RCP Rule Change Panel
Market Advisory Committee

Minutes

Meeting Title:	RC_2014_03: Administrative Improvements to the Outage Process - Workshop
Date:	25 October 2019
Time:	9:00 AM – 11:35 AM
Location:	Training Room 1, Albert Facey House 469 Wellington Street, Perth

Attendees	Representing	Comment
Stephen Eliot	RCP Support	
Jenny Laidlaw	RCP Support	
Natalie Robins	RCP Support	
Jake Flynn	Economic Regulation Authority (ERA)	
Dimitri Lorenzo	Bluewaters Power	
Paul Arias	Bluewaters Power	From 9:15 AM
Sam Lei	Alinta Energy	
Jacinda Papps	Alinta Energy	From 10:00 AM
Brad Huppatz	Synergy	
Kei Sukmadjaja	Western Power	To 11:25 AM
Dean Frost	Western Power	To 11:25 AM
Matthew Fairclough	AEMO	
Clayton James	AEMO	
Kang Chew	AEMO	From 9:10 AM

Slide	Subject	Action
4-6	**Removal of authorised notice requirement** Attendees agreed that while they would prefer to submit a Consequential Outage request directly into SMMITS than to submit a Forced Outage followed by an email to System Management, the direct entry option should not be implemented if it has a materially higher implementation cost.	
7-12	**Logging Forced and Consequential Outages in advance** In response to a question from Mr Matthew Fairclough, Ms Jenny Laidlaw clarified that a Market Generator who acted in	

	accordance with the triggering outage notifications issued by System Management would be deemed to be acting in compliance with the Market Rules and would not be exposed to a Forced Outage due to late changes to a triggering outage. Ms Laidlaw clarified that triggering outage notifications would not be used when the impact of network constraints on specific generators could not be predicted in advance. There was some discussion about the circumstances under which a generator that was subject to a regional cap would be eligible for a Consequential Outage, and the market impacts of unexpected changes to the output of large Non-Scheduled Generators due to network outages.	
13-14	**Logging Forced and Consequential Outages in advance – options for notification mechanism** Attendees discussed the three options for a triggering outage notification mechanism presented in the discussion slides. The following points were discussed: • Attendees raised no concerns about the increase in Dispatch Advisories (**DAs**) if Option 2 or Option 3 was implemented, noting that the format of the DAs could be standardised to help participants identify triggering outage notifications and manage them differently if they chose. • Mr Clayton James noted that one of the drawbacks of using the DA mechanism was that triggering outages can be approved several months before they commence. Using a DA in these situations would not provide participants with an ongoing view of upcoming triggering outages. Mr Paul Arias agreed that the timing of such notifications might be an issue for Bluewaters. Ms Laidlaw considered that an ideal solution would include both notifications and a reporting mechanism like that suggested by AEMO in Option 3. However, if a notification mechanism alone could provide the required information then it might be difficult to justify the additional costs of a PASA-like reporting mechanism. • Mr Brad Huppatz considered that the greater concern was about the timeliness of notifications relating to late changes and the obligations on Market Generators to respond. • Mr James and Mr Fairclough suggested the implementation of a combination of Options 2 and 3. This would involve AEMO issuing DAs as per Option 2 but also looking to include some of the information in the PASA tool that exists today. The combined mechanism could be reviewed after a period to assess its effectiveness. If Market Participants preferred the DAs the PASA information could be removed; alternatively, if the PASA reports were providing Market Participants with sufficient longer-term information then	

