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

22 September 2009 – 21 December 2009

PUBLIC VERSION

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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 September 2009 to 21 December 2009.

2 Issuance of Dispatch Instructions

During the period, System Management issued a total of 127 Dispatch Instructions to Market Participants.

Of these, two were "minimum MW" instructions, 92 were "target MW" instructions, and 33 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

No instances of shortfalls in Ancillary Services occurred.

6 Involuntary curtailment of load

No instance of involuntary curtailment of load occurred.

7 Energy forecasts by intermittent generators

[Material removed for confidentiality reasons]

8 High Risk Operating State

17 instances of a High Risk State occurred.

1. On 29 September 2009, due to the ramping of a commissioning facility at 64 MW/min from 0 MW to 320 MW a high risk state was declared for intervals 9:1 to 11:2.

2. On 2 October 2009, due to the ramping of a commissioning facility at 60 MW/min from 0 MW to 320 MW. Followed by a load rejection test of 190 MW a high risk state was declared for intervals 8:2 to 12:1.

3. On 14 October 2009, the SWIS was experiencing high frequency which required a high risk state in accordance with MR 3.4.1(l) during intervals 1:1 to 5:1.

4. On 14 October 2009, a Market Generator was experiencing problems and under MR 3.4.1 (i) a high risk state was called during intervals 22:1 to 0:2.

5. On 17 October 2009, the SWIS was experiencing a high frequency which required a high risk state as per MR 3.4.1(l) during intervals 5:1 to 7:1.

6. On 20 October 2009, the SWIS was experiencing a high frequency and a high risk state was required for intervals 1:1 to 6:1.

7. On 24 October 2009, the combination of commissioning plans and an increase in generation due to Resource Plans at a time of low demand resulted in a high frequency on the SWIS and a high risk state was required for intervals 5:1 to 6:1.

8. On 24 October 2009, unusual operation conditions and insufficient demand required a high risk state in accordance with MR 3.4.1(l) during intervals 2:1 to 3:2.

9. On 30 October 2009, a high ramp rate expected from a facility to comply with its Resource Plan resulted in expected frequency fluctuations and a high risk state was required for intervals 18:1 to 20:1.

10. On 24 November 2009, due to the load being 100 MW lower than forecast, a high risk state was required in accordance with MR 3.4.1 (i) during intervals 2:2 and 4:1.

11. On 27 November 2009, the PABX telephone communications to the SSOC generation desk were interrupted and a high risk state was called during intervals 9:1 to 11:1 until the PABX communications were restored.

12. On 12 December 2009, Verve Energy generation was dispatched to minimums. The frequency was 50.22Hz and continually fluctuating putting the SWIS into a High risk during intervals 1:1 to 4:2.

13. On 12 December 2009, the previous high risk state was extended due to inability to provide Load Following in a negative direction as well as inadequate Load Rejection capability. An IPP ramping on Resource Plans was also scheduled to have a negative impact on the situation and a forecast load was not available. The high risk state was extended from 4:2 to 6:1.

14. On 13 December 2009, a load advised that at 5.00am, 60 MW of load will trip from the system. Under MR 3.4.1 (l) a high risk state was declared for interval 4:2.

15. On 14 December 2009, as the frequency was fluctuating considerably and a high risk state was declared for intervals 22:1 to 1:2.

16. On 15 December 2009, due to being unable to control the frequency in the SWIS a high risk state was declared for intervals 5:2 to 7:2.

17. On 17 December 2009, due to insufficient load growth to accommodate Resource Plans a high risk state was declared for intervals 5:2 to 6:1.

9 Emergency Operating State

No instances of an Emergency Operating State occurred.