

## Agenda Item 5: Review of Work Package 3 Recommendations

Below are precise recommendations extracted from ROAM's Work Package 3 Report as mentioned in Action Item 59.

	No.	Executive Summary Subheading	ROAM Recommendation	IMO Response
Competitive Procurement of Ancillary Services	1	<b>Projected load following requirements can be technically provided under the existing rules and with existing infrastructure (Section 7.3)</b>	Introduce a competitive market for the provision of ancillary services	This recommendation will be progressed. System Management is developing a proposal for a competitive ancillary services market, which will be provided to the new Rules Development Implementation Working Group.
	4	<b>Equations in the Rules for determination of costs of load following are flawed (Section 14)</b>	An efficient market for frequency control ancillary services should be established	
	5	<b>Cost projections are sensitive to changes in assumptions (Section 14.9) (Section 14.8.2)</b>	Introduce a competitive market for the provision of ancillary services	
	6	<b>Cost projections are sensitive to changes in assumptions (Section 14.9) (Section 14.8.2)</b>	Actively seek opportunities to minimise load following costs.	
Ancillary Services Cost Allocation	3	<b>Equations in the Rules for determination of costs of load following are flawed (Section 14)</b>	The methodology in the Rules for the determination of the costs of load following and spinning reserve (clause 9.9.2 of WEM Rules) should be updated as a priority (suggested equations proposed in section 14.4).	This recommendation will be progressed. The IMO recommends that the REGWG endorse ROAM's proposed rule changes.
	7	<b>The division of cost between load following and spinning reserve needs review (section 14.9)</b>	Review the methodology in the Rules for allocating the costs of spinning reserve and load following (clause 9.9.2).	
	8	<b>Intermittent generators should pay the marginal cost of load following (Section 14.10)</b>	Intermittent generators should pay the marginal cost of the provision of the load following service, above that required for load variability	

Dispatch Merit Order	9	<b>Dispatch priorities at time of minimum load will become important (Section 12)</b>	Implement transparent dispatch merit order priorities in the SWIS	The issue of the dispatch merit order and potential wind curtailment will not be reviewed further by the REGWG. This issue will be highlighted to MAC – potential for review by the RDIWG.
	10	<b>Facilities for wind curtailment are likely to be necessary (Section 12)</b>	Intermittent generators must be able to curtail if necessary	
Technical Rules	2	<b>Inertia and governor response are not limiting factors (Section 11.3)</b>	Arduous requirements for wind farms to provide system inertia should not be applied. Clause 3.10.1 of the WEM Rules is a sufficient standard for the Load Following service.	Agree. No action to be taken.
	11	<b>Ramping limits on intermittent generators are ineffective at reducing variability (Section 15)</b>	Ramp limits should not be applied to intermittent generators individually	To be reviewed by System Management and Western Power.
	12	<b>Intermittent generation is unlikely to be an attractive provider of load following service (Section 16)</b>	Facilitating intermittent generators to provide load following services should not be an immediate priority.	Agree. No action to be taken.
Wind Correlation	13	<b>Wind exhibits correlation within three distinct zones in the SWIS (Section 6.1.2)</b>	Consider commissioning a detailed wind correlation study	Not recommended to be progressed. It is felt that this will not add value to the REGWG process.