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14 September 2009

Mr Ross Mitchell
Australian Energy Regulator
GPO Box 520
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Dear Mr Mitchell

Rebidding and Technical Parameters Guidelines

We refer to your conversation with Mr Jamie Lowe, Loy Yang Marketing Management Company P/L, on behalf of the National Generators Forum (NGF), concerning the implementation of the Rebidding and Technical Parameters Guidelines (the Guidelines).

We note the AER has undertaken an extensive consultation process to ensure the Guidelines improve the clarity of the rules relating to generator rebidding. The opportunity to comment on the Guidelines and facilitate their development through industry consultation has been valued by the NGF. We understand the finalised Guidelines, to be published on the 25th of September, will include changes to the format of rebids.

While the NGF welcomes the release of the finalised Guidelines we note that additional software and systems changes may be required to ensure NGF members are able to give the Guidelines their full effect. The NGF is therefore seeking a transitional period to enable those implementation issues to be resolved.

We suggest a transitional period concluding 1 December 2009. From that date, and earlier in a large number of instances, we anticipate NGF members will be able to provide data in the mandated form.

If you have any questions in relation to this submission please contact Mr Jamie Lowe, telephone (03) 9612 2236.

Alex Cruickshank
Chair, Markets Working Group



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14 August 2009

Mr Tom Leuner
General Manager
AER - Markets Branch
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By email: aer inquiry@aer.gov.au

Dear Mr Leuner

Submission on Rebidding Guideline

The National Generators Forum (NGF) appreciates this further opportunity to comment on the draft rebidding guidelines. We are pleased that the AER has made appreciable changes following input provided by the NGF on the earlier draft.

1. Effect of legal obligations on minimum operating level

Earlier submissions noted that plant operation may be impacted by legal requirements, in particular emission limits. This is acknowledged in draft report in section 2.1.3, and also in the draft guidelines, in a new section 5.1.2.

However, the reference in section 5.1.2 refers to ramping capability, and not to a minