Electricity Pricing Event Report – Friday 25 December 2015*

Market Outcomes: South Australia spot price reached $901.11/MWh for trading interval (TI) ending 1000 hrs.

Spot price in Victoria was -$69.68/MWh for the same interval but did not fall below the reporting threshold of -$100/MWh.

FCAS prices in all regions and Energy prices for the other NEM regions were not affected by this event.

Detailed Analysis: 5-Minute dispatch price in South Australia reached $5,236.23/MWh for dispatch interval (DI) ending 0935 hrs. The high price can be attributed to rebidding of generation capacity and limited interconnector support on a hot Christmas Day with temperatures exceeding 35 degrees.

- South Australia experienced warm temperatures on Christmas Day, with temperature in Adelaide reaching 35.5 degrees at 1000 hrs. South Australia demand peaked at 1916 MW at 1630 hrs for the 2015 Christmas Day, much higher than the Christmas Day demands over the last 10 years.

- For DI ending 0935 hrs, AGL rebid 300 MW of Torrens Island B PS generation capacity from bands priced at $350.99/MWh to bands priced at market price cap ($13,800/MWh). The rebid was submitted with the reason "0925~A~050 CHG IN AEMO PD~56 PRICE INCREASE $102 5MPD VS PD 09:35".

- Target flow on the Heywood interconnector was limited to 268 MW towards South Australia by the V>>S_NIL_KHTB2_KHTB1 system normal constraint equation. The constraint equation prevents overload of the Keith – Tailem Bend no.1 275 kV transmission line for the loss of the parallel Keith – Tailem Bend no.2 transmission line.

- Target flow on the Murraylink interconnector was limited to 48 MW towards South Australia by the V>>SML_NIL_CONT_7B system normal constraint equation. The constraint equation prevents overload of the Buangor – Arrarat 66 kV transmission line for the loss of the Ballarat – Waubra – Horsham 66 kV transmission line.

- Cheaper priced generation was available but limited due to fast-start profiles (Hallett GT) or were constrained off by the V>>S_NIL_KHTB2_KHTB1 constraint equation (Lake Bonney 2 wind farm).

5-Minute dispatch price in Victoria was -$519.04/MWh for dispatch interval (DI) ending 0935 hrs.

- Target flow towards New South Wales across the VIC-NSW interconnector reduced from 809 MW for DI ending 0930 hrs to 332 MW for DI ending 0935 hrs. The flow towards NSW across the VIC-NSW interconnector was limited by the V>>SML_NIL_CONT_7B constraint equation.

- The excess cheaper generation capacity within Victoria resulted in the Dispatch price reducing to -$519.04/MWh.

South Australia energy price reduced to $22.65/MWh for DI ending 0940 hrs when:

- South Australia demand reduced by 139 MW. This includes 118 MW of non-scheduled generation coming online.

- 164 MW of generation capacity was rebid from bands priced at or above $64.97/MWh to market floor price (-$1000/MWh).

** A summary was prepared as the maximum daily spot price was between $500/MWh and $2,000/MWh.*