

2016 ANNUAL REVIEW OF TOLERANCE RANGES - INVITATION TO PROVIDE SUBMISSIONS

1. Background

In accordance with clauses 2.13.6D and 2.13.6E of the Wholesale Electricity Market Rules, System Management may determine the Tolerance Range and Facility Tolerance Range¹ to apply to Facilities for the purpose of System Management's reporting of alleged breaches of clauses 3.21 and 7.10.1 concerning Forced Outages and compliance with Dispatch Instructions under clause 2.13.6A.

Pursuant to clause 2.13.6D, System Management determined that the Tolerance Range will be calculated with the following formula:

$$\text{Tolerance Range} = (+/-) \text{ MAX (6, MIN [5\% NPC, 4*ROC])}$$

Where:

NPC: Name plate capacity of the generator, expressed in MW (Market Rules Appendix 1(b)(ii))

ROC: Rate of Change or Ramp Rate of a Unit per minute (Market Rules Appendix 1(b)(v))

The Tolerance Range was derived from monitoring methodologies used in the National Electricity Market. For more information regarding the initial setting of the Tolerance Range formula please visit: <http://wa.aemo.com.au/system-management-2016-review-of-proposed-tolerance-range>

Since 1 July 2012 System Management has applied the above Tolerance Range formula.

During the 2015 review of the Tolerance Range, a submission was received from Collgar Wind Farm requesting that a Facility Tolerance Range be applied to its Facility, INVESTEC_COLLGAR_WF1, pursuant to clause 2.13.6E of the Market Rules. A Facility Tolerance Range of +6MW for INVESTEC_COLLGAR_WF1 was granted as it is consistent with the Tolerance Range applied to Scheduled Generators, in so far as it is equivalent to the minimum tolerance applicable to those Facilities and is also consistent with the Settlement Tolerance applied under clause 6.17.9 of the WEM Rules.

2. Annual Review

Clause 2.13.6G of the Market Rules requires System Management to review the Tolerance Range and any Facility Tolerance Range at least annually. This year's annual review of the current Tolerance Range and the Facility Tolerance Range is required to be completed by 10 June 2016 for these tolerances to apply from 1 July 2016.

Given the ongoing Electricity Market Review and its proposed reforms, together with the absence of any issues being raised in previous reviews, System Management is not proposing any change to the current Tolerance Range formula. The Facility Tolerance Range for INVESTEC_COLLGAR_WF1 has been in place since 30 November 2015 and it is also proposed that there will be no change to this.

3. Invitation for Submissions

System Management invites submissions from Rule Participants on System Management's proposal to continue applying the existing Tolerance Range and Facility Tolerance Range from 1 July 2016.

In accordance with section 4 of the PSOP: Monitoring and Reporting Protocol, the submission period must be at least six weeks from the publication date of this invitation for submissions.

Submissions must be provided to System Management by **5:00 PM (AWST) on 27 May 2016** via email to: market.development@westernpower.com.au. Please note that clauses 2.13.6D and 2.13.6E of the Market Rules require all submissions to be published on the Market Web Site.

¹ A Facility Tolerance Range applies to an individual Facility in place of any Tolerance Range.