

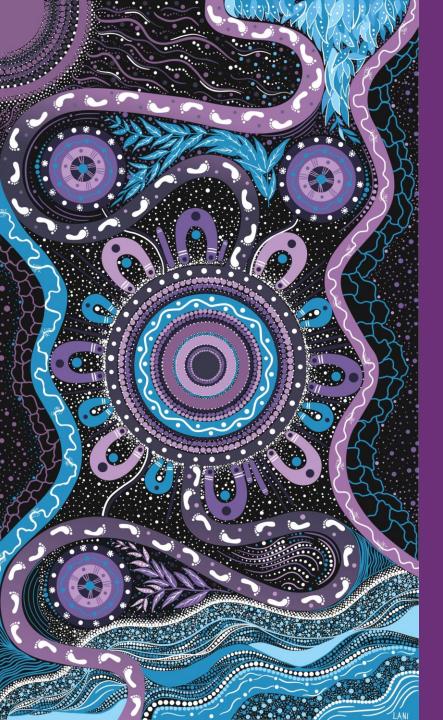
SWIS Engineering Roadmap

Industry Forum

22 August 2024

Disclaimer: Please note that this meeting will be recorded by AEMO and published on our website. By continuing, you consent to AEMO recording the call and using the recording for this purpose. If you do not consent, you may exit the meeting. No other recording of the meeting is permitted.





We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.

'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan

AEMO Group is proud to have delivered its first Reconciliation Action Plan in May 2024. 'Journey of unity: AEMO's Reconciliation Path' was created by Wiradjuri artist Lani Balzan to visually narrate our ongoing journey towards reconciliation - a collaborative endeavour that honours First Nations cultures, fosters mutual understanding, and paves the way for a brighter, more inclusive future.



Read our RAP I



Online housekeeping



• Please mute your microphone during the presentation.



- Please leave your camera off as well, but we'd love to see you during Q&A.
- We have a Q&A session at the end of today's session. You're also welcome to enter your questions in the chat.



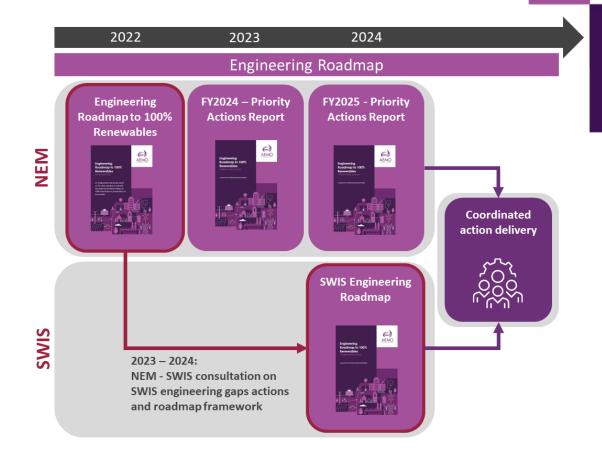
 A recording of the forum and copy of the presentation will be published on our web page: <u>AEMO | Engineering Roadmaps</u>.



• We welcome feedback via: <u>wa.futuresystemdesign@aemo.com.au</u>



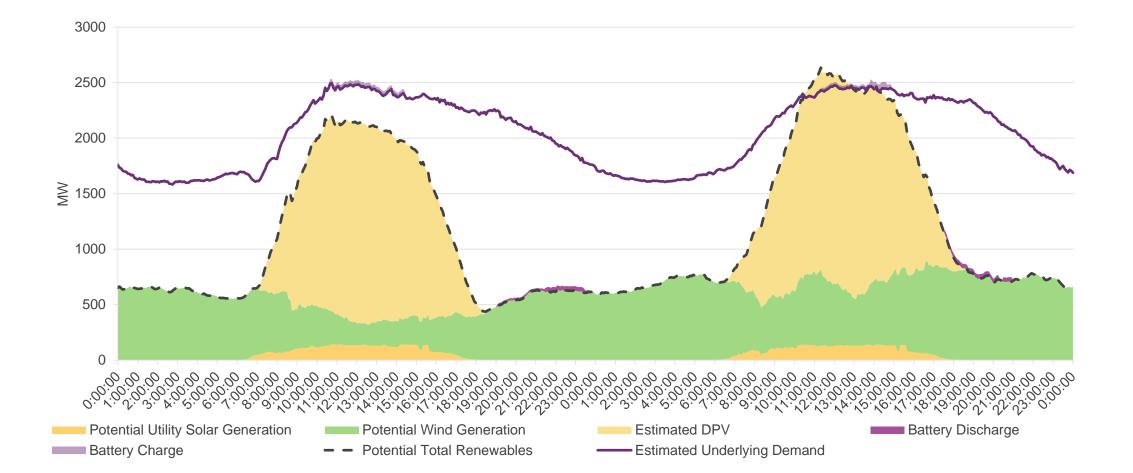
- The SWIS Engineering Roadmap follows significant work in WA to progress the Energy Transformation Strategy.
- AEMO's 2019 and 2021 Reports on Renewable Energy Integration highlighted key needs of the power system through the energy transition.
- The SWIS Engineering Roadmap consolidates engineering activities to enable the power system to evolve to meet Federal and State net zero targets.
- The SWIS Engineering Roadmap leverages the framing and ongoing work program from the NEM Engineering Roadmap.





