NOTICE OF FIRST STAGE OF CONSULTATION

National Electricity Rules – Rule 8.9

RELIABILITY STANDARED IMPLEMENTATION GUIDELINES

Date of Notice: 15 June 2015

This notice informs the Reliability Panel, Registered Participants and interested persons (**Consulted Persons**) that AEMO is conducting a consultation on the Reliability Standard Implementation Guidelines.

This consultation is being conducted under clause 3.9.3D of the National Electricity Rules (**NER**), in accordance with the rules consultation procedures detailed in NER clause 8.9.

Matter under Consultation

The matter for consultation is the Reliability Standard Implementation Guidelines (RSIG). NER clause 3.9.3D requires AEMO to develop and publish the RSIG. NER clause 11.78.1 requires the RSIG commence by 31 December 2015.

NER clause 3.9.3D requires the RSIG to detail its approach and a number of assumptions in the context of how AEMO implements the *reliability standard*, which is now specified in NER clause 3.9.3C.

AEMO currently assesses the future performance of the power system in the context of the *reliability standard* in accordance with a number of processes specified in the NER. See Appendix 1 for particulars.

AEMO proposes that the RSIG will set out in a single document the way AEMO implements the *reliability standard*.

AEMO seeks comment on:

> The level of detail to which the RSIG should prescribe how AEMO implements the *reliability standard*. A high level guideline gives AEMO the flexibility to amend its approach if the environment changes or improved techniques are developed, whilst a prescriptive guideline provides a consistent predictable process.

The Consultation Process

The consultation process is outlined below. Dates are indicative only and subject to change.

PROCESS STAGE	INDICATIVE DATE
Closing date for submissions in response to this Notice	22 July 2015
Publication of Draft Report and Determination	30 September 2015
Closing date for submissions in response to the Draft Report	15 October 2015
Publication of Final Report and Determination	8 December 2015

Invitation to Make Submissions

AEMO invites written submissions on the matter under consultation, including any alternative or additional proposals you consider may better meet the objectives of this consultation and the national electricity objective in section 7 of the National Electricity Law.

Please identify any parts of your submission that you wish to remain confidential, and explain why. AEMO may still publish that information if it does not consider it to be confidential, but will consult with you before doing so.

Please note that material identified as confidential may be given less weight in the decision-making process than material that is published.

Meetings

In your submission, you may request a meeting with AEMO to discuss the matter under consultation, stating why you consider a meeting is necessary or desirable.

If appropriate, meetings may be held jointly with other Consulted Persons. Subject to confidentiality restrictions, AEMO will generally make details of matters discussed at a meeting available to other Consulted Persons, and may publish them.

Closing Date and Time

Submissions in response to this Notice of First Stage of Rules Consultation should be sent by email to **leigh.atkins@aemo.com.au**, to reach AEMO by 5.00pm (Melbourne time) on **Wednesdayday 22 July 2015**.

All submissions must be forwarded in electronic format (both pdf and Word). Please send any queries about this consultation to the same email address.

Submissions received after the closing date and time will not be valid, and AEMO is not obliged to consider them. Any late submissions should explain the reason for lateness and the detriment to you if AEMO does not consider your submission.

Publication

All submissions will be published on AEMO's website, other than confidential content.

Appendix 1 – Overview of how AEMO currently implements the Reliability Standard

AEMO currently considers the power system's ability to meet the *reliability standard* in three timeframes:

1. In the long term: Electricity Statement of Opportunities (ESOO)
2. In the medium term: Medium Term Projected Assessment of System Adequacy (MT PASA) and Energy Adequacy Assessment Process (EAAP)
3. In the short term: Short Term Projected Assessment of System Adequacy (ST PASA)

The purpose behind these processes is to identify periods of insufficient accessible generation to meet demand. When AEMO identifies a period of low reserve, AEMO's responses include:

- Notifications to the market via reports, data, or market notices.
- Intervening in the market via directions under NER clause 4.8.9.
- Intervening in the market by dispatching reserve under contract.

AEMO's response depends on the extent of the projected shortfall and in which timeframe the projected shortfall lies.

Long Term Reliability Assessment

In AEMO's annual ESOO, AEMO seeks to identify periods of unserved energy (USE) within the next ten years.

For further information about the ESOO, see http://www.aemo.com.au/Electricity/Planning/Electricity-Statement-of-Opportunities.

Medium Term Reliability Assessment

AEMO uses two separate processes to assess reliability over the medium term: MT PASA and EAAP. MT PASA is an assessment of capacity reserve whilst the EAAP assesses the impact of abnormal energy constraints (e.g. due to drought or fuel shortages) on capacity reserve.

MT PASA

For further information about the MT PASA, see

http://www.aemo.com.au/Electricity/Market-Operations/Dispatch/MTPASA-Process-Description-and-Reserve-Forecasts

EAAP

For further information about the EAAP, see

http://www.aemo.com.au/AEMO%20Home/Electricity/Resources/Reports%20and%20Documents/EAAP

Short Term Reliability Assessment

AEMO uses the ST PASA outputs to assess reliability and security over the short term.

For information about ST PASA, see

http://www.aemo.com.au/Electricity/Market-Operations/Dispatch/STPASA-Process-Description

For information about how ST PASA outputs are used, see

http://www.aemo.com.au/Electricity/Policies-and-Procedures/System-Operating-Procedures/Short-Term-Reserve-Management-SO_OP3703