

## FURTHER INFORMATION – AEMO PROCEDURE CHANGE WORKING GROUP (WEM)

RELEVANT MEETING: AEMO Procedure Change Working Group (WEM)  
Meeting 10

MEETING DATE: 15 April 2019

### 1. GENERAL

The Power System Operation Procedures (Procedure) for Power System Security and Ancillary Services have been completely redrafted by AEMO, to:

- (a) update to reflect current AEMO standards;
- (b) ensure Procedures comply with obligations; and
- (c) ensure content in Procedures is required because a Wholesale Electricity Market Rule (WEM Rule) requirement exists to include detail or process, or AEMO requires an obligation on itself or Participants.

Section 1 of each Procedure details:

- (a) the relationship with the WEM Rules;
- (b) matters of interpretation;
- (c) the purpose and application of the Procedure, including any defined terms; and
- (d) associated documents.

### 2. PSOP: POWER SYSTEM SECURITY

This Procedure only places obligations on AEMO and Network Operators. No new obligations have been placed on the Network Operator in comparison to the existing Procedure.

Section 2 of this Procedure specifies obligations pertaining to Facility Limits, Security Limits, and the maintenance of both.

Security Limits represent any static and dynamic technical limits on the operation of the South West Interconnected system (SWIS) as a whole, or a region of the SWIS, necessary to maintain Power System Security.

WEM Rule 3.2.1 defines an Equipment Limit as any limit on the operation of a Facility's equipment that is provided as Standing Data for the Facility.

The Network Facility has no Standing Data. All Network information is provided via clause 2.28.3A, which combines information that should be treated as Equipment Limits (bar for the Rules definition) and Security Limits.

As such, the Procedure defines:

- (a) Network Limits, as information provided via clause 2.28.3A which should be treated as Equipment Limits; and
- (b) Facility Limits, which includes Equipment Limits and Network Limits.

Section 3 of this Procedure specifies obligations pertaining to the Technical Envelope and SWIS Operating States.

Step 3.1.3 details matters AEMO must consider in establishing and modifying the Technical Envelope, that are implied by the WEM Rules.

Step 3.2 details how AEMO must determine the relevant SWIS Operating State by:

- (a) assessing which contingencies are credible;
- (b) determining which actions AEMO must take to maintain Power System Security; and
- (c) identifying the SWIS Operating State based on whether those actions are allowable in the current SWIS Operating State.

### 3. PSOP: ANCILLARY SERVICES

This Procedure places obligations on AEMO, Market Participants, Ancillary Service Providers and Network Operators.

Section 2 of this Procedure specifies obligations pertaining to Facility Requirements for Ancillary Services. AEMO has clarified for each type of Ancillary Service:

- (a) Facility requirements;
- (b) communication requirements;
- (c) permitted methods of response;
- (d) matters AEMO must consider in assessing the quantity of the relevant Ancillary Service that can be provided; and
- (e) parameters that AEMO may set for specific Facilities.

No new obligations for Rule Participants or requirements for Facilities have been specified.

Section 3 of this Procedure deals with certification of Facilities for Ancillary Services, which formalises the process AEMO has used for many years. Specifically:

- (a) AEMO must certify:
  - i. that a Facility can provide an Ancillary Service;
  - ii. the degree to which the Facility can provide the Ancillary Service as determined in section 2; and
  - iii. may amend the certification; and
- (b) a Market Participant or Network Operator:
  - i. may only provide an Ancillary Service from a Facility to the degree that the Facility is certified for that Ancillary Service; and
  - ii. must provide that Ancillary Service in accordance with AEMO's certification.

While the obligations specified in this section are new to the Procedure, they reflect current practice, and do not place additional imposts on Rule Participants.

Section 4 details matters AEMO must consider in determining the Ancillary Service Requirements and seeking to meet the Dispatch Criteria. This section only places obligations on AEMO.

Section 5 details the procurement of Ancillary Services, including the process for:

- (a) AEMO to enter into Ancillary Service Contracts, and
- (b) conducting competitive tender processes, which specifies:
  - i. the criteria that AEMO will use to assess proposals;
  - ii. the process by which a Facility must be certified; and
  - iii. the scope and inclusions of Ancillary Service Contracts.

This section only places obligations on AEMO.