in the workshop handout) and email RCP Support with details of any questions or concerns.</i></p>	<p>All</p>
28	<p>Other issues</p> <p>Ms Laidlaw noted RCP Support had received legal advice that two candidate issues for the MAC Market Rules Issues List could be addressed as part of RC_2014_03:</p> <ul style="list-style-type: none"> • Issue 17 (Bluewaters): ability to log Forced Outages after the 15 day deadline; and • Issue 33 (ERM Power): ensure Forced Outage details can be amended after their initial entry in AEMO’s systems. <p>Attendees raised no objections to the materiality threshold for reporting of Non-Scheduled Generator Outages proposed at the 13 December 2017 MAC meeting.</p> <p><i>Ms Laidlaw requested that Synergy provide RCP Support with some additional detail on Synergy’s suggestion, offered in</i></p>	<p>Synergy</p>

previous feedback on RC_2014_03, regarding the implications for RC_2014_03 of the Supreme Court's decision on the recent AEMO vs Bluewaters case.

Ms Laidlaw advised that changes to fix problems caused by the amending rules gazetted on 30 June 2017 (relating to the provision of performance modelling data) were outside the scope of RC_2014_03.

Mrs Jacinda Papps noted that occasionally events occur (often IT-related) that do not directly involve an Outage of equipment list items but cause an Outage of a Market Participant's Facility. Examples included a recent event where AEMO's AGC system dispatched an Alinta Facility to a lower level than its Dispatch Instruction; and an event involving an extended SCADA outage. There was some discussion about whether these occurrences should be classified as Consequential Outages. Ms Laidlaw advised these events were outside the scope of RC_2014_03.

Ms Laidlaw advised that Bluewaters' suggested removal of any requirement to log a Forced Outage for Trading Intervals covered by an approved Commissioning Test was outside the scope of RC_2014_03. Ms Laidlaw suggested that Bluewaters raise its suggestion at the upcoming MAC discussion on Commissioning Test issues.

The workshop ended at 2:05 PM.