



Amendments to the Market Ancillary Service Specification

Final Report – Expedited consultation
for the National Electricity Market

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New South Wales | Queensland | South Australia | Victoria | Australian Capital Territory | Tasmania | Western Australia
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Executive summary

The publication of this final report concludes the expedited consultation procedure conducted by AEMO to proposed amendments to the Market Ancillary Services Specification (**MASS**) (the **proposal**) under the National Electricity Rules (**NER**).

AEMO thanks all stakeholders for their feedback on the proposal, which was undertaken as required by NER 3.11.2, following the procedure in NER 8.9.3.

The proposed amendment to the MASS set out in the Draft relates to a single parameter; that is, the Fast Frequency Ramp parameter. This parameter is used by AEMO when the assessing Very Fast FCAS capability of FCAS facilities in Tasmania. The Draft proposed that this parameter be revised to 2 Hz/s (from 1 Hz/s in v8.0 of the MASS) in order to better align with the frequency containment and Rate of Change of Frequency (RoCoF) requirements in the FOS. The change was proposed to take effect from 9 October 2023, replacing v8.0 of the MASS which is currently scheduled to take effect from that date.

Submissions on AEMO's proposal were received from:

- Hydro Tasmania, the largest generator operator in Tasmania, and;
- TasNetworks, the Tasmanian transmission network service provider.

Both submissions were supportive of the proposed revision to the Fast Frequency Ramp parameter. No particular concerns were noted in either submission, and AEMO remains of the view that a 2 Hz/s value is appropriate.

Therefore AEMO's final determination on the proposal is to amend the MASS in the form published with this final report, with an effective date of **9 October 2023**.

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1. Stakeholder consultation process

As required by National Electricity Rules (**NER**) 3.11.2, AEMO has consulted on proposed amendments to the Market Ancillary Service Specification (**MASS**) (the **proposal**) in accordance with the expedited rules consultation procedure in NER 8.9.3.

Note that this document uses terms defined in the NER, which are intended to have the same meanings.

AEMO's process and timeline for this consultation are outlined below.

Table 1 Consultation process and timeline

Consultation steps	Dates
Initial communication and feedback from Tasmanian participants	13 March 2023 to 14 April 2023
Ancillary Services Technical Advisory Group (ASTAG) forum	28 April 2023
Draft report published	25 May 2023
Procedure change request deadline	8 June 2023
Submissions due on draft report	23 June 2023
Final report published	28 July 2023

AEMO's consultation webpage¹ for the proposal contains all published papers and reports, written submissions, and other consultation documents or reference material.

In response to its draft report, AEMO received two (2) written submissions.

AEMO thanks all stakeholders for their feedback on the draft report, which has been considered in preparing this final report.

¹ <https://aemo.com.au/en/consultations/current-and-closed-consultations/mass-consultation---revision-of-tasmanian-settings-for-very-fast-fcas>

2. Background

2.1. Context for this consultation

Following the 2022 MASS consultation on establishing the specifications for Very Fast FCAS², AEMO's subsequent work on developing the new markets identified a shortcoming in one of the settings determined in that process. As a result, AEMO considered that the proposed Fast Frequency Ramp rate used in establishing the registered quantities Very Fast FCAS for the Tasmania region should be amended from 1 hertz per second (**Hz/s**) to 2 Hz/s.

2.2. NER requirements

To make any change to the MASS, NER 3.11.2 requires AEMO to follow the rules consultation procedures in NER 8.9. AEMO considered that the expedited rules consultation procedure specified in NER 8.9.3 was appropriate for this consultation given that the proposed change is very limited in scope and has no adverse impact on either NEM operations or registered participants. No objections to this proposal were received and therefore the expedited rules consultation procedure was followed.

2.3. The National Electricity Objective

Within the specific requirements of the NER applicable to this proposal, AEMO has sought to make a determination that is consistent with the National Electricity Objective (NEO) and, where relevant, to select the option best aligned with the NEO.

The NEO is expressed in section 7 of the National Electricity Law as:

to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to:

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of the national electricity system.

² 2022 MASS consultation page, at <https://aemo.com.au/consultations/current-and-closed-consultations/amendment-of-the-mass-very-fast-fcas>.

3. Discussion of material issues

AEMO received two written submissions to the Draft Report. These were submitted by Hydro Tasmania and TasNetworks. Both were brief submissions which stated that AEMO's reasoning for the proposed change to the Fast Frequency Ramp was rational and that they supported its change from 1 Hz/s to 2 Hz/s. Neither submission raised any material issues with the proposal. AEMO's views on the matter have not changed over the course of the consultation either.

4. Final determination on proposal

Having considered the two supportive submissions to the draft report, AEMO's final determination is to amend the MASS in the form published with this final report, in accordance with NER 8.9.3.

The final amendments MASS are the same as those proposed in the draft.

AEMO remains of the view that the proposed change to the assumed Frequency Ramp Rate for Tasmania is appropriate and consistent with the NEO as it leads to more efficient investment by:

- Aligning better with the FOS, and with the strategy employed for assigning the equivalent settings in the mainland;
- More appropriately valuing the response of Very Fast Contingency FCAS providers in Tasmania, and;
- Removing barriers to providers of Very Fast Contingency FCAS in Tasmania.

Effective date

The effective date of this determination is **9 October 2023**. This means it comes into effect from the commencement date of the Very Fast FCAS markets and will replace the published MASS version 8.0 which was to take effect from that same date.