



Your Ref: Consultation under National Electricity Rules
- Clauses 11.23.2 and 3.11.7(f)

10 July 2020

[REDACTED]
Australian Energy Market Operator
Melbourne VIC 3000

Submitted by email to: sras.consultation.2020@aemo.com.au

Dear [REDACTED]

Submission: Consultation on the amended System Restart Ancillary Services Guideline

CS Energy welcomes the opportunity to provide a submission on the consultation draft of the amended System Restart Ancillary Services Guideline (**SRAS Guideline**) arising from the *National Electricity Amendment (System restart services, standards and testing) Rule* made by the AEMC on 2 April 2020.

About CS Energy

CS Energy is a Queensland energy company that generates and sells electricity in the National Electricity Market (**NEM**). CS Energy owns and operates the Kogan Creek and Callide coal-fired power stations. CS Energy sells electricity into the NEM from these power stations, as well as electricity generated by other power stations that CS Energy holds the trading rights to.

CS Energy also operates a retail business, offering retail contracts to large commercial and industrial users in Queensland, and is part of the South-East Queensland retail market through our joint venture with Alinta Energy.

CS Energy is 100 percent owned by the Queensland government.

General comments

CS Energy supports the review and update of the SRAS Guideline. The value of system restart ancillary services (**SRAS**) can be viewed as an essential 'insurance policy' in the NEM. Incorporating learnings from the South Australia Black System Event in conjunction with the current and evolving technological developments make it a necessity to ensure that the SRAS Guideline is fit for purpose.

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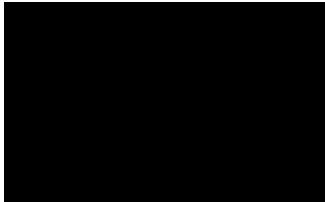
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CS Energy is generally supportive of the SRAS Guideline. CS Energy has provided feedback on some matters arising from the consultation for consideration by AEMO, which are set out in the Attachment.

Please contact us if you would like to discuss this submission further.

Yours sincerely



Enquiries:



ATTACHMENT

1. Amendment to the definition of SRAS and black start capability

CS Energy considers that the proposed changes to the definition of SRAS and black start capability in the SRAS Guideline provides adequate guidance on the technical requirements for a black start service. AEMO appears to have achieved the appropriate balance between the requirements while remaining, to the extent possible, technology-neutral.

2. Introduction of Restoration Support Services

CS Energy recognises the challenges in developing suitable amendments to the SRAS Guideline.

As AEMO has stated, the process of specifying the requirements is not straightforward and CS Energy expects the requirements to evolve over further time.

CS Energy is seeking to understand the rationale for the requirement for a Restoration Support Service to be capable of two or more of the attributes described in section 3.4.2 of the SRAS Guideline, as it may preclude AEMO from procuring a legitimate service. For example, a Participant's non-synchronous generating system that incorporates a synchronous condenser would exclude the synchronous condenser from being eligible for consideration as a Restoration Support Service under the proposed guidelines, as it can only provide voltage control.

CS Energy suggests that section 3.4.2 of the SRAS Guideline be amended by replacing the requirement for *"two or more of the attributes"* with *"one or more of the attributes"*.

3. Amendment to the SRAS Procurement Objective

CS Energy broadly supports the factors described in sections 6(c) and (d) of the SRAS Guideline in meeting the requirements of the SRAS Procurement Objective with the inclusion of long-term SRAS contracts in the mix. However, CS Energy would encourage AEMO to ensure it seeks the appropriate balance between the duration of such contracts and inadvertently creating barriers to entry by excluding the benefits of new entry and technological advances that can meet the requirements of an evolving technical envelope of the NEM power system from a SRAS perspective. Such an outcome would impact on the delivery of the lowest long-term cost and value to the consumer.

