

13 January 2021

Mr Graham Mills
Australian Energy Market Commission
Submitted online
Reference: ERC0313

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Dear Mr Mills

AEMO submission on Semi-Scheduled generator dispatch obligations rule 2020

Thank you for the opportunity to provide a response to the AEMC Draft Determination¹ of the AER's proposed rule change imposing dispatch obligations on Semi-Scheduled generators.

AEMO supports the Draft Determination because it will improve dispatch, pricing and system security through improved participation of Semi-Scheduled resources in central dispatch. AEMO has, however, identified some proposed revisions to the drafting of the rule which may assist interpretation and avoid potential ambiguity.

These revisions (attached) do not detract from AEMO's support for the Rule and have been proposed for the following reasons:

1. Reflect actual practice and terminology by:
 - a) Replacing the term *dispatch level* with *dispatch target*, for both scheduled and semi-scheduled generation. This avoids confusion between the required output specified in a dispatch instruction and the alternative use of 'dispatch level' to mean the current or intended level of output (also in 'self-dispatch level').
 - b) Ensuring the NER definitions and descriptions express clearly that a dispatch instruction in a semi-dispatch interval comprises both a dispatch target and a cap (indicated by the semi-dispatch flag), and does not merely specify the maximum permitted output.
2. Simplify clause 4.9.8(a2), to make it clear that semi-scheduled generation output is allowed to deviate from the dispatch target due to intermittent resource availability, but in a semi-dispatch interval the dispatch target cannot be exceeded.
3. Clarify that intermittent describes the energy resource, noting that a semi-scheduled generating unit by definition has 'intermittent' output.

¹ AEMC, Semi-scheduled generator dispatch obligations, Draft rule determination, 19 November 2020
SUBMISSION - ERC0313 SEMI SCHEDULED RULE CHANGE 130121

4. Consider additional consequential amendments required as a result of the draft rule. Noting there may be others, those identified by AEMO are:
 - a) Clause 3.8.23 (failure to conform to dispatch instructions).
 - b) Replacement of the term "energy source" with "intermittent resource" where it is intentionally distinguished from energy sources for scheduled generation.
 - c) Review the use of dispatch level/level of dispatch terms in the rules and adjust them to use the defined "dispatch target" where consistent with the revised dispatch obligations of semi-scheduled generators.

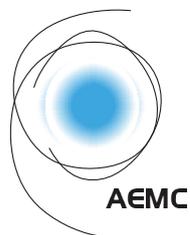
Should you have any questions, please contact Kevin Ly, Group Manager - Regulation, on kevin.ly@aemo.com.au.

Yours sincerely



Violette Mouchaileh
Chief Member Services Officer

Attachment: Proposed AEMO alternative drafting



[1] Draft National Electricity Amendment (Semi-scheduled generator dispatch obligations) Rule 2021 - Proposed AEMO alternative drafting January 2021

under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria;
- (g) the National Electricity (Northern Territory) (National Uniform Legislation) Act 2015 of the Northern Territory; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

Merryn York
Acting Chairperson
Australian Energy Market Commission

[2] Draft National Electricity Amendment (Semi-scheduled generator dispatch obligations) Rule 2021

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Semi-scheduled generator dispatch obligations) Rule 2021*.

2 Commencement

This Rule commences operation on [COMMENCEMENT_DATE].

3 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

[3] Schedule 1 **Amendment to the National Electricity Rules**
(Clause 3)

[4] Clause 3.8.19 Dispatch inflexibilities

In clause 3.8.19(a1), delete “dispatch level” and substitute “dispatch target”.

In clause 3.8.19(e)(1), delete “dispatch level” and substitute “loading level”.

[5] Clause 3.8.23 Failure to conform to dispatch instructions

[No specific drafting suggested, however AEMO believes it would be appropriate to expand 3.8.23(a) to include any generating unit, and delete (b), although note it may be necessary to build in some additional allowance for variability (TBC). If (b) is retained, the term ‘dispatch level’ would need to be replaced with ‘dispatch target’]

[6] Clause 3.12.2 Affected Participants and Market Customers entitlements to compensation in relation to AEMO intervention

Delete clause 3.12.2(c)(1)(i) and substitute:

- (i) the estimated *dispatch target* that its *scheduled network service* or *scheduled generating unit* would have received had the *AEMO intervention event* not occurred; and

In clause 3.12.2(c)(ii)(A), delete “level of dispatch” and substitute “dispatch target”.

[7] Clause 3.15.6A Ancillary service transactions

In clause 3.15.6A(k)(5)(i), delete “dispatch target” and substitute “dispatch target”.

In clause 3.15.6A(k)(7)(i), delete “dispatch level” and substitute “dispatch target”.

~~**[4] Clause 4.9.2 Instructions to Scheduled Generators and Semi-Scheduled Generators**~~

~~In clause 4.9.2(a)(1), after “service;” insert “and”.~~

[5][8] Clause 4.9.2 Instructions to Scheduled Generators and Semi-Scheduled Generators

Omit clauses 4.9.2(a)(2) and 4.9.2(a)(3) and substitute:

- (2) the *dispatch target* for the *generating unit* for the specified period; and
- (3) in the case of a *semi-scheduled generating unit*, whether or not the specified period is a *semi-dispatch interval*.

