Status Report prepared under clause 7.12 of the Market Rules by System Management 1 January 2014 – 31 March 2014



Table of Contents

1	Introduction		. 3
	1.1	System Management	. 3
	1.2	Status Report	. 3
2	Issu	ance of Dispatch and Operating Instructions.	. 4
3	Non	-compliance with Dispatch and Operating Instructions	. 5
4	Issu	ance of Dispatch Instructions to Balancing Facilities Out of Merit Order	. 6
	4.1	Out of Merit instances reported to the IMO	. 6
	4.2	Other instances of Out of Merit dispatch	. 6
5	Tran	smission constraints	. 7
6	Operating States, Shortfalls in Ancillary Services and Involuntary Curtailment of Load. 7		
	6.1	High Risk Operating State	. 7
	6.2	Emergency Operating State	. 9
	6.3	Shortfalls in Ancillary Services	10
	6.4	Involuntary curtailment of load	10
7	I FA	S Facilities out of Merit Order	10

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.

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

Clause 7.12 requires System Management to provide a quarterly report on the performance of the market with respect to the dispatch process. The report must include details of:

- the incidence and extent of issuance of Operating Instructions and Dispatch Instructions;
- the incidence and extent of non-compliance with Operating Instructions and Dispatch Instructions;
- the incidence and reasons for the issuance of Dispatch Instructions to Balancing Facilities Out of Merit, including for the purposes of this clause, issuing Dispatch Orders to the Verve Energy Balancing Portfolio in accordance with clause 7.6.2;
- the incidence and extent of transmission constraints:
- the incidence and extent of shortfalls in Ancillary Services, involuntary curtailment of load, High Risk Operating States and Emergency Operating States;
- the incidence and reasons for the selection and use of LFAS Facilities under clause 7B.3.8.

System Management has prepared this report pursuant to its obligations under clause 7.12 of the Market Rules, for the period 1 January 2014 to 31 March 2014.

Unless otherwise specified, data contained within this report refers to trading dates and not calendar dates.

2 Issuance of Dispatch and Operating Instructions.

System Management issued a total of 8,936 Dispatch Instructions to Market Participants during the current reporting period.

Figure 1 below shows the number of Dispatch instructions issued by month since 1 October 2013.

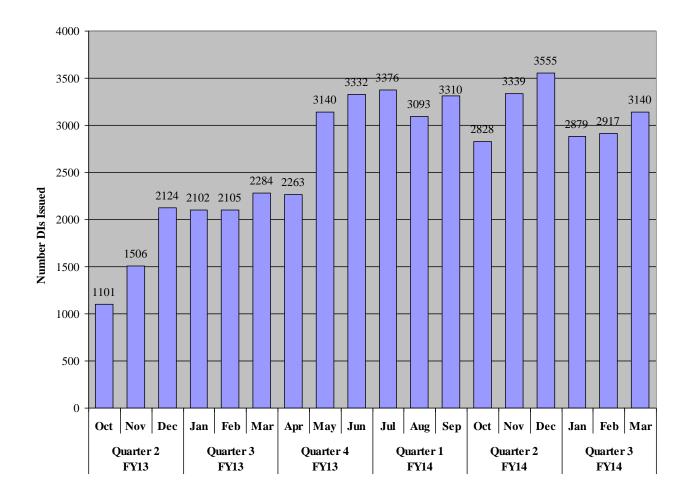


Figure 1: Dispatch Instructions per month

During the current reporting period, System Management issued a total of 31 Operating Instructions.

Under the Market Rules an Operating Instruction is required for Commissioning and Reserve Capacity Testing.

Figure 2 below shows the number of Operating Instructions issued by month since 1 October 2013.