	AEMO would stop issuing DAs for triggering outages scheduled more than a week in the future. Mr Fairclough suggested that the Market Rules should be structured to allow AEMO to remove the requirement for longer-term DAs without the need for a rule change. Mr James suggested this could be done by specifying the notification mechanism in a Power System Operation Procedure. Ms Laidlaw noted that while both mechanisms would provide useful information to Market Participants, the information would probably have a slightly different structure and purpose, with the triggering outage notifications containing information that was unlikely to be included in a weekly PASA report. Ms Laidlaw noted that the Market Rules would not prevent AEMO from publishing any additional information on triggering outages that it considered would be useful to Market Participants. Attendees were generally supportive of the introduction of a triggering outage notification mechanism, and did not suggest any other implementation options.	
15-	**Logging Forced and Consequential Outages in advance – triggering outage notification content and timing** In response to a question from Mr James, Ms Laidlaw clarified that triggering outage notifications would only be issued for changes that affect the foreseeable constraints associated with the triggering outage. Mr Sam Lei and Mr Huppatz raised concerns about situations where generators are subject to large and unpredictable constraints during a network outage. Ms Laidlaw reiterated that triggering outage notifications would not be issued for this type of network outage. There was some discussion about the problems created by these outages and whether/when the impacts on generators may need to be planned more accurately to avoid unacceptable market volatility. There was some discussion about the factors that cause uncertainty about the impact of network outages on generators. Mr James noted that a Market Generator that was affected by a network outage in a way that could not be accurately foreseen would still be able to request a Consequential Outage ex-post. Ms Laidlaw agreed, but noted that some uncertainty existed around whether in future all such constraints would qualify as Consequential Outages. Attendees raised no concerns about the proposed triggering outage notification content and timing requirements.	

16-17	**Logging Forced and Consequential Outages in advance – revised proposal** Mr Fairclough and Mr James confirmed that AEMO would not incur any additional IT costs to allow ex-ante submission of Consequential Outage requests, regardless of the method chosen for the submission of these requests. Mr Arias sought clarification on what would happen if a Market Generator submitted an ex-ante Consequential Outage request that System Management failed to approve ex-ante, expressing concern that the request might lapse and need to be resubmitted. Mr Fairclough replied that System Management would always endeavour to approve such requests ex-ante if possible. Ms Laidlaw noted that changes to a triggering outage could cause a Consequential Outage request that had been approved ex-ante to become invalid. It was likely that to reduce implementation costs these Consequential Outage requests would be rejected, and the Market Generator would need to submit a new Consequential Outage request if necessary. It would be up to each Market Generator to decide whether the potential administrative overhead of having to submit a Consequential Outage request several times was warranted. Mr Lei noted that the revised proposal required Market Generators to update their Balancing Submissions to reflect triggering outage notifications "as far as possible", and asked for details of the relevant timeframes. Ms Laidlaw replied that the Amending Rules for Rule Change Proposal: Outage Planning Phase 2 – Outage Process Refinements (RC_2013_15) covered most of the relevant timing considerations (e.g. the need to allow at least 30 minutes to respond, and to allow for gate closure and machine start-up times). Attendees raised no concerns with: • the proposed requirement for Market Generators to take triggering outage notifications into account in their Balancing Submissions as far as possible; • the lack of any obligations to submit or approve Consequential Outage requests ex-ante; and • the proposed rules for the submission and approval of Consequential Outages set out in slide 17.	
18-19	**Logging Forced and Consequential Outages in advance – late changes to triggering outages** Attendees discussed the question of how much notice the market needs of late changes to triggering outages, including: • a delay to the start of a triggering outage; • the late cancellation of a triggering outage; and • early return to service from a triggering outage.	

	The following points were discussed: • Ms Laidlaw noted that a Scheduled Generator was expected to return to the Balancing Market as soon as practicable after a late notification of a change to a foreseeable constraint, taking response time, gate closure limits and start-up times into account as contemplated in new section 7A.2A (contained in the Amending Rules for RC_2013_15). However, if the notification occurred too late (e.g. after Balancing Gate Closure for the first affected Trading Interval), the market outcome might be the same as if the triggering outage had progressed as planned. • Mr Lei asked what the compliance implications would be if a Market Generator was emailed a DA at 5:00 AM advising of late changes to a foreseeable constraint, but failed to read the email or update its Balancing Submissions. Ms Laidlaw replied that Market Generators are already expected to monitor DAs and comply with any directions issued by System Management in a DA. • Ms Laidlaw noted that a Non-Scheduled Generator affected by a late change to a foreseeable constraint can be returned to service early without notice to the market because its capacity is not declared as unavailable in its Balancing Submissions (even if its forecast quantities are set to zero). There was some discussion about how System Management manages the removal from service and return to service of a Non-Scheduled Generator that is subject to a foreseeable constraint. • Ms Laidlaw questioned whether the Balancing Gate Closure restrictions that apply to Scheduled Generators returning to the Balancing Market should also apply to Non-Scheduled Generators in these situations. • In response to a question from Mrs Jacinda Papps, Ms Laidlaw confirmed that Market Generators are now allowed to update their Balancing Submissions after Balancing Gate Closure to provide a more accurate forecast of their expected output. Mrs Papps questioned whether a Market Generator could use this option to reflect the late removal of a foreseeable constraint on a Non-Scheduled Generator. Ms Laidlaw and Mr Arias considered that an update to reflect a cancelled outage was a slightly different concept and likely to have a greater impact than a normal forecast adjustment. • Mr Arias considered that the uncertainty imposed on Market Generators by unexpected changes to large Non-Scheduled Generator outages created risks that would be incorporated into market prices. Mr Fairclough suggested that this effect should be balanced against the Non-Scheduled Generators' ability to reduce the Balancing Price.	