WA has had more than 100% renewables potential, but...

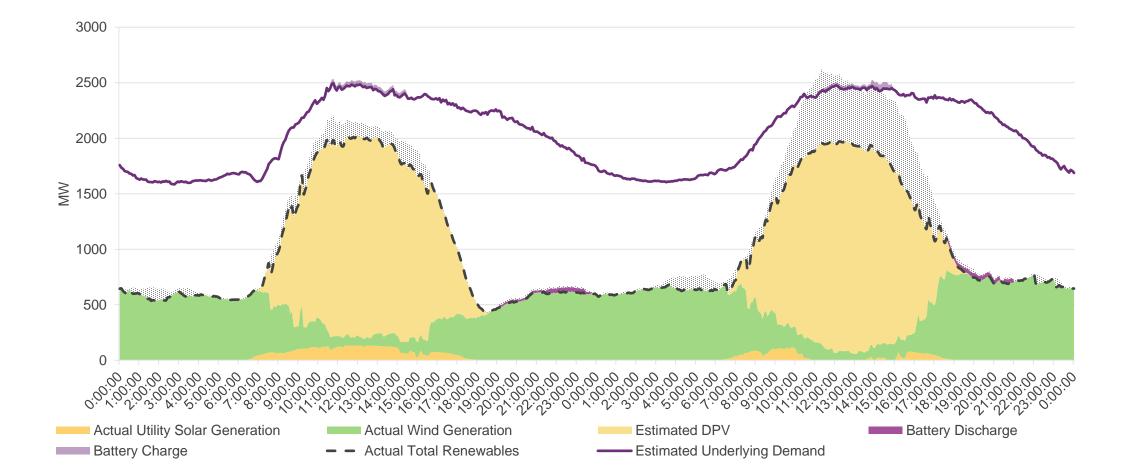
The system is not yet able to harness the full potential of this renewable energy.





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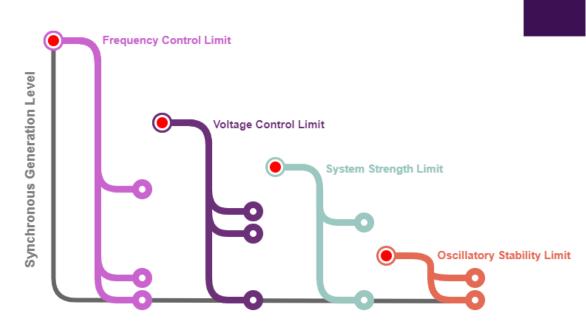
Critical capabilities are needed to securely operate the future power system

The transition to renewables is more than simply a 'straight swap' of generation assets. Limits to instantaneous renewables contribution can be assessed for each technical need of the system and progressively unlocked by new operational processes, investments and services, including:

- Frequency and RoCoF control services
- Voltage control: providing the capability for adequate voltage control at all nodes in the SWIS
- System strength: ensuring that there is sufficient system strength at all nodes in the SWIS to allow IBR generation to operate stably and for protection systems to operate correctly
- Oscillatory stability: to prevent adverse and potentially unstable interactions between generation facilities

These technical needs must be managed in conjunction with resource adequacy needs such as:

- Ramping: managing load uncertainty and generation variability across relevant time horizons
- Management of duration-limited resources and renewable energy droughts: ensuring sufficient firming and backup generation to manage shortages in wind and/or solar generation over various timeframes