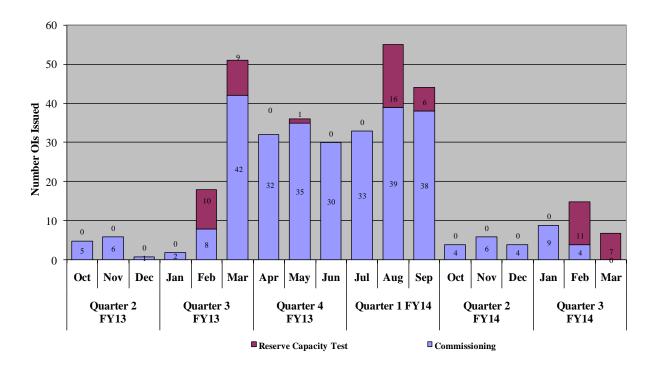


Figure 2: Operating Instructions per month

3 Non-compliance with Dispatch and Operating Instructions

In the current reporting period, System Management reported 566 instances of non-compliance with Dispatch Instructions by a Market Participant at the end of their scheduled interval taking into account the Tolerance Range where applicable.

System Management issued 22,182 one minute non-compliance notifications to Market Participants for non-compliance with Dispatch Instructions during the reporting period taking into account the Tolerance Range where applicable.

There were a total of 158 failures by a Market Participant to acknowledge a Dispatch Instruction through the Market Participant Interface.

There were a total of 11 failures by a Market Participant to acknowledge an Operating Instruction.

Figure 3¹ below provides historical non-compliance data since 1 October 2013.

¹ 7.12 Report for Q2_13 and prior only captured non-compliance information for scheduled generators. Reports post Q2_13 capture non-compliance information for both scheduled and intermittent generators.

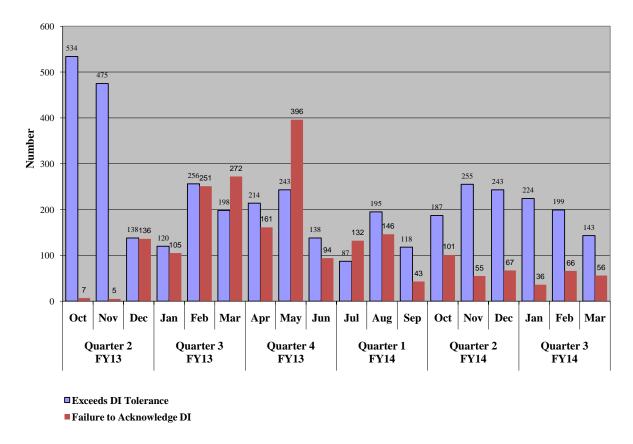


Figure 3: Dispatch Instruction non-compliance notifications (end of interval) and non-acknowledged Dispatch Instructions

4 Issuance of Dispatch Instructions to Balancing Facilities Out of Merit Order.

4.1 Out of Merit instances reported to the IMO

During the reporting period there were no self reported occasions of potential Out of Merit dispatch to the IMO.

4.2 Other instances of Out of Merit dispatch

Section 5 of this report contains information pertaining to facilities that have been impacted by transmission constraints. Where a transmission constraint reported in section 5 has resulted in a facility/ies being dispatched to a position that differs from the applicable Balancing Merit Order then these instances will constitute Out of Merit dispatch. Dispatch Advisory notifications are released for these transmission constraint related instances.

Section 6 of this report describes occasions of High Risk and Emergency Operating States that have occurred during the reporting period. During elevated Operating States there may be a need to dispatch facilities Out of Merit to return the power system to a Normal Operating State where indicated in the information provided in section 6.

5 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.

System Management has identified the following periods involving transmission constraints.

For the period 12 to 14 March 2014 System Management decreased output for ALINTA_WWF for 104 Intervals due to a lightning strike on the TS-MGA 81 Line in the North Country Region (Dispatch Advisory 4049 issued).

For the period 20 to 21 March 2014, System Management decreased output for ALINTA_WWF for 61 intervals due to an unplanned outage of the MOR-TS 81 line (Dispatch Advisory 4072 issued).

Commencing 23 February 2014 due to the Muja bus tie transformer 2 failure (MUBTT2) and loss of voltage control in the Great Southern region, System Management has dispatched two Vinalco MUJA units (see Section 6.1 DA Number 3986 for further details).

