Status Report prepared under clause 7.12 of the Market Rules by System Management

22 March 2010 – 21 June 2010

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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.

One of the core functions undertaken by Western Power is the management of the electricity transmission and distribution networks. 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

System Management has prepared this report pursuant to its obligations under clause 7.12 of the Market Rules, for the period 22 March 2010 to 21 June 2010.

2 Issuance of Dispatch Instructions

During the period, System Management issued a total of 62 Dispatch Instructions to Market Participants.

Of these, 2 were "minimum MW" instructions, 44 were "target MW" instructions, and 16 were instructions to return to the Resource Plan.

3 Non-compliance with Dispatch Instructions

No instances of non-compliance with Dispatch Instructions occurred.

4 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. The resultant situation has a generation facility either decrease output, or not increase output as it would if the constraint did not exist.

System Management has identified zero instances of potential or actual transmission constraints during the relevant period that meet the definition above. This does not include any potential or actual transmission constraints arising because of commercial decisions taken by market participants. This also does not include situations where a generator is unable to operate due to planned or unplanned Network outages.

5 Shortfalls in Ancillary Services

Other than as described below during heightened operating states, no instances of shortfalls in Ancillary Services occurred

6 Involuntary curtailment of load

Load Shedding was experienced on 20 April 2010 at 11.46am due the tripping of a large Market Participant. The trip caused the frequency to go to 48.7Hz and a partial Under Frequency Load Shedding (UFLS) occurred causing a loss of power to 38,500 end-use consumers.

7 High Risk Operating State

Three instances of a High Risk Operating State occurred.

1. On 22 March 2010 due to severe weather warning and a storm front which looked to compromise Power System Security a High Risk State was called starting 22 March at 15:1 until 24 March 2010 ending at 8:1. Over this period of time 27 dispatch instructions were issued to Market Participants.

2. On 30 March 2010 due to an increased frequency caused by a large load that tripped a High Risk Operating state was called for intervals 22:2 until 23:1. System Management's response was to temporary restrict the output of a generator to keep frequency under control.

3. On 20 April 2010 at 11.46am due to a trip from a large Market Participant a High Risk Operating State was called for intervals 11:2 to 12:2. System Management responded to the trip by starting a number of units and issuing a dispatch instruction to prevent the frequency from declining further and assisting the frequency to recover. This is also explained above in the incident described in Involuntary Curtailment of Load in item 6.

8 Emergency Operating State

No instances of an Emergency Operating State occurred.