4. New framework for the physical testing of system restart paths

CS Energy views the proposed framework for the physical testing of system restart paths as technically sound. However, the degree of complexity, logistics and risk are likely to increase proportionally with the length of the system restart path ultimately resulting in the costs outweighing the benefits by an increasing and significant amount at some stage.

CS Energy would encourage AEMO to identify the most effective SRAS test to the extent possible to ensure that it can best replicate how the SRAS is expected to be used in a real event without compromising good operating practice and minimising the impact on the market.

Furthermore, further detail is required in the SRAS Guideline in relation to the Restart Test Participant that includes:

- i) selection process of the Restart Test Participant;
- ii) provision of advice by AEMO to the Restart Test Participant;
- iii) specification by AEMO to the Restart Test Participant detailing the requirements and expectations arising from the SRAS test;
- iv) provision for the Restart Test Participant to provide relevant input to the SRAS test;
- v) AEMO to specify data and reporting requirements to the Restart Test Participant; and
- vi) if the Restart Test Participant does not have the required data recording equipment, and if required, is this a legitimate third-party cost?

The SRAS Guideline does not make provision for advice to the market of AEMO's intention to conduct a SRAS Test, which under the proposed SRAS Guidelines will extend along the system restart path (to the extent possible) in contrast to the current arrangements which test to the delivery point. CS Energy recognises the challenge this may pose to AEMO to manage the balance of informing the market and maintaining the required level of confidentiality. CS Energy encourages AEMO to include in the SRAS Guidelines a requirement to provide some level of information to the market if testing along the system restart path.

5. SRAS testing and test procedures

CS Energy is broadly supportive of the proposed test regime detailed in section 4 of the SRAS Guideline subject to the inclusion of a clause requiring AEMO to provide an appropriate level of detail to the market justifying a System Restart Test under section 4.5.1. This level of transparency will also enable the Restart Test Participants whose plant is impacted by the proposed System Restart Test to understand and how to comply with their obligations arising from the proposed test.

CS Energy agrees that it is highly likely that differences will arise between a test procedure and the actual restart procedures – as acknowledged in the SRAS Guidelines a test will never be able to mimic real event conditions. It is an imperative that the differences be identified and recorded with an appropriate level of detail to ensure that there is a clear understanding of the differences and their operational applicability by the key stakeholders to the process.

6. Boundaries of electrical sub-networks

AEMO is considering whether it is appropriate to consolidate the existing two Queensland electrical sub-networks.

CS Energy notes that no change has been made to the SRAS Guideline to reflect this option.

CS Energy does not support the proposal for the following reasons.

- i) Previously AEMO reduced the NSW region electrical sub-networks from two to one. However, the current System Restart Standard (**SRS**) for the NSW electrical sub-network requires AEMO to procure two components of SRAS, one for NSW and one for North of Sydney. Regardless of the terminology used, the outcome effectively represents two electrical sub-networks in NSW.
- ii) The Queensland region previously consisted of three electrical sub-networks. AEMO reduced the number of electrical sub-networks from three to two when there were no SRAS offers received for the northern electrical sub-network. Arguably, the northern electrical sub-network should have been retained providing a market signal for SRAS.
- iii) CS Energy is concerned that the allocation of electrical sub-networks does not reflect the Queensland region from a transmission network perspective with natural break points that are likely to arise from a major supply disruption.
- iv) The emergence of a hybrid outcome for the NSW region is not desirable as it ignores the compelling criteria for an electrical sub-network. This would equally apply to the Queensland region in the event of consolidating the existing two electrical sub-networks.
- v) Consolidating the existing two electrical sub-networks in the Queensland region would potentially result in longer restart paths that would be challenging to test and be exposed to a higher probability of being adversely impacted by environmental factors that includes cyclones, floods and bushfires.
- vi) A comprehensive cost benefit analysis coupled with a risk assessment of the network arising from a major supply disruption and the location of existing and desired SRAS providers would need be conducted before an informed opinion is formed on the appropriate number of electrical sub-networks for the Queensland region.