

# WHOLESALE ELECTRICITY MARKET

## PROCEDURE CHANGE REPORT: AEPC\_2019\_08

POWER SYSTEM OPERATION PROCEDURE:  
POWER SYSTEM SECURITY

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## EXECUTIVE SUMMARY

### Purpose

The publication of this Procedure Change Report and accompanying Power System Operation Procedure completes the Procedure Change Process conducted by AEMO to consider a proposed revised Power System Operation Procedure: Power System Security (Procedure) under the Wholesale Electricity Market Rules (WEM Rules).

### Proposed amendments

The revised Procedure is required by clauses 3.11.14, 3.11.15 and 7B.1.2 of the WEM Rules which require AEMO to document the processes:

- (a) AEMO must follow to maintain Equipment Limit information **[Clause 3.2.7(a)]**;
- (b) AEMO and Network Operators must follow when determining Security Limits and maintaining Security Limit information **[Clause 3.2.7(b)]**;
- (c) AEMO must follow when establishing and modifying the Technical Envelope **[Clause 3.2.7(c)]**; and
- (d) AEMO must follow to ensure the SWIS operates according to the Technical Envelope applicable to each SWIS Operating State **[Clause 3.2.7(d)]**,

and guidelines describing matters AEMO will consider when determining the SWIS Operating State **[Clauses 3.3.3, 3.4.9 and 3.5.11]**.

### Consultation

A draft version of the Procedure was presented at the WEM AEMO Procedure Change Working Group (WEM APCWG) meeting held on 15 April 2019, during which changes were recommended by stakeholders. Details of this forum are available at: <http://aemo.com.au/Stakeholder-Consultation/Industry-forums-and-working-groups/WA-Forums/WEM-APCWG>.

AEMO published the Procedure Change Proposal (AEPC\_2019\_08) on the Market Web Site and issued a notice calling for submissions from stakeholders on 1 May 2019.

The submission period closed on 29 May 2019. No submissions were received from stakeholders.

### AEMO's decision

AEMO's decision is to accept the Procedure, as amended, following the consultation period. AEMO considers that the revised Procedure is consistent with the Wholesale Market Objectives, the *Electricity Industry Act*, the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*, and the WEM Rules.

### Next steps

The revised Power System Operation Procedure: Power System Security will commence at 8:00 am on 15 June 2019.



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## 1. BACKGROUND

### 1.1. Regulatory requirements

Clauses 3.2.7, 3.3.3, 3.4.9 and 3.5.11 of the WEM Rules provide that:

3.2.7. *System Management must develop a Power System Operation Procedure documenting:*

- (a) the process to be followed by System Management in maintaining Equipment Limit information;
- (a) the process to be followed by Network Operators and System Management in determining the Security Limits and maintaining Security Limit information;
- (b) the process to be followed by System Management in establishing and modifying the Technical Envelope; and
- (c) the processes to be followed by System Management to enable it to ensure the SWIS operates according to the Technical Envelope applicable to each SWIS Operating State.

3.3.3. *System Management may include in the Power System Operation Procedure guidelines describing matters it will take into account in making a determination under clause 3.3.1.*

3.4.9. *System Management may include in the Power System Operation Procedure guidelines describing matters it will consider in making a determination under clause 3.4.1.*

3.5.11. *System Management may include in the Power System Operation Procedure guidelines describing matters it will consider in making determination under clause 3.5.1.*

### 1.2. Context for this consultation

As part of the amalgamation of System Management and AEMO, the Power System Operation Procedures are being revised and updated. In general, AEMO is revising the Market Procedures to:

- (a) remove any Power System Operation Procedures not required by WEM Rules;
- (b) update all Power System Operation Procedures to current AEMO standards;
- (c) ensure Power System Operation Procedures comply with obligations; and
- (d) ensure content in Market Procedures is included where a WEM Rule requirement exists to include detail or process or AEMO requires an obligation on itself or Participants.

The Power System Operation Procedure will be the fourth version of this Procedure. AEMO proposes to commence the revised Procedure on 15 June 2019.

