



Independent Market Operator
System Management PSOP Working Group

Agenda

Meeting No.	7/2009
Location:	IMO Board Room Level 3, Governor Stirling Tower, 197 St Georges Terrace, Perth
Date:	Thursday, 12 November 2009
Time:	9:00am till 10:30am

Item	Subject	Responsible	Time
1.	WELCOME AND APOLOGIES / ATTENDANCE	Chair	5 minutes
2.	MINUTES OF PREVIOUS MEETING / ACTIONS ARISING	Chair	5 minutes
3.	PSOP: Dispatch A brief discussion paper has been provided to all invitees to consider. The purpose of this discussion is to educate all Market Participants and associated operational personnel of the implications resulting from the most recently published amendments to the Dispatch PSOP. We welcome all suggestions.	System Management	45 mins
4.	PSOP: Operational Data Points for Generating Plant System Management is continuing to develop more accurate models to predict wind farm output, based on weather forecasts. A draft data template has been created which will be passed to existing wind farm market participants along with confidentiality arrangements to address any commercial issues associated with the data. System Management intends to update the Power System Operating Procedure - Operational Data Points For Generating Plant - to include the new data requirements for new wind farm market participants.	System Management	25 minutes
5.	OTHER BUSINESS Discussion on any other matters that fall within the scope of the Working Group's Terms of Reference.	Chair	5 minutes

Market Advisory Committee

Item	Subject	Responsible	Time
6.	NEXT MEETING The next PSOP Working Group meeting to be scheduled.	Chair	5 minutes

System Management Procedures Working Group

Dispatch PSOP – New sections

Presentation of the operational implications relating to application of:

- section 13.1 Dispatch Trajectory;
- section 6 Standing Data; and
- section 13.6 Dispatch Instructions associated with Standing Data ramp rates.

The following sections in bold print have been inputted into the Dispatch PSOP and were submitted for public consultation for the purposes of obtaining greater clarity over how facilities plan to operate their plant on the Trading Day.

1) **Published amendment:**

“13.1 Dispatch Trajectory

Operators of Non-EGC Scheduled Generators must ensure their facility generates a constant linear trajectory between the previous and following target megawatt output end points of each Trading Interval and is consistent with the Resource Plan for the relevant Trading Day”

System Management’s original intention was to provide its operational staff with greater visibility over how Market Participants intend to operate their facilities within a particular trading interval (ie activity between two adjacent target MW end points of trading intervals).

The provision mandates strict requirements for a generator to ensure their facility generates in accordance with a constant linear trajectory, where any such deviation away from the straight line trajectory between end of interval MW points would constitute a breach of the procedure. The amendment does not allow for any tolerance deviation levels.

However, the amended section above may present operational difficulties for both a participant and System Management.

System Management difficulties

Clause 2.13.6 requires that System Management monitor Rule Participants’ behaviour for compliance with the provisions of the Market Rules referred to in clause 2.13.9 and Market Procedures developed by System Management. For real time monitoring, operational staff would bear an additional burden of monitoring deviations not just from resource plans but also the linear trajectory. This is undesirable (and not feasible) as this would detract from the operation of the power system.

Section 13.1 as drafted would add significant compliance obligations to System Management, and, inevitably, the IMO.

Participant difficulties

Participants are likely to be quite affected by the provision. There are two immediate difficulties:

- it might be difficult to achieve the half hour average output in each Trading Interval were a participant constrained to a linear trajectory; and
- facilities may be unable to physically ramp quickly enough to comply with this requirement.

Regardless, a participant is potentially exposed to significantly greater compliance action as a result of section 13.1.

Solution

It is important that System Management have greater visibility of a participant's intended ramping behaviour. A proposed revision to the obligation in section 13.1 below attempts to address the issues outlined.

Suggested amendment:

13.1 Provision of daily dispatch profile

- 1. Operators of Non-EGC Scheduled Generators must use reasonable endeavours to provide System Management their intended dispatch profiles on a minute by minute resolution for each facility by 3pm each Scheduling Day prior to the Trading Day via email to an address nominated by System Management or as otherwise directed.***
- 2. When creating an intended dispatch profile Operators of Non-EGC Scheduled Generators must use reasonable endeavours to incorporate a 6MW average ramping limit into the dispatch profiles where operationally possible.***
- 3. Operators of Non-EGC Scheduled generators must use reasonable endeavours to adhere to the internal dispatch profile prescribed in subsection (1) & (2) above.***
- 4. Furthermore, Operators of Non-EGC Scheduled Generators must use reasonable endeavours to provide System Management early notification (five minutes) of expected deviations from intended dispatch profiles where such deviations exceed 20 MW and timing of 5 minutes, via telephone and then must be logged in SMMITS.***

2.) Published amendment:

“6. Standing Data

- 1. In proposing a ramp rate pursuant to item (b)(v) of Appendix 1 to the Market Rules, a Market Participant must not propose a rate in excess of 6 MW per minute**
- 2. Market Participants must not ramp their facility above the ramp rate prescribed in subsection (1) above, unless directed by System Management.**

3. **When facilities move in response to situations provided in section 13.5 of this procedure, the ramp rate restriction will not be applied.**

and

- 13.5 **Dispatch instructions associated with Standing Data ramp rates**
System Management may issue a Dispatch Instruction with a ramp rate that exceeds the maximum ramp rate set out in section 6 of this Procedure.”

By limiting all generation ramp rates to 6 MW per minute, this may operate to limit a facility’s ability to generate in accordance with its resource plan. Of particular importance, this unfairly restricts generators with limited bilateral agreements or those significantly exposed to the operation of the STEM from complying with resource plans. Ultimately Market Participants will be required to pay larger penalties for more frequent occurrences of UDAP, DDAP and forced outages. This is an outcome of the current unconstrained STEM.

In addition, it may not be operationally possible for some facilities to remain stable if forced to ramp at a constant rate of no more than 6 MW per minute.

As currently drafted, the proposition of a ramp rate limit of 6 MW potentially constrains the ramp rate standing data for a Scheduled Generator. This may represent a difficulty when the normal ramp rate of a Scheduled Generator can actually exceed this ramp limit.

In addition, clause 3.3.2(a) of the Market Rules indicates that dispatch instructions in a normal operating state must be issued in accordance with Standing Data for that normal operating state:

System Management must not require a Registered Facility to be operated inconsistently with the Security Standards or its Equipment Limits for the Normal Operating State’.

Whilst not clear, this appears to mean that the “normal ramp rate” for a facility provided pursuant to the requirements of Appendix 1, item (b)(v) must be utilised when System Management issues Dispatch Instructions in a normal operating state. It would only be open to System Management to issue Dispatch Instructions with a ramp rate in excess of this amount in a High Risk or Emergency Operating State.

The constraining provision in the amended PSOP may therefore not just prevent participants from complying with a Resource Plan, but also System Management issuing Dispatch Instructions (during normal operation) with higher ramp rates.

The intention of the amendments was to require a Participant ramping to meet a Resource Plan to do this at no more than 6 MW per minute. This was to preserve system security. However, the appropriate mechanism to do this requires further discussion within the Working Group.

Suggested amendment:

Open to discussion. System Management considers that more detailed consideration of a potential ramping constraint is required, and this should be conducted in conjunction with a review of settlement and resource plan implications.