	Mr James suggested that the situation might be different for notifications received before versus after Balancing Gate Closure. Mr Arias clarified that his comments only related to notifications received after Balancing Gate Closure. • Mr James noted that it was not simple for System Management to automate the release of a constraint after the end of a triggering outage. There was some discussion about how System Management manages the return to service of Non-Scheduled Generators (e.g. by limiting the ramp rates of Facilities to avoid Power System Security issues). Mr Fairclough confirmed that System Management generally releases the constraints on a Non-Scheduled Generator as soon as the relevant triggering outage has ended. There was further discussion about options to take market impacts as well as security concerns into account when managing the return of Non-Scheduled Generators from outages. Ms Laidlaw noted that questions about the minimum notice period for a late change to a triggering outage, and the return of a Non-Scheduled Generator to the Balancing Market after a late change to a foreseeable constraint, would be included in the call for further submissions on RC_2014_03.	
20	**Logging Forced and Consequential Outage in advance – triggering outage notifications for foreseeable constraints caused by Forced Outages** Attendees raised no concerns about the proposals to: • clarify the obligation on Rule Participants to notify System Management if they become aware that their Outage Facility will suffer a Forced Outage in the near future; and • provide System Management with an option to issue triggering outage notifications for network Forced Outages that it considers will have a material market impact. Mr Lei asked whether a Market Generator would be obliged to update the start and end times of its Consequential Outage to reflect when the triggering outage actually started and ended. Ms Laidlaw replied that if System Management issued a triggering outage notification updating a foreseeable constraint start or end time then the Market Generator may need to amend a previously submitted and/or approved Consequential Outage request. For this reason, Market Generators were likely to prefer to submit these requests after the foreseeable constraint had started, and possibly after it had ended.	
21-25	**Capacity-adjusted outage quantity calculation: RCOQ vs Capacity Credits** Mr Huppatz asked if a requirement to publish maximum site temperature data could be included in the Rule Change Proposal. At least some of this data was sourced from Western Power's SCADA systems and Mr Huppatz was unsure whether Synergy	

	was permitted access under the current confidentiality regime. Attendees generally agreed it would be helpful for a Market Generator to have access to this information for its Facilities. Attendees raised no concerns about: • the updated proposal to calculate capacity-adjusted outage quantities (as set out in slide 25); or • the proposed removal of the requirement to report Forced Outages for failures during an approved Commissioning Test.	
26-33	**Quantity of de-rating for Scheduled and Non-Scheduled Generators** Attendees raised no concerns with the proposed approach to reporting outage quantities for hybrid Non-Scheduled Generators (as set out in Option 4 on slide 31). Ms Laidlaw noted that the Rule Change Panel had reviewed the issue raised by Alinta during the second submission period for RC_2013_15 about the administrative burden of outage reporting for large Non-Scheduled Generators, but did not consider that an increase in the size of individual wind turbines warranted further changes to the materiality threshold. Mrs Papps reiterated her view that the outage reporting requirements for large Non-Scheduled Generators would be administratively burdensome. Ms Laidlaw noted that under the current Market Rules, Market Generators are required to schedule an outage if a single wind turbine is out of service. Attendees raised no other concerns with the updated proposal for recording outage quantities for Scheduled Generators and Non-Scheduled Generators set out in the appendix of the discussion slides.	
34	**Use of outage quantities in the Market Rules and clarification of timeframes** Ms Laidlaw noted that no material changes had been made to the proposal for the use of outage quantities in the Market Rules that was discussed at the 17 January 2018 workshop for RC_2014_03. Ms Laidlaw advised that the call for further submissions will include: • an updated table showing which outage quantities (unadjusted vs capacity-adjusted) will be used for which purposes; and • details of the proposed Planned Outage Rate, Forced Outage Rate and Equivalent Planned Outage Hours calculations. Attendees raised no concerns with the proposed approach to address the RC_2014_03 issues relating to the use of outage quantities in the Market Rules and the clarification of timeframes for providing outage information to System Management.	

