

Electricity Pricing Event Report – Sunday 02 August 2015

Market Outcomes: Tasmanian Frequency Control Ancillary Service price (sum of all services) reached \$8,789.42/MWh for trading interval (TI) ending 2300 hrs.

Energy and FCAS prices in the other NEM regions were not affected.

Further information is provided below.

Detailed Analysis: The Lower and Raise Regulation prices in Tasmania were at or above \$13,100/MWh for dispatch intervals (DIs) ending 2250 hrs and 2255 hrs. The high price can be attributed to insufficient regulation services in Tasmania due to Automatic Generation Control (AGC) suspension during a period when Basslink was unable to transfer FCAS from the mainland.

Between 2243 hrs and 2252 hrs, the AGC for a number of Hydro Tasmania generating units were temporarily suspended due to a frequency event. The only generator that was available to meet the regulation requirements was John Butters PS. For both FCAS regulation services, Hydro Tasmania offered 26 MW of John Butters PS capacity at or below \$3/MWh and the remaining capacity was offered at \$13,100/MWh.

For DIs ending 2250 hrs and 2255 hrs, the metered flow on the Basslink interconnector was 46 MW and 45 MW respectively. When the flow on Basslink is in the no-go zone (between -50 MW and +50 MW), the interconnector is unable to transfer FCAS from the mainland and all FCAS requirements have to be sourced from local generators within Tasmania.

The Regulation FCAS requirements in Tasmania increased from below 1 MW for DI ending 2245 hrs to 50 MW for DIs ending 2250 hrs and 2255 hrs. Due to the unavailability of cheaper regulation services, higher priced regulation capacity from John Butters PS was dispatched to meet the increased FCAS requirement for both higher priced DIs.

The FCAS prices reduced to below \$30/MWh for DI ending 2300 hrs when AGC was no longer suspended and Tasmanian generators were able to provide Regulation services at a lower price.

The high FCAS price for Tasmania was not forecast in the pre-dispatch schedules, as it was a result of AGC suspension within the affected trading interval.