



Generating System Model Guidelines (ERC0219)

Alinta Energy Submission

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1. Introduction

Alinta Energy (**Alinta**) welcomes the opportunity to provide a submission to the Australian Energy Market Commission's (**AEMC**) *National Electricity Amendment (Generating System Model Guidelines) Rule 2017* Consultation Paper.

Alinta is both a generator and retailer of electricity and gas in the east and west coast energy markets. It has 1700MW of gas-fired generation facilities, and in excess of 750,000 customers including nearly 200,000 in east coast markets.

While Alinta agrees that changing power system conditions are impacting on the ability of Australian Energy Market Operator (**AEMO**), and other parties, to undertake detailed modelling of the power system, it does not support the proposal to broaden the scope and increase the level of model data it may request from registered participants.

Alinta considers that the rule change request could represent a significant impost on both existing, and new participants, in the National Electricity Market (**NEM**) and that issues may also arise with the commercial sensitivity of the model information being requested.

2. Alinta's key issues

2.1 Costs of compliance

Alinta notes that generators will face increased compliance costs if required to provide more detailed model data to AEMO, and that the cost for retrospectively requiring an EMT-type model is significantly higher than requiring an EMT-type model prior to connection.

Alinta estimates the likely costs for participants to provide a broader scope of modelling data, or more detailed EMT-type models to AEMO could be in the realm of \$500k per generating unit. This estimated cost includes up to \$250k per generating unit to implement the model. Further costs are then incurred for testing, including:

- specialist labour;
- machine operating costs, including fuel costs and those costs associated with operating in certain test modes; and
- loss of electricity generation revenue while undertaking testing.

Should the testing identify any failures to comply, a participant can also incur additional costs in the tens of thousands of dollars to rectify any non-compliances.

While Alinta's standard approach with regards to new connections is to produce a detailed Power Factory Digsilent model, Alinta considers that the additional costs associated with these proposed data provision requirements could be a barrier to entry for new generators (particularly smaller generators).

2.2 Ability to comply

Alinta considers that there are restrictions associated with providing additional modelling data of the type contemplated in the rule change request, for example:

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- a full set of original equipment manufacturer (**OEM**) machine data required to create a true model is rarely available to a participant and therefore many assumptions and calculations will be required which reduces the definition and reliability of the broader model; and
 - even if generators already possess the EMT-type models from the OEM, the release of those models to any third party, including AEMO, may be restricted under private confidentiality agreements.

These restrictions mean that the ability for generators to comply with providing the data contemplated in the rule change request will differ from one participant to another.

2.3 Data disclosure

While Alinta does not support the proposal, if it were to progress, Alinta agrees with AEMC that a key issue to be considered is which parties should have access to EMT-type model data and in what form that data should be provided.

Alinta considers that EMT-type models contain commercially sensitive information, including sensitive intellectual property of the OEM. Therefore, Alinta is strongly of the opinion that:

- third parties (i.e. other generators) should not have access to EMT-type models, and that encryption of this data would not provide sufficient protection to address issues related to commercial sensitivity of the data; and
- AEMO and Network Service Providers are the only parties that should have access to EMT-type model data provided by generators.

2.4 Transitional Rules

AEMO's rule change request proposes that these new information provision requirements would mainly be applied to new connecting generators. However, in some instances, existing registered participants would also be required to provide modelling information. For generators, this information would generally be required:

- at the time of negotiating a network connection;
- If *"in AEMO's reasonable opinion, there is a risk that the plant will adversely affect network capability, power system security, quality or reliability of supply, inter-regional power transfers or the use of a network by another Network User"*; and
- if changes are made to existing plant through the process under rule 5.3.9 – even if the changes are considered to be 'like-for-like'.

Alinta is concerned that, in some cases, AEMO would have discretion to require additional information, potentially including both a broader scope and more detailed modelling information, from existing registered participants. This would be at a significant cost to existing participants, for little additional benefit for those participants.

Alinta considers that there needs to be some recourse available to a participant if it does not agree with the AEMO's assessment that the plant will adversely affect network capability, power system security, quality or reliability of supply and therefore obligated to provide additional modelling data or retrofit an EMT-Type model.

Further, Alinta considers the process under rule 5.3.9 requires further guidance as to what would change would trigger a need to provide additional modelling data. Alinta considers that the current framework is vague and the outworkings can be very onerous on existing participants.

Finally, Alinta notes that the testing interval outlined under rule 5.7.6 is excessive. These tests can incur significant costs and put undue burden on a generator. Alinta recommends that the testing interval is extended to four years to align with current generator compliance guidelines.

3. Conclusion

Alinta does not support the proposal to broaden the scope and increase the level of model data it may request from registered participants. As outlined in this submission, Alinta is concerned with not only the costs associated with compliance but also the ability to comply with the new requirements, potential data disclosure to third parties, and potential that AEMO could require additional information, including both a broader scope and more detailed modelling information, from existing registered participants – at a significant cost to that participant.

Please contact me on Jacinda.Papps@alintaenergy.com.au or 08 9486 3009 if you have any queries in relation to this submission.

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