

Fiona Edmonds

From: Dykstra, Corey [corey.dykstra@alinta.net.au]
Sent: Thursday, 29 March 2012 2:40 PM
To: Janine Ripper; Allan Dawson; Ben Williams; Fiona Edmonds; Gavin White (System Management); Jenny Laidlaw; Matthew Pember; Neil Hay (Western Power); Phil Kelloway (Western Power); Suzanne Frame
Cc: Flood, Robbie; Debra Rizzi (Alinta); Wendy Ng (Alinta); Amanda Rudd (Alinta); Foulds, Darren
Subject: RE: Additional Papers: RDIWG Meeting 20 (22 March)

Hi Phil

Thank you for the opportunity to provide comments on further proposed amendments to the PSOPs.

As has been discussed, unlike the current 'self dispatch' arrangements for Market Generators other than Verve, the commencement of the Balancing Market on 1 July 2012 will require every change in facility generation levels to be in response only to a dispatch instruction issued by SM. This change will require Market Generators including Alinta to make significant changes to existing processes and systems.

Following the proposed amendments to the PSOPs that were published in January 2012, more detail has become available about the processes and information/communication systems that are proposed to be implemented to support the issuing and confirmation of dispatch instructions to Market Generators from 1 July 2012 and then from 5 December 2012.

This detail has now enabled Alinta to identify, albeit still at a high level, those aspects of its existing processes and information/communication systems that will likely need to be changed to best meet the Balancing Market requirements.

Given the short time frame until market start, SM's intention to rely on existing information/communication systems, specifically its web portal SMITS, for issuing and confirming dispatch instructions appears necessary.

However, and while providing a dispatch instruction alert via email and sms will be beneficial, the requirement to manually confirm dispatch instructions via the web portal will effectively require generation facilities to revert to manual control.

This is because under the new Balancing Market arrangements Market Generators cannot pre-empt the dispatch instructions that SM are likely to issue (based on the last Forecast Balancing Merit Order), but must instead manually confirm a dispatch instruction via the web portal before being able to adjust a facility's generation level.

Loading SM's dispatch instructions into a facility's control system could potentially be automated utilising the .xml file that is proposed to be appended to the email and sms alert. However, manual intervention would still be necessary to ensure the confirmation provided via the web portal was aligned to the dispatch instruction that was issued (for example, if an operator failed to confirm a dispatch instruction).

The reliance on a manual confirmation process via SM's web portal to receive and confirm dispatch instructions close to real time (as little as 120 seconds prior to plant movement), combined with an increase in the frequency of dispatch instructions, creates a significant compliance risk for Market Generators.

It would appear that the only real way these risks can be adequately managed is through a return to a fully automated system for issuing and confirming dispatch instructions. It is understood that this is intended to be available for 5 December 2012, although no specifications are available as yet for the proposed SMARTS business-to-business (B2B) system.

Without any certainty around the timing of when the detailed SMARTS B2B specification will be available, it is difficult for Market Generators to make an informed assessment of the scope of work for automating the receipt and confirmation of dispatch instructions. As a result, it is unreasonable to assume that Market Generators will be able to scope, procure, implement and test the necessary systems and/or system and process changes prior to 5 December 2012.

Thus the ability of Market Generators to participate in the Balancing Market would be uncertain from 5 December 2012 if the PSOP was to preclude them from continuing to use the manual dispatch conformation process via SM's web portal from that time.

Alinta suggests that given the web portal is to be retained in any event, and that it does not change a Market Generator's compliance obligations, no participant should be precluded from relying on it to participate in the Balancing Market.

Further specific comments are provided below.

- 60 Second response time (Clause 6.6.2 of Dispatch PSOP) - until SM's B2B is implemented and Market Generators have been able to develop the necessary interfaces, ensuring a dispatch instruction can be confirmed within 60 seconds (and ensuring plant movements commence within a further 240 seconds) represents a significant compliance risk to Market Generators.

It would not be reasonable to commercially penalise Market Generators that were unable to implement a B2B solution for 5 December 2012 by imposing restrictions on the manner in which they may participate in the Balancing Market simply because insufficient information is available in a timeframe to support such an implementation.

- Constrained off Non-Scheduled Generation (Clause 7.3.3 of the Dispatch PSOP) - the comment in the note that SM may constrain non-scheduled generation outside of the BMO due to forecast error raises significant uncertainty - what is the rationale for this?

- Duplicated 24x7 monitored voice communications (clause 2.1 of the Communications and Control Systems PSOP) - could SM consider clarifying the wording and/or intent of this clause? It is understood that this simply refers to having two contact numbers that will be answered 24x7? (i.e. as opposed to simply an office number that would ordinarily only be answered during business hours?).

- As noted above, given the absence of any detailed specifications on SM's proposed B2B system architecture, it does not appear reasonable at this time to preclude Market Generators from continuing to rely on manual confirmation process via the web portal after 5 December 2012. There is simply not sufficient time to scope, procure, implement and test the necessary systems and/or system and process changes.

- 20MW limitation of LFAS (Clause 2.1.1.k of Ancillary Services PSOP) - as discussed at the RDIWG, the doubling of this quantity would appear to risk making the LFAS market non-contestable for many Market Generators.

- Minimum Restart Time (Clause 4.1.d of Power Security PSOP) - the reason for specifying the minimum restart time as the length of time for which a Facility has been offered at the maximum cap price is unclear - are these not independent?

We would welcome an opportunity to discuss the above issues further prior to the finalisation of the PSOPs.

Kind regards

Corey

From: Janine Ripper [mailto:Janine.Ripper@imowa.com.au]
Sent: Mon 19/03/2012 1:37 PM
To: Stephen Maclean (Synergy); Alistair Craib (Collgar); Allan Dawson; Mandi McKenna; Andrew Stevens (The Griffin Group); Andrew Everett (Verve Energy); Andrew Sutherland (Ermpower); Ben Williams; Brendan Clarke (Western Power); Cameron Parrotte (System Management); Chin Koay (Verve Energy); Chris Brown (ERA); Dykstra, Corey; Debra Hutson (System Management); Fiona Edmonds; Geoff Gaston (Perth Energy); Gavin White (System Management); Harry Street (Collgar Windfarm); Jason Waters (Verve Energy); Jenny Laidlaw; Jim Truesdale (Concept); John Rhodes (Synergy); Ky Cao (Perth Energy); Matthew Pember; Neil Hay (Western Power); Patrick Peake (Perth Energy); Paul Hynch (Office of Energy); Phil Kelloway (Western Power); Shaun McLagan (Griffin Power); Shelley Atwell (System Management); Stephan Paris (Griffin Power); Steve Black (PSC Consulting); Steve Gould (Landfill Gas); Suzanne Frame; Tremayne Pirnie (Griffin Power); Wana Yang (ERA); William Street; Winston Cheng; Market Admin; Mandi McKenna; John Rhodes (Synergy)
Subject: Additional Papers: RDIWG Meeting 20 (22 March)

Good Afternoon RDIWG Members,

Please find attached additional papers for discussion at RDIWG Meeting 20, to be held from 2.00-5.00pm on Thursday, 22 March 2012.

These are in relation to Agenda item 3(b) - System Management Procedure Update.

If you have any queries please contact me directly.

Kind Regards,

Janine Ripper | Project Support Officer

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