### 1.3. Procedure Change Process and timetable

On 1 May 2019, AEMO published a Procedure Change Proposal (AEPC\_2019\_08) for the Power System Operation Procedure: Power System Security and issued a call for submissions which are available at [http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2019\\_08](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2019_08).

The proposal was progressed using the Procedure Change Process specified in clause 2.10 of the WEM Rules, with submissions required by 29 May 2019.

## 2. PROPOSED PROCEDURE CHANGE

This section details the changes that AEMO proposed when the call for submissions was published.



## 2.1. Detail of the proposed procedure change

AEMO has redrafted the Procedure as follows:

1. Section 2 of the 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.
2. Section 3 of the 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.

## 2.2. Proposed drafting

AEMO published a draft of the proposed Power System Operations Procedure: Power System Security for consultation, which is available at: [http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2019\\_08](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2019_08). AEMO also provided a marked-up version of the revised Procedure.

## 3. CONSULTATION PROCESS

### 3.1. Market Advisory Committee or Working Group

The Market Advisory Committee (MAC) has delegated its advisory role with respect to AEMO Procedure Change Proposals to the AEMO Procedure Change Working Group (APCWG), in accordance with clause 2.3.17(a) of the WEM Rules. Accordingly, the MAC did not review the Procedure Change Proposal.

A draft version of the Procedure was presented at the WEM AEMO Procedure Change Working Group (WEM APCWG) meeting held on 15 April 2019, during which changes were recommended by stakeholders.

AEMO notified the MAC once the Procedure Change Proposal was published and noted that the Rule Change Panel would convene a meeting of the MAC should two or more members request it in accordance with clause 2.10.9 of the WEM Rules.



### **3.2. Public workshop**

No public workshops were held in relation to this Procedure Change Proposal.

### **3.3. Submissions received during consultation period**

AEMO published the Procedure Change Proposal (AEPC\_2019\_08) on the Market Web Site and issued a notice calling for submissions from stakeholders on 1 May 2019.

The submission period closed on 29 May 2019. No submissions were received from stakeholders.

## **4. AEMO'S ASSESSMENT**

### **4.1. Further changes to the Procedure**

AEMO has not made any further changes to the Procedure.

### **4.2. Consistency with Electricity Industry Act, WEM Regulations, and WEM Rules**

The revised Procedure has been reviewed as a whole by AEMO to ensure compliance with the relevant provisions in the:

- *Electricity Industry Act 2004*.
- *Electricity Industry (Wholesale Electricity Market) Regulations 2004* (WEM Regulations).
- WEM Rules.

### **4.3. Consistency with Wholesale Market Objectives**

AEMO considers that the steps are drafted in a way that is consistent with the objectives of the WEM Rules. As a result, AEMO considers that the revised Procedure, as a whole, is consistent with the Wholesale Market Objectives.

### **4.4. Implementation of the Procedure**

The Procedure was developed in accordance with clauses 3.2.7, 3.3.3, 3.4.9, and 3.5.11 of the WEM Rules.

This Procedure does not require system changes by AEMO.

The Procedure will not require Rule Participants to implement any procedural or system amendments before commencement.

Consequently, AEMO considers that commencement at 8:00 am on 15 June 2019 will allow Rule Participants sufficient time from the date of publication of this Procedure Change Report to ensure compliance.

### **4.5. AEMO's decision and commencement**

AEMO's decision is to accept the Procedure, as amended, following the consultation period. The new Power System Operation Procedure: Power System Security will commence at 8:00 am on 15 June 2019.

AEMO has made this decision on the basis that the new Procedure:

- Is consistent with the Wholesale Market Objectives.
- Is consistent with the Electricity Industry Act, WEM Regulations, and WEM Rules.



- Has the general support of stakeholders as no submissions were received during the consultation period.

The new Power System Operation Procedure: Ancillary Services is available at:  
[http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC\\_2019\\_08](http://www.aemo.com.au/Stakeholder-Consultation/Consultations/AEPC_2019_08).