

Stephen Eliot

From: PUO - Market Design <marketdesign.wg@treasury.wa.gov.au>
Sent: Thursday, 30 May 2019 4:31 PM
Subject: MDOWG newsletter

Dear MDOWG members,

It has been a while since our last workshop, and while we are yet to schedule the next workshop we would like to give you a brief update on the work that the team has been doing.

Scheduling and Dispatch – Energy

Following the presentation at the March MDOWG meeting, the project team has updated the associated paper to spell out foundational design features of the new market and detailed positions related to energy scheduling and dispatch. In particular, further work has been done on feedback received through the Working Group on matters such as fast start inflexibility profiles, requirements within a reduced 15 minute gate closure and examples of facility aggregation.

It is anticipated this paper will be published for industry information once key market design features are reviewed by the Energy Transformation Taskforce.

Ancillary Services acquisition

Following the technical review of the Ancillary Services framework presented in February 2019 to the PSOWG, work is now underway to develop options for a new Ancillary Services acquisition framework. This area explores issues related to what types of Ancillary Services will be procured, how they will be procured, and who will pay for them and how much. Fundamentally, it is anticipated that frequency regulation (currently LFAS) and a form of contingency response (currently Spinning Reserve and Load Rejection Reserve) will continue to form the basis of frequency control ancillary services. Additionally, appropriate management of other system security issues such as RoCoF control and system strength will also be explored.

A presentation is anticipated to be brought to a mid-June MDOWG meeting.

Settlement

Work is underway to explore the following three settlement design considerations:

- 5-minute settlement to align with 5-minute dispatch
- Settlement timeline being weekly vs. monthly
- Approach to the allocation of loss residues

In particular, industry participants are asked to provide feedback (by replying to this email) on whether moving to a weekly overall settlement cycle (as opposed to the existing weekly STEM settlement and monthly Non-STEM settlement process) is preferred.

A presentation on these matters will be brought to an upcoming MDOWG meeting.

Registration and participation for energy storage systems

Following the presentation at the March MDOWG meeting, AEMO will publish on its website a guideline on the participation of energy storage in the market under the current regulatory framework. An associated paper will also be published on the MDOWG webpage.

Work is underway to identify the considerations associated with amending the registration framework to encompass a constrained network access framework and the full deliverables of the project.

Reserve Capacity Mechanism

Capacity pricing reforms

The Public Utilities Office will be organising a stakeholder workshop to discuss finalisation of the market rule amendments to give effect to the changes to the capacity pricing model as endorsed by the Minister for Energy. Details of the workshop will be released shortly.

Allocating capacity credits in a constrained environment

This work is an important element of the project to improve access to the Western Power network and will build on the previous work that was subject to consultation in early 2018. Reform is driven by the requirement to account for the impact of constrained network access on each generator's ability to contribute to meeting supply reliability. ETIU anticipates that consultation with the working group will commence in August 2019.

The next MDOWG meeting is planned for mid-June. Calendar invites and agenda will be issued shortly.

Kind regards,
Aditi

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