36	**Outage definitions** Attendees raised no concerns about the intention to only consider the following outage definition issues as part of RC_2014_03: • Consequential Outages caused by non-Equipment List network equipment; • Forced Outages occurring during an approved Commissioning Test; and • (if required) expansion of the Consequential Outage definition to replace clauses 7A.2A.3 and 7A.2A.4.	
37	**Outage definitions – Consequential Outages caused by non-Equipment List network equipment** Attendees generally agreed that a Consequential Outage should be able to be caused by an outage of any equipment that is part of a registered Network. Mr Dean Frost considered that specifying details of secondary systems in the Equipment List could be very difficult and a more generic, less prescriptive approach should be taken. There was some discussion about previous events and whether they should qualify as Consequential Outage triggers. Attendees agreed that a recent SCADA system outage should be eligible, but did not agree that a recent bushfire event, where Balancing Portfolio Facilities were re-dispatched to avoid a concentration of generation near Southern Terminal, should qualify. Ms Laidlaw advised that RCP Support would seek legal advice on whether the Rule Change Panel could, as part of RC_2014_03, extend the definition of a Consequential Outage to cover an outage of any equipment forming part of a registered Network. There was some discussion about whether such a definition could prove ambiguous; however, Mr Fairclough considered that AEMO would be able to manage any potential ambiguity.	
38	**Outage definitions – replacement of clauses 7A.2A.3 and 7A.2A.4** Ms Laidlaw asked attendees to consider whether the definition of a Consequential Outage needed to be extended to cover the impacts of late changes to triggering outages, or whether new clauses 7A.2A.3 and 7A.2A.4 (updated to account for triggering outage notifications where necessary) were adequate. Ms Laidlaw noted that this question would be included in the call for further submissions. Mr Arias suggested that the late cancellation of a Consequential Outage that had been approved ex-ante could cause Net STEM Shortfall problems for a Scheduled Generator. Ms Laidlaw agreed to check whether there was a problem, and if there was how it could be resolved.	
40	**Timing requirements for Forced Outages in SMMITS**	

	Ms Laidlaw asked attendees for their views on: • what deadline (if any) should apply to AEMO changing its decision on a Consequential Outage request; and • whether a Market Generator should be able to apply to change a Forced Outage to a Consequential Outage after the 15-day limit, and if so, what process should be used. Attendees agreed that AEMO's powers to convert a Consequential Outage to Forced Outage should not be subject to any specific deadline apart from the natural limit imposed by the settlement adjustment cycle. Mr Arias noted that a Market Generator may not have all the information it needs to support a Consequential Outage request by the 15-day submission limit. Mr Arias therefore considered that Market Generators should be able to submit Consequential Outage requests after this time, and that no specific deadline should apply (again except for the limit imposed by the settlement adjustment cycle). Mr Arias considered that notices of disagreement should not be used in these situations because they could lead to double handling of the relevant information. After some discussion, attendees expressed support for the following process: • If a Market Generator cannot obtain the information it needs to support a Consequential Outage request by the 15-day limit, then it reports a Forced Outage. • If the Market Generator subsequently obtains the required information, then it may submit a late Consequential Outage request to System Management. • System Management approves or rejects the Consequential Outage request as soon as practicable. • If System Management rejects the request, or is unable to process the request by the time of the last settlement adjustment, then the Forced Outage remains in effect. • If System Management approves the request, then the Forced Outage is deleted, and the updated outage details are used in the next settlement adjustment.	
41	**Timing requirements for Forced Outages in SMMITS – Scheduled Generators and Non-Scheduled Generators** Mr Lei and Mr Arias agreed that the current 15-day limit for the provision of final Forced Outage details in SMMITS was reasonable, because meter readings were usually available well before this time. Mr Huppatz considered that a 1 Business Day deadline for the initial entry of Forced Outage details in SMMITS would be quite onerous. Mr Huppatz acknowledged the value of providing information to the market about Forced Outages that were still ongoing, but questioned the urgency of updating SMMITS with	