Commented [A1]: Consider substituting ‘dispatch interval’ for ‘specified period’ (subject to change to trading interval post October 2021 for SMS). This aligns with the definition of dispatch target and the use of semi-dispatch interval.

~~(2) in the case of a:~~

~~(i) scheduled generating unit, the level or schedule of power; and~~

~~(ii) semi-scheduled generating unit, the dispatch level, to be supplied by the generating unit over the specified period.~~

[9] Clause 4.9.5 Form of dispatch instructions

In clause 4.9.5(a)(2), before “desired outcome” insert “*dispatch target or*”.

Omit clause 4.9.5(a)(6) and substitute:

~~(6) in the case of a dispatch instruction for a semi-scheduled generating unit, a notification as to whether or not the dispatch interval to which the dispatch instruction relates is a semi-dispatch interval.~~

[6][10] Clause 4.9.8 General responsibilities of Registered Participants

After clause 4.9.8(a1), insert:

(a2) A *Semi-Scheduled Generator* is ~~not taken to have failed to comply with~~ taken to have met a dispatch target in a dispatch instruction if the active power of the relevant semi-scheduled generating unit at the end of the dispatch interval: as a consequence of:

(1) only varies from the dispatch target as a result of intermittent resource availability; and in a semi-dispatch interval, the level of power supplied by the generating unit being less than the dispatch level nominated in the dispatch instruction, to the extent that the shortfall is the result of resource availability; or

(2) in the case of a semi-dispatch interval, does not exceed the dispatch target, regardless of intermittent resource availability. in a non semi-dispatch interval, the level of power supplied by the generating unit either exceeding or being less than the dispatch level nominated in the dispatch instruction, to the extent that the excess or shortfall (as applicable) is the result of resource availability.

Commented [A2]: Rewording to avoid the double negative. Note this scenario is not comparable to (a1). In that case, the rules are excusing what would otherwise be a non-compliance if the only reason for not meeting target is that the unit was providing PFR. Here, we can say positively that the dispatch target element of the instruction is met in these conditions

Commented [A3]: Note – this is a deliberate ‘and’. In a semi-dispatch interval both (1) and (2) apply.

[11] Clause S5.2.5.14 Active power control

In clause S5.2.5.14(a)(2), (a)(3), (b)(2)(iii) and (b)(3), delete “energy source” and substitute “*intermittent resource*”.

In clause S5.2.5.14(a)(1)(ii) and (a)(3)(iv), delete “level of *dispatch*” and substitute “*dispatch target*”.

[7][12] Chapter 10 Substituted definitions

In Chapter 10, substitute the following definitions in alphabetical order:

dispatch level

Means:

- (1) ~~for a *semi-dispatch interval*, the amount of electricity specified in a *dispatch instruction* as the *semi-scheduled generating unit's* maximum permissible active power at the end of the *dispatch interval* specified in the *dispatch instruction*; and~~
- (2) ~~for a *non semi-dispatch interval*, the amount of electricity specified in a *dispatch instruction* as the target active power at the end of the *dispatch interval* specified in the *dispatch instruction*.~~

energy conversion model

The model that defines how the *intermittent resource* (such as wind) is converted by the *semi-scheduled generating unit* into electrical output. That model must contain the information set out in the guidelines published by AEMO in accordance with clause 2.2.7(d).

Commented [A4]: Changed from *intermittent* input energy source

inflexible, inflexibility

In respect of a *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled load* or *scheduled network service* for a *trading interval* means that the *scheduled generating unit*, *semi-scheduled generating unit*, *scheduled load* or *scheduled network service* is only able to be *dispatched* in the *trading interval* at a fixed *loading level* specified in accordance with clause 3.8.19(a).

semi-dispatch interval

For a *semi-scheduled generating unit*, a *dispatch interval* for which either:

- (a) ~~a *network constraint* would be violated if the *semi-scheduled generating unit's* generation were to exceed the *dispatch target* specified in the related *dispatch instruction* at the end of the *dispatch interval*; or~~
- (b) ~~the *dispatch target* specified in that *dispatch instruction* is less than the *unconstrained intermittent generation forecast* at the end of the *dispatch interval*,~~

Commented [A5]: Changed from *dispatch level*

Commented [A6]: Changed from *dispatch level*

~~and which is notified by AEMO in that *dispatch instruction* to be a *semi-dispatch interval*.~~

[8][13] Chapter 10 New definitionsdefinition

Insert the following ~~definitions~~definition in alphabetical order:

dispatch target

The amount of electricity to be supplied by a *generating unit* for a *dispatch interval*, specified as:

- (a) the target *active power* at the end of the *dispatch interval*; or
- (b) the level or schedule of power to be supplied in the *dispatch interval*.

intermittent resource

The ~~*intermittent*~~ energy source (such as wind or solar radiation) that is converted by a *semi-scheduled generating unit* into energy.

[14] Chapter 10 Deleted definitions

In Chapter 10, delete the definitions of *dispatch level* and *non semi-dispatch interval*.