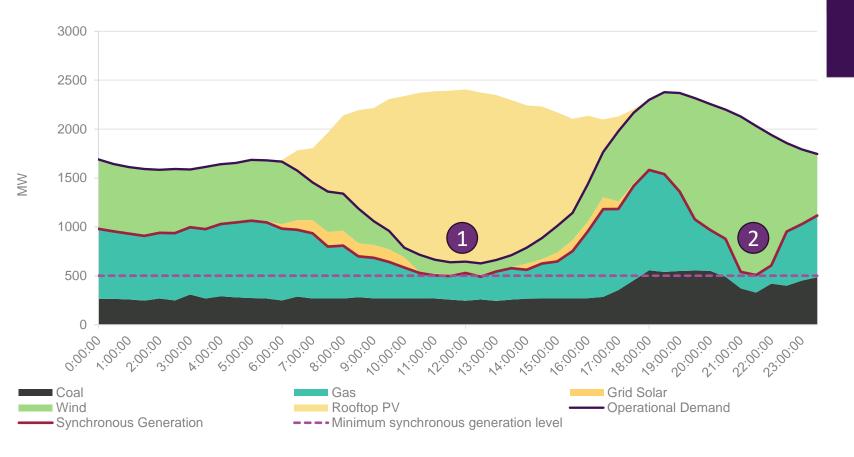


Illustrative only



Minimum synchronous generation level

- The Roadmap frames the limits to renewables penetration in terms of minimum synchronous generation levels, an evolution of the Minimum Demand Threshold (MDT) concept used operationally.
- This framing is critical as gridscale renewables contribute increasingly to meeting demand.
- Example shows equivalent levels of synchronous generation at very different demand levels.



The SWIS needs an Engineering Roadmap to:





Enable the efficient delivery of the transition to help achieve net zero



Remove engineering barriers to operating with higher penetrations of renewables and lower levels of synchronous generation



Inform timely investment decisions by market participants and Western Power



Inform the technical requirements of future regulatory changes, to ensure solutions are delivered most efficiently



Pre-emptively manage emerging power system risks



In the future, AEMO expects...



Coal generation and other aging fossil-fuelled generators to retire from the SWIS.



Electricity demand to significantly increase due to electrification and new industry development.

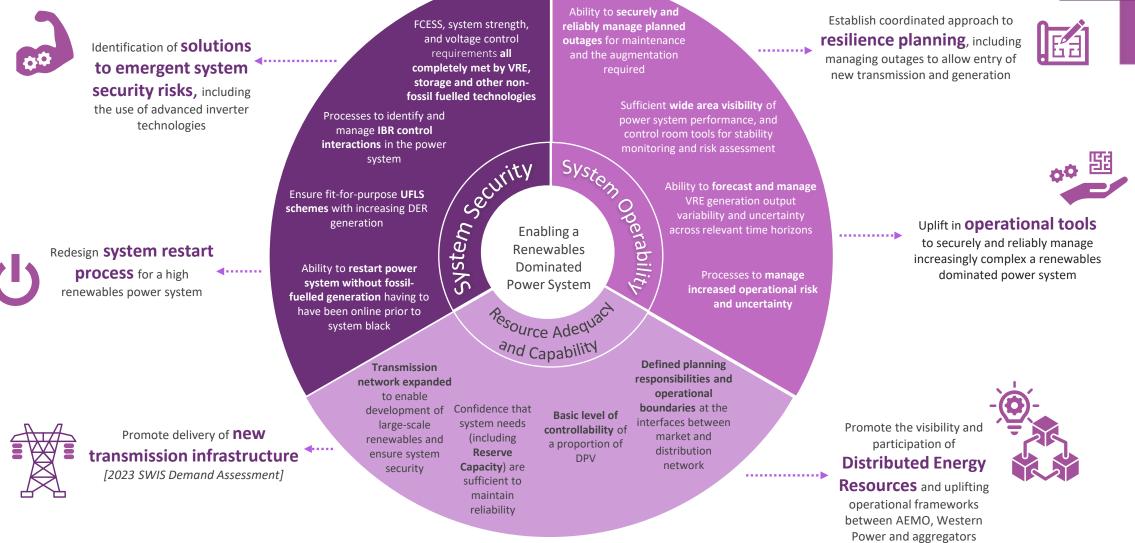


The majority of energy demand to be directly served by inverter-based renewable energy sources – in particular rooftop solar during daylight times – firmed by storage and backed up by gas generation.



Distributed Energy Resources (DER) will increasingly be aggregated and operated as virtual power plants.

