Status Report prepared under clause 7.12 of the Market Rules by System Management

22 March 2012 – 30 June 2012

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1 Introduction

1.1 System Management

Western Power is established under section 4(1)(b) of the *Electricity Corporations Act 2005* and has the functions conferred under section 41 of that act.

Part 9 of the *Electricity Industry Act 2004* makes provision for a wholesale electricity market and provides for the establishment of Market Rules.

One of the core functions undertaken by Western Power is the management of the electricity transmission and distribution networks. Regulation 13 of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* provides that the Market Rules may confer on an entity the function of operating the SWIS in a secure and reliable manner.

Clause 2.2 of the *Wholesale Electricity Market Amending Rules (September 2006)* (**Market Rules**) confers this responsibility upon the segregated ("ring fenced") business unit of Western Power known as System Management. Amongst these responsibilities, the functions of System Management are to:

- release information required by the Market Rules;
- monitor rule participants compliance with the Market Rules relating to dispatch and power system security and power system reliability; and
- provide regular reports to the IMO and other market participants.

Included in the requirement to monitor and report is this Status Report, described in clause 7.12 of the Market Rules.

1.2 Status Report

System Management has prepared this report pursuant to its obligations under clause 7.12 of the Market Rules, for the period 22 March 2012 to 30 June 2012

2 Issuance of Dispatch Instructions

During the period, System Management issued a total of 111 Dispatch Instructions to Market Participants.

Of these, 0 were "minimum MW" instructions, 93 were "target MW" instructions, and 18 were instructions to return to the Resource Plan.

3 Non-compliance with Dispatch Instructions

No instances of non-compliance with Dispatch Instructions occurred.

4 Transmission constraints

A "transmission constraint" refers to the configuration of the transmission network that has an effect or potential effect of constraining or otherwise varying the output of a generator. The resultant situation has a generation facility either decrease output, or not increase output as it would if the constraint did not exist.

System Management has identified zero instances of potential or actual transmission constraints during the relevant period that meet the definition above. This does not include any potential or actual transmission constraints arising because of commercial decisions taken by market participants. This also does not include situations where a generator is unable to operate due to planned or unplanned Network outages.

5 Shortfalls in Ancillary Services

No instances of shortfalls in Ancillary Services occurred.

6 Involuntary curtailment of load

No instances of involuntary curtailment of load requiring major rotational load shedding occurred.

7 High Risk Operating State

Five instances of a High Risk Operating State occurred.

1. On trading day 23 March 2012 commencing interval 8:1 and ending trading day 28 March 2012 interval 18:1 System Management issued a continuation of the existing High Risk Operation State. A High Risk Operating State was originally issued on trading day 13 March 2012 commencing interval 8:1 and ended trading day 22 March Interval 7:2. This information was published in System Management's previous 7.12 Status report 22 December 2011 – 21 March 2012. The continuation of the High Risk Operating State was due to the unavailability of important transmission protection devices causing a high risk of instability for high load transfers. No Dispatch Instructions were issued over this period.

2. System Management incorrectly withdrew the previous High Risk Operating State (described in 7.1 above). System Management therefore issued a new High Risk Operating State notification commencing interval 8:1 on trading day 23 March 2012 and ending trading day 28 March 2012 interval 18:1. No Dispatch Instructions were issued by System Management over this period.

3. On trading day 29 May 2012 commencing interval 16:2 and ending at interval 19:1 due to the SCADA system being out of service and a possibility that Generation may be dispatched up or down System Management issued a High Risk Operating State. During this period System Management did not issue any Dispatch Instructions.

4. On trading day 10 June 2012 commencing at interval 14:2 and ending trading day 12 June 2012 at interval 14:2 System Management issued a High Risk Operating State due to an excessive loss of transmission due to storms and the possibility of generation being dispatched up or down. During this period System Management issued 16 Dispatch Instructions.

5. On trading day12 June 2012 commencing at interval 17:1 and ending on trading day 13 June 2012 at interval 17:1 System Management issued a High Risk Operating State due to the high potential for faults on the transmission network due to storms resulting in involuntary load rejection. During this period System Management issued 8 Dispatch Instructions.

8 Emergency Operating State

No instances of an Emergency Operating State occurred.

9 Equipment Tests

No instances of an Equipment Test by System Management.