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Australian Energy Market Operator  
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### Procedure Change Proposal No: AEPC\_2024\_19 – Direction of Registered Facilities in Scarcity Conditions

Alinta Energy appreciates the opportunity to provide feedback on the proposed amendment to WEM Procedure: Direction of Registered Facilities in Scarcity Conditions. We note that the primary reason for amending the Procedure is to include the process AEMO will use to determine which Registered Facility to direct to synchronise to provide RoCoF Control Service.

Further to our previous submission, we reiterate our general concerns that the foundational and contextual documents for this WEM Procedure, as detailed below, are yet to be developed and/or published by AEMO:

- WEM Procedure for Low Reserve Conditions (Clause 3.17.11);
- Low Reserve Condition Report (Clause 3.17.2); and
- WEM Procedure for Short-Term or Medium Term PASA (Clause 3.16.10).

These are related documents to this WEM Procedure, we recommend that they are noted as such in Table 2.

The purpose of this WEM Procedure is to document the process AEMO will use to determine which Registered Facility to direct under clause 7.7.3, 7.7.4 and 7.7.5:

- Clause 7.7.3, 7.7.4 and 7.7.5 all relate to circumstances in which AEMO has issued a Low Reserve Condition Declaration (Declaration).
- Clause 7.7.4 requires the:
  1. Declaration to relate to an actual or projected shortfall in energy; and
  2. Short Term Projected Assessment of System Adequacy (PASA), Medium Term PASA or the Reference Scenario for the Pre-Dispatch Schedule to project that a Registered Facility will be needed to provide energy.
- Clause 7.7.3 and 7.7.5 requires a Low Reserve Condition Declaration relating to an actual or projected shortfall in Essential System Services

As there have been several shortfalls in energy and ESS resulting in AEMO directing Registered Facilities since the commencement of the hot season and it is likely that ongoing conditions will be conducive to several further shortfalls over the coming months, we remain of the view that it would be prudent for AEMO to prioritise the development of the ST PASA; MT PASA and Low Reserve Conditions WEM Procedures.

We note AEMO's determination of the most appropriate Registered Facility or Registered Facilities to direct are based on its assessment of the relevant power system conditions and Registered Facilities according to the criteria set out in paragraph 2.1.3. This paragraph sets out a list of items AEMO will consider for each Facility with a focus on the immediate term and without reference/consideration to:

- The relevancy of each item (e.g. the circumstances that give rise to the application of each item);
- The priority or weighting of the item;
- The planning horizon that will be applied for the purposes of the assessment in varying circumstances i.e. circumstances where the Low Reserve Condition Declaration is based on projected forecasts rather than the Dispatch Schedule.

We note the current situation whereby directions appear to be the only means of addressing RoCoF shortfalls. Despite the creation of a RoCoF Control Service market there is a lack of notice and market signals to deliver a market solution. We perceive that in AEMO directing Facilities to provide RoCoF it attempts to approximate a market solution – directing in part based on offers and market conditions. However, related to the lack of notice and market signal, these offers are not likely to account for the situation where the Facility is dispatched to provide RoCoF and therefore the related changes in assumptions (i.e. run time and operating level). Consequently, while facilitating the resolution of threats to Power System Security is achieved, AEMO's directing of Facilities is unlikely to achieve the WEM Objectives in that it does not:

- a) promote the economically efficient, (safe and reliable) production and supply of electricity and electricity related services in the SWIS.
- b) encourage competition among generators (and retailers) in the SWIS.
- c) minimise the long-term cost of electricity supplied to customers from the SWIS.

This is because Market Participants are not provided with an opportunity to amend and re-submit price offers and quantities based on potentially new run time assumptions. If earlier notification is provided to the market of a projected shortfall in Energy and/or ESS based on the ST PASA, MT PASA or Pre-Dispatch Schedule, Market Participants will have an opportunity to update and resubmit offers. This has the potential to reduce the value of the price offers due to longer run time expectations. While potentially not in the remit of this WEM Procedure, we recommend that AEMO consider ways it could facilitate a more efficient, market response to RoCoF shortfalls, including by providing advance notice of where a shortfall is projected.

WEM Rule clause 3.4.4(d) states that AEMO may “direct Facilities to adjust output or operate in a particular way, in accordance with the Registered Generator Performance Standards (GPSs) applicable to the Facility where relevant, and otherwise in accordance with the information available to AEMO”. There is no reference to Registered GPSs in the list of considerations in paragraph 2.1.3 nor is the requirement referenced in paragraph 4. We recommend that the consideration of each Facilities Registered GPS, or otherwise their Equipment Limits be included in the relevant parts of the WEM Procedure.

Thank you for your consideration of Alinta Energy’s submission. Should you wish to discuss this further please contact me at Jean.Mileto@alintaenergy.com.au or on 0437014596.

Yours sincerely

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