

AUSTRALIAN ENERGY MARKET COMMISSION

SYSTEM SECURITY AND RELIABILITY ACTION PLAN

Updated 15 September 2020

Two page infographic summarising system security and reliability work program.



SYSTEM SECURITY

A stable power system:
the power system operates within defined technical limits, even when a major power system element disconnects from the system

Mar 2020 Final determination ✓

Mandatory primary frequency response
Requiring generators to respond automatically to changes in power system frequency.

Apr 2020 Final determination ✓

Improving the provision of system restart ancillary services
Updating the arrangements under which the services that “jump start” the power grid after a system black are provided, including more rigorous testing processes.

Sep 2020 Final determination ✓

Removal of intervention hierarchy
Provides AEMO with flexible principles to select the intervention mechanism, or combination of mechanisms, that minimise the cost and maximise the effectiveness of an intervention.

Sep 2020 Final determination ✓

Changes to intervention mechanisms
Removing the mandatory restrictions framework, the obligation on AEMO to counteract during an intervention and clarifies the affected participant compensation cost recovery arrangements.

Underway

Frequency control rule changes
Working with the ESB, AEMO and the AER on designing new, coordinated and lowest-cost ways to incentivise fast frequency and primary frequency response services to be provided over the medium to longer term.

Underway

Synchronous services rule changes
Working with the ESB, AEMO and the AER to consider ways to provide appropriate levels of synchronous services, including inertia, voltage control and system strength.

Underway

System strength work plan
Working with the ESB, AEMO and the AER on the lowest-cost ways to deliver efficient levels of system strength in the system.

Underway

Reserve services rule changes
Working with the ESB, AEMO and the AER to develop arrangements to efficiently value reserves in the NEM so there are sufficient levels and types of reserves available when needed to respond to unexpected changes in supply and demand.

Sep 2020 Draft determination

Compensation following directions for services other than energy and market ancillary services
Improving the administrative efficiency of the process to determine compensation following directions for services other than energy and market ancillary services.

Sep 2020 Draft determination

Compensation for market participants affected by intervention events
Improving the frameworks relating to the compensation payable to participants affected by an AEMO intervention event.

Oct 2020 Final report

Investigation into system strength frameworks in the NEM
Evaluating the effectiveness of the system strength framework and its ability to effectively and efficiently address system strength issues in the NEM.

Oct 2020 Draft determination

System restart standard review 2020
Reviewing the system restart standard to account for changes made to the types of services AEMO can procure as system restart ancillary services.

Nov 2020 Consultation paper

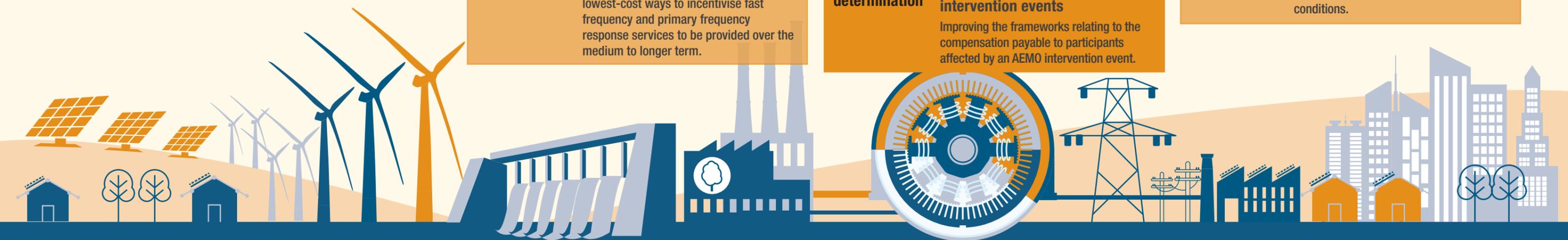
Prioritising arrangements for system security during market suspension
Providing AEMO with appropriate flexibility to prioritise arrangements for system security during a period of market suspension.

Nov 2020 Consultation paper

Implementing a general power system risk review
Delivering a process for transparently assessing and identifying emerging risks to power system security.

Nov 2020 Consultation paper

Enhancing operational resilience in relation to indistinct events
Providing AEMO with mechanisms to enhance power system resilience to indistinct events under abnormal conditions.



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WHOLESALE RELIABILITY

Enough capacity to meet demand: having sufficient generation and demand response capacity to supply customer needs

Mar 2020
Final determination

Victorian jurisdictional derogation on RERT contracting
Introducing multi-year emergency reserve contracts in Victoria on an interim basis.

Jun 2020
Final determination

Wholesale demand response mechanism
Introducing a new mechanism to enable more wholesale demand response for large customers.

Underway

AEMC/AEMO/AER virtual power plant trial
Trial to inform changes to regulatory frameworks and operational processes so VPPs can play a bigger role in the energy market. In Australia grid-connected VPPs are focused on coordinating rooftop PV and battery storage.

Sep 2020
Interim report

Transmission access reform review
Reflecting stakeholder feedback to ensure the core features of locational marginal pricing and financial transmission rights are fit for purpose for the NEM.

Sep 2020
Consultation paper

Transparency of unserved energy calculation
Clarifying and simplifying the definition of unserved energy used in post-event analysis of supply interruptions.

Oct 2020
Consultation paper

Generator registration thresholds
Reducing the threshold for registration as a generator from 30 MW to 5 MW.

Oct 2020
Submissions to consultation paper close

Integrating energy storage systems into the NEM
Recognising and defining energy storage systems in the rule and providing a framework that supports their participation and that of business models where there are a mix of technology types behind a connection point.

Dec 2020
Draft access reform package

Transmission access reform review
Developing the core elements of a rule change package for transmission access reform in coordination with the ESB p2025 project.

Dec 2020
Market performance update

Reliability Panel annual review of market performance
Annual review of the performance of the national electricity market in terms of security, reliability and safety.

Apr 2021
Consultation paper

Reliability Panel Reliability standard and settings review 2022
Ensuring the Reliability Standard and settings remain suitable and continue to meet the requirements of the market, market participants and consumers.

