

Wholesale Electricity Market Rule Change Proposal Submission

RC_2014_03

Administrative Improvements to the Outage Process

Submitted by

Name:	Daniel Kurz
Phone:	08 9261 2892
Email:	Daniel.Kurz@Bluewatersps.com.au
Organisation:	<i>Bluewaters Power 1 Pty Ltd</i>
Address:	Level 8, 225 St Georges Terrace, Perth, Western Australia, 6000
Date submitted:	<i>7 February 2020</i>

Submissions on Rule Change Proposals can be sent by:

Email to: support@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.

Bluewaters welcome the opportunity to provide input to the abovementioned Rule Change. Bluewaters apologise for the late submission, however hope that the submission can still provide insight on some of the proposed changes.

As a broad comment on RC_2014_03, the intent of this rule change has always been welcome by Bluewaters. With 2 large generating units, managing outages on the units is a common practice which becomes burdensome and administratively challenging in the context of the Market Rules. With this in mind, the progression of this rule change since original proposal in 2014 clearly demonstrates the complexity of attempting to enshrine processes into rules without having to account for all edge cases.

As a Rule Change that was primarily intended to be removing administrative burden, a number of the proposals are much broader than addressing administration issues. The original issues that were challenging end up being replaced by new challenges.

Resolving plant issues is the most difficult period for operators and traders to manage. No two outages are ever the same and therefore the balance of broad simplicity vs extensive clarity

is important in practical application of Outage Rules and Processes.

In regards to specific issues requiring additional consultation, Bluewaters offer the following comments:

Section 4.1.1

The principle of Triggering Outage Notifications would appear to provide more detail and certainty for Market Generators. The reliance on the existing Dispatch Advisory (DA) mechanism will meet the minimum requirements for Market Generators. It should be noted however that the extent of information provided in DA's has historically been rather broad, for example providing broad ranges of MW Quantity that may be subject to a constraint. This provides insufficient reliable information for Market Generators to respond to the notification. The descriptions used in DA's can also tend to be vague.

The proposed changes to Triggering Outages which removes the risk of non-approval and therefore Forced Outage on the Market Generator is a welcome change.

Section 4.1.2

The proposed restrictions to late changes to foreseeable constraints are sensible given the restriction for a Market Generator to adequately respond to those changes. While there are times where equitable treatment of different Market Generators is not possible due to technology differences, a principle of equitable treatment should generally be sought as in this situation.

Regarding performance statistics for Network Operators, if consumers are unable to benefit from the re-dispatch of lower cost Generators (due to the late, within gate closure change), it can be argued that there has been no benefit from the change by the Network Operator, and therefore the statistics should reflect this as though the Triggering Outage had not been shortened.

Section 4.1.3

The concept of mandatory notifications promotes greater transparency for the Market and while it is noted in the Issues Paper that Market Generators are required to update their Balancing Submissions to reflect imminent Forced Outages, the reality of Forced Outages is that they are typically fluid. Expectations can be changing fast and frequently every 30 minutes. Trading and Operation teams will typically be stretched in these situations and the practicality of the existing obligation for Market Generators can still be uncertain.

Applying similar obligations to Network Operators would continue to promote increased market transparency and particularly inform affected Market Generators, however as Bluewaters is acutely aware from managing its own outages, a mandatory obligation will not be able to pick up all emerging Forced Outages by their nature. In general however, the approach to align Network Operators mandatory requirements to that of Market Generators is a positive step.

With regards to thresholds, a deeper understanding of historical Outages would be required to determine an appropriate level while still providing the right transparency to the Market.

Section 4.1.5

This would be a pragmatic approach for the interaction of Outages on Capacity Tests, particularly if it is out of control of the Market Generator through a Consequential Outage.

Section 4.2.2

The proposals in this section are supported by Bluewaters. This provides a simpler approach of actual values being used rather than theoretical values.

The draft rules presented with the issues paper appear to be inconsistent with the intent of the recommendation in this section of the issues paper. The amended clause 3.21.6 still refers to “as generated” and still require a temperature adjustment to 15 degrees. This may be a drafting oversight.

Section 4.2.3

Bluewaters support the conclusion from RCP Support on this point. Commissioning Tests are a necessary part of completing any outage. Attempting to drive Market Generators to dispatch targets during these tests will most likely lead to non-compliance and Outage reporting as indicated by the Issues Paper.

Section 4.6

The intent of information being accurate and timely in SMITTS is to inform the Market to allow appropriate response. The intent of the proposals for 24 hour reporting provide the additional transparency for the Market, however the first 24 hours of plant trips or issues are typically the most uncertain and hectic periods for the Generator. In most cases where a Generator has suffered the type of Forced Outage this change is addressing, investigation into the cause of failure and estimation to return to service wouldn't be possible during the 24 hour period. The proposed changes could result in significant financial losses to the Generator from STEM purchases if the Generator can return to service within the next day. Furthermore, the administrative step being imposed is likely to add a further burden to the Generator in such a hectic period.

The proposal to require updating existing Forced Outage Quantities in SMITTS is again attempting to provide more information to Market, however Bluewaters understands that current SMITTS configuration does not allow for amendments to existing outages. Changes to Forced Outage require a cancellation and re-entry and extensions to Forced Outages are required to be submitted as a new outage in SMITTS. An improvement to the functionality of SMITTS is key to ensuring the appropriate balance between transparency and administrative burden.

The additional proposal to allow updates to Forced Outage Records after 15 days addresses an issue which Bluewaters has previously raised with the existing process. The suggestion from RCP Support is welcomed in addressing this issue.

Section 4.7

Bluewaters supports the proposed update to allow for submissions of Consequential Outages after the 15 day deadline with this however limited to 9 months and evidence being available to ERA & AEMO

2. Please provide an assessment whether the change will better facilitate the achievement of the Wholesale Market Objectives.

The proposed changes, in any form, will better facilitate all of the Wholesale Market Objectives to some extent.

-
- 3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.**

Compliance Costs.

-
- 4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.**

Governance and internal process updates. Likely to be achieved in a matter of weeks.