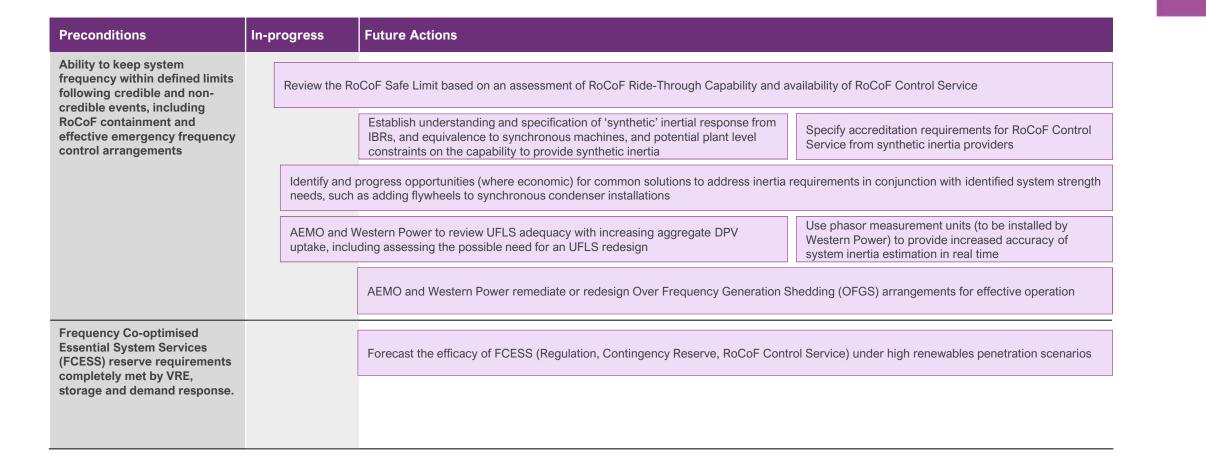
Roadmap



[DER Roadmap]



Action Roadmap



	Recommendation	Relevant initiative	Solution	
	Technical standards, services, and mechanisms			
1	Enable Fast Frequency Response service	Energy Transformation Strategy (ETS) Stage 1 – WEM reforms (commenced 1 October 2023)		
2	Dynamic monitoring, and medium-term and long-term solutions for Under- Frequency Load Shedding (UFLS)	Distributed Energy Resources (DER) Roadmap – Technology integration (in progress)	Partial	
3	Enable ramping service	ETS Stage 1 – Non-Co-optimised Essential System Service (NCESS) Framework (procurement mechanism rules commenced) ETS Stage 2 – Reserve Capacity Mechanism (RCM) Review (introduction of a flexibility capacity product)		



	Recommendation	Relevant initiative	Solution			
	Distribution system related	Distribution system related				
4	Ongoing inverter monitoring and	DER Roadmap – Technology integration (in progress)				
	compliance	ETS Stage 2 – Energy and Governance Legislation Reform (Project EAGLE) (in progress)				
5	Management of Distributed PV systems - PRIORITY	DER Roadmap – Emergency Solar Management				
		(commenced February 2022)				
		ETS Stage 1 – NCESS procurements for Minimum Demand Service (2023 and 2024-2025 Capacity Years)				
			Partial			
6	Market and incentive frameworks for DER participation	ETS Stage 2 – Project Eagle (in progress) DER Roadmap – DER Participation (in progress)				
	par notherror	ETS Stage 1 – NCESS procurements for Peak Demand Service (2024-2025 and 2025-2026 Capacity Years)				
			In progress			
7	Develop visibility of, and incentives for, flexible loads	DER Roadmap – DER Participation (Visibility Framework developed)				
		ETS Stage 2 – Demand Side Participation Review (in progress)				
			In progress			



	Recommendation	Relevant initiative	Solution		
	Wholesale market related				
8	Changing the approach to hybrid facilities	ETS Stage 2 – Demand Side Participation Review (in progress)	In Progress		
9	Improving market incentives to address system variability	ETS Stage 2 – Cost Allocation Review (in progress)	In Progress		
	Regulatory architecture and functionality				
10	Centralised SWIS reliability standard and supporting frameworks	ETS Stage 2 – Project Eagle (in progress) DER Roadmap (in progress)	In Progress		
11	Framework for contingency planning and management to support power system resilience	ETS Stage 2 – Project Eagle (in progress)	Yet to be determined		
12	Build on the utility of the inaugural Whole of System Plan (WOSP)	ETS Stage 1 – Electricity Networks Access Code (ENAC) and WEM Rules amendments commenced), SWIS Demand Assessment			
13	Embed requirements for interoperability and cybersecurity	DER Roadmap – Technology integration (in progress)	In Progress		



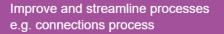
Interdependencies

- The SWIS Roadmap includes engineering actions that need to be undertaken as part of the broader energy transition.
- The SWIS Roadmap does not assign these actions to specific parties, in recognition that:

"No one organisation can undertake all required actions underpinning the energy transition. The transition will require a coordinated effort between AEMO, governments, industry, market bodies and communities."

- AEMO will work with key stakeholders to finalise prioritisation, roles and responsibilities and integrate into the broader program of work.
- Actions which fall outside AEMO's scope (e.g. delivering transmission, building out renewables) are included for both completeness and to further support the efforts across industry.





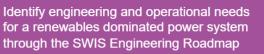
Design and implement reform to support effective and efficient planning and operations



Define technical requirements e.g. System Strength

Plan, design and build an operable system

Uplift operational tools and processes e.g. Operations Technology Program





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AEMO

Next Steps



- Seeking feedback, on how you'd like to be engaged, whether you see gaps in the presented actions and which actions you see needing to be progressed as a priority.
- Welcome feedback by email to
 <u>wa.futuresystemdesign@aemo.com.au</u> by 30 September 2024.
- AEMO is developing a set of priority actions for industry consultation.





Q&A

Contact us at: wa.futuresystemdesign@aemo.com.au



For more information visit

aemo.com.au