

## MEETING OUTCOMES – WHOLESALE (REAL TIME)

MEETING: WAMRP Wholesale Real-Time Forum 1  
 DATE: Monday, 24 October 2016  
 TIME: 10.00 am – 3.10 pm  
 LOCATION: AEMO Boardroom – Level 17, 197 St Georges Terrace, Perth

### ATTENDEES:

NAME	COMPANY
Chris Muffett	AEMO
Greg Ruthven	AEMO
Mike Hales	AEMO
Michael Sanders	AEMO
Basilisa Choi	AEMO
Brian Nelson	AEMO
Courtney Roberts	AEMO
Jacque Miller	AEMO
Marc Hettler	AEMO
Chris Stewart	AEMO (via teleconference)
Phil Hayes	AEMO (via videoconference)
Fiona Wiseman	Alinta
Harry Street	Alinta
Adam Stephen	Bluewaters Power
Ignatius Chin	Bluewaters Power
Zhang Fan	Collgar Wind Farm
Geoff Hobley	EDL
Todd Gordon	EDL
Adrian Theseira	Economic Regulation Authority
Jake Flynn	Economic Regulation Authority
Wendy Ng	ERM Power
Iulian Sirbu	Kleenheat
Ignatius Chin	NewGen
John Nguyen	Perth Energy
Patrick Peake	Perth Energy
Aaron Kerrigan	Perth Energy
Jenny Laidlaw	Public Utilities Office
John Rhodes	Public Utilities Office
Paul Myburgh	Synergy
Andrew Everett	Synergy
Brad Huppatz	Synergy
Neil Duffy	Transalta
Paul Gower	Vinalco Energy
Peter Huxtable	Water Corporation

### 1. Welcome

### 2. Wholesale Workstream and Participant Engagement (Chris Muffett)

- Stakeholders requested that forums in 2017 commence in late January or February given the holiday period.

### 3. Introduction to Real Time Dispatch (Brian Nelson)

- Basic methodology for determining transmission loss factors is similar to the Western Power methodology.
- Backcasting is a part of the process for calculating loss factors. Actual vs forecasts differences are generally due to generation patterns and interconnector flows. AEMO conducts a review on the methodology periodically in the National Electricity Market (NEM). Dynamic loss factors are not being considered currently.
- AEMO assesses each facilities' Frequency Control Ancillary Services (FCAS) capabilities using an audit process.
- Causer Pays mechanism in the NEM assesses participants in real time using SCADA data how the facility has responded to frequency and participants are charged or rewarded on the response.
- Facilities in the WEM will have existing technical standards as part of their connection agreement with Western Power, and AEMO will need to capture this as part of the reform program. There may potentially be differences between the current standards and the standards applied in the NEM, hence transitional arrangements may be required.
- It is participant's responsibility to undergo any facility upgrades if they want to qualify for spinning reserve. For more information: [Market Ancillary Services Specifications](#).
- The frequency operating standards are being reviewed currently as part of PUO's Power System Security and Reliability (PSSR) Working Group. AEMO will be in a position to determine the technical details of each FCAS service once these standards are established.
- If participants are currently able to provide spinning reserve in the WEM, is it expected that they will be able to provide FCAS under the new arrangements. Participants should become familiar with the existing NEM Market Ancillary Services Specifications as the criteria is different for the 6 second, 60 second and 5 minute service.
- Registration of Demand Side Providers (DSPs) has not yet been considered. Further information on registration will be provided in the November and December 2016 forums.

### 4. Dispatch and Pricing (Basilisa Choi)

- Minimum generation in the NEM is handled through price bands, typically the allocation of availability to low (or negative) price bands. A generator has the ability to bid unavailable if expected to ramp below their minimum generation.
- In accordance with the WEM Rules participants are restricted as to when they are able to rebid. There will be the limited exceptions in the new rules and in this situation participants will be allowed to rebid due to technical reasons.
- Participants stated this should not impose a forced outage on participants as this will have repercussions in the Reserve Capacity market and will result in participants having to pay a refund.
- Further information on rebidding rules will be provided however this does not affect AEMO's system rebuild.
- The spot price is used in the settlement process, regardless of whether the generator is on for as little as 5 minutes. It was noted that the generator will be paid the spot market price which is the average of dispatch prices over the half hour period.
- The '5.30 issue' was discussed and it was advised that a rule change is in the process in the NEM on 5 minute pricing but it is unlikely to be in place by the time the market commences.

### 5. Bidding and Offers (Michael Sanders)

- If price bands have not been provided by 12:30pm bands from previous bid will be used and any volume changes will be deemed as a rebid.

- If the sum of the band volumes are less than the maximum availability the bid will be rejected.
- AEMO captures two pieces of standing data as part of the registration process. One being registered capacity and the other being the maximum capacity the facility can do. In the unusual situation that a generator's maximum capacity was below the registered capacity, in the NEM the fees charged to the generator would be at the registered capacity.
- In the NEM volumes shifted from a lower price band to a higher price band, will be deemed a rebid and require a reason and be prepared to provide information to the Australian Energy Regulator (AER).
- The maximum availability would not be declared zero if the facility was available but not synchronised. This would also apply to slow start units as they would receive a pre-dispatch advising of the expected price.
- A pre-production system was set up in the NEM 12 months prior to market start.
- AEMO has conducted analysis around rebidding. Rebidding had an overall positive effect on the market due to the vast majority of rebids reducing the spot price and resulting in more availability.

#### **6. Market Information (Brian Nelson)**

- PD PASA is pre-dispatch PASA, this is not published. This is only used internally by AEMO.
- During the development of the medium term PASA process participants provided input on the implications of insider trading. The results of the MTPASA process is released consistently to all participants.
- Pre-dispatch scheduling information is private. Participants won't see what is being dispatched, all that is available is a series of prices. There is no obligation on participants to run their facility until dispatch instructions are issued.

#### **7. Wholesale Market Systems (Phil Hayes)**

- More in-depth information on these matters would be provided during the IT forum sessions. Participants should nominate representatives with a strong IT background to attend those sessions.
- The implementation of new market systems in the WEM would leverage from AEMO's existing NEM systems.
- IT systems discussed in the presentation would be the systems that were to be adopted in the WEM. AEMO would consult with participants on the Short Term Energy Market (STEM) and Reserve Capacity Mechanism data models as these currently do not exist in the NEM systems.
- The cost difference to the participant between the Browser Interface and Batch Interface noted that the Browser Interface is an 'out of the box' model and requires no additional fees. However the Browser Interface component 'Market Net Connection' is something that participants would need to source themselves. The Batch Interface is a more costly option as that requires participants to purchase hardware, have certain IT capabilities and purchase software licencing.

#### **8. Next meeting**

- Stakeholders requested more details be provided at the next meeting around day to day requirements (eg. ST PASA, dispatch offers, etc.) and how participants would use these in different circumstances. Training sessions such as 'A day in the life of a generator' would be useful.
- Stakeholders also requested mock training exercises.
- Next meeting scheduled 22 November 2016.