

Electricity Pricing Event Report – Thursday 17 March 2016

Market Outcomes: Spot price in Tasmania reached \$796.6/MWh and the sum of all Frequency Control Ancillary service (FCAS) prices in Tasmania reached \$3,287.45/MWh for trading interval (TI) ending 1100 hrs.

FCAS prices and energy prices in other NEM regions were not affected.

Further information is provided below.

Detailed Analysis: The 5-Minute price in Tasmania reached \$1,936.25/MWh and \$1,782.99/MWh for dispatch intervals (DIs) ending 1035 hrs and 1040 hrs respectively. For the same DIs, Fast raise FCAS service price reached \$7,749.98/MWh and \$7,136.97/MWh. The high energy can be attributed to limited availability of cheaper priced generation and the high FCAS prices can be attributed to withdrawal of fast raise FCAS service capacity during a period of high fast raise FCAS requirement.

During the period when Basslink is out of service, to reduce Contingency Raise FCAS service requirements within Tasmania, an Adaptive Under Frequency Load Shedding (AUFLS) scheme has been implemented. The AUFLS scheme involves enabling load shed services within Tasmania to assist in maintaining frequency within required limits following the loss of generation in Tasmania.

Between DIs ending 1020 hrs and 1025 hrs, the fast raise FCAS service requirement within Tasmania increased from 40.84 MW to 83.55 MW. This was caused by the reduction in consumption by a major load that was enabled for the AUFLS scheme.

For DI ending 1035 hrs, Hydro Tasmania withdrew up to 127 MW of Gordon PS generation capacity from fast raise, slow raise, regulation raise and delayed raise FCAS services. The rebid was submitted with the reason "1025A DEMAND < FORECAST: TAS". The withdrawal of generation capacity resulted in insufficient fast raise FCAS services within Tasmania for DIs ending 1035 hrs and 1040 hrs. The fast raise FCAS requirement constraint equation, $F_T+NIL_MG_R6$ violated for both DIs.

For the high priced DIs, cheaper priced generation was available in the Energy market but were limited due to ramp rates (Bastyan PS, Fisher PS, John Butters PS, Mackintosh PS, Poatina PS units 3, 4, 5 and 6, Reece PS unit 1, Tribute PS, Tungatinah PS and Tamar Valley PS).

For DI ending 1045 hrs, the 5-minute energy price in Tasmania reduced to \$280.12/MWh and the Fast raise FCAS service price reduced to \$1,125.48/MWh. The prices reduced when the fast raise FCAS service requirement reduced, following an increase in consumption by the major load.

The high 30 minute FCAS price was forecast in the pre-dispatch schedule. The high 30 minute spot price was not forecast in the pre-dispatch schedules.