	details of Forced Outages that have already ended, particularly for Non-Scheduled Generators. Mrs Papps considered that the requirement would also be quite onerous for the logging of Forced Outages for deviations from Dispatch Instructions. Mrs Papps did not think that Alinta would be able to meet a 1 Business Day deadline for these updates, which were currently submitted periodically in batches. In response to a question from Ms Laidlaw, Mr Arias advised that a Market Generator was usually aware that it had failed to comply with its Dispatch Instructions before it saw its meter readings, because it would have received an email about the deviation from System Management. Ms Laidlaw asked what problems a Market Generator might have reporting a larger, incomplete Forced Outage in SMMITS by the proposed deadline. Mrs Papps noted that sometimes it would be difficult on the first day of a Forced Outage to estimate how long the Facility would be unavailable. Ms Laidlaw agreed that it would need to be understood that the end time provided in the initial notification was only a 'best estimate'. Mr Lei suggested that in some circumstances a Market Generator might need a unit to cool down before the Market Generator could inspect it and form a reasonable estimate of its return to service time. Mr Huppatz agreed that it can take some time to determine the cause of a generator failure. Ms Laidlaw questioned whether a slightly longer deadline (e.g. 2-3 Business Days from the start of the outage) would make any significant difference to the accuracy of the initial estimates. In response to a comment from Mrs Papps, Ms Laidlaw clarified that the proposed requirement to keep a record of the reasons for changes to SMMITS outage records would only apply to changes made after the 15-day limit. Mrs Papps expressed interest in a discussion around whether there could be a materiality threshold applied to deviations from Dispatch Instructions. Mr Fairclough suggested that Tolerance Ranges fulfilled this function. Mrs Papps replied that Tolerance Ranges applied to System Management's reporting obligations rather than a Market Generator's compliance obligations. Ms Laidlaw agreed that there were problems with the current rules around Tolerance Ranges and deviations from Dispatch Instructions, and suggested that a Rule Change Proposal be submitted to address the issue. However, Ms Laidlaw noted that this issue was outside the scope of RC_2014_03. Mr Arias reiterated the concerns raised by other attendees about the administrative overheads of having to report Forced Outages for deviations from Dispatch Instructions every day. Ms Laidlaw advised that RCP Support would consider whether there was a	

	way to specify and apply a different reporting deadline to this type of Forced Outage.	
42	**Timing requirements for Forced Outages in SMMITS** Ms Laidlaw noted that RCP Support would work with AEMO to define the absolute deadline for late changes to an outage record in SMMITS, based on the deadlines for final Non-STEM settlement adjustments. Ms Laidlaw noted that the reasons for a late change to a Forced Outage record might include: • the replacement of the Forced Outage with a Consequential Outage; • late changes to meter readings; and • late notification of the need to report a Forced Outage following a compliance investigation. Attendees did not suggest any other reasons for late changes to a Forced Outage record. Attendees raised no concerns about: • the proposed requirement for Market Participants to keep records of the reasons for late changes to SMMITS outage records and to make those records available to AEMO or the ERA on request; or • the automated recalculation of Minimum Theoretical Energy Schedules to reflect late changes to outage records. Attendees did not identify any need to require Rule Participants to report Forced Outages of non-generator Outage Facilities in SMMITS prior to the current 15-day deadline.	
43-47	**Timing requirements for Consequential Outages in SMMITS** Attendees raised no concerns about the proposals for the management of Consequential Outages set out in slides 45-47. Attendees agreed that there was no need to specify a maximum duration for a Consequential Outage in SMMITS because Market Participants would have no problem determining when multiple Consequential Outage requests were needed to comply with the 15-day reporting deadline. Ms Laidlaw noted that the reasons for late changes to Consequential Outage records were similar to those for Forced Outages. Attendees did not suggest any additional reasons for late changes to Consequential Outage records.	
48	**Transitional requirements** Ms Laidlaw noted that the Rule Change Proposal was likely to require some transitional arrangements and RCP Support intended to seek input from AEMO on the transitional provisions that needed to be included in the Amending Rules.	

The workshop ended at 11:35 AM.