6 Operating States, Shortfalls in Ancillary Services and Involuntary Curtailment of Load

6.1 High Risk Operating State

Seven instances of High Risk Operating States occurred during the report period.

Date	2 January 2014
Interval/s	8:2 – 8:2
DA Number	3862
Details	Facility trip of SWCJV_WORSLEY_COGEN_COG1 causing a loss of approximately 120MW.
System Management action	Facilities were dispatched accordingly as per the BMO to maintain system security and reliability.

Date	20 January 2014
Interval/s	10:2 – 17:2
DA Number	3895
Details	Due to extreme temperatures and high loads in the South West Region there was a possibility of transmission line overloads.
System Management action	Dispatched as per the latest BMO.

Date	21 January 2014
Interval/s	10:2 - 16:2
DA Number	3900
Details	Due to extreme temperatures and high loads in the South West Region there was a possibility of transmission line overloads.
System Management action	Dispatched as per the latest BMO.

Date	23 February 2014
Interval/s	7:2 (still ongoing)
DA Number	3986
Details	Muja bus tie transformer 2 failed (MUBTT2) and voltage control in the Great Southern region was lost. Out of Merit Dispatch required to maintain Power System Security and Reliability. The issue is ongoing.
System Management action	Two Vinalco MUJA units are being run to prevent overloads during high south country load times and over-voltages at night.

Date	7 March 2014
Interval/s	18:1 - 9:1 (9 March 2014)
DA Number	4040
Details	Due to extreme weather conditions, there was a possibility that a risk to transmission assets may be experienced throughout the SWIS.
System Management action	Dispatched as per the latest BMO

Date	12 March 2014
Interval/s	14:1 – 06:2 (14 March 2014)
DA Number	4049
Details	Due to a lightning strike on the TS_MGA 81 Line in the North Country Region at 14:06hrs, ALINTA_WWF was curtailed to 15MW. Aerial line patrols to fix these faults were scheduled.
System Management action	ALINTA_WWF was curtailed to 15MW Commencing 12 March 2014 Int 14:1 - 14 March 2014 Int 18:2

Date	20 March 2014
Interval/s	10:2 – 18:2
DA Number	4072
Details	Due to an unplanned outage of the MOR_TS 81 line, the North Country Region was at risk of becoming islanded.
System Management action	ALINTA_WWF was curtailed to 10MW Commencing 20 March 2014 Int 11:2 - 21 March 2014 Int 18:2.

6.2 Emergency Operating State

During the reporting period, no Emergency Operating State was issued.

Figure 4 below provides historical data for High Risk and Emergency Operating States that have occurred since 1 October 2013.

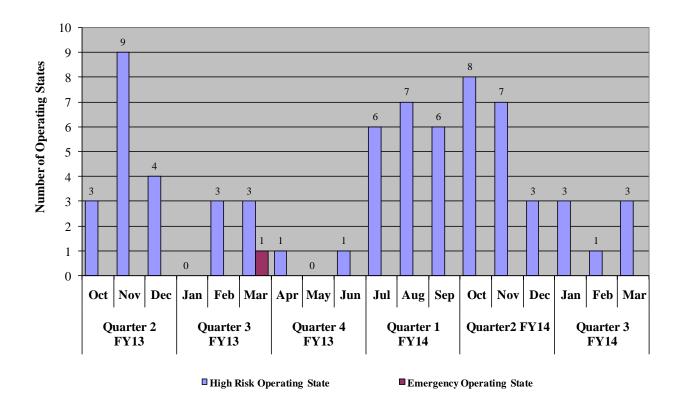


Figure 4: Number of High Risk and Emergency Operating States

6.3 Shortfalls in Ancillary Services

There were no instances of shortfalls in Ancillary Services for the period.

6.4 Involuntary curtailment of load

There were no instances of involuntary curtailment of load.

7 LFAS Facilities out of Merit Order

During the current reporting period there were no incidents where System Management was required to use LFAS Facilities outside of the LFAS Merit Order to operate the SWIS in a reliable and safe manner as per MR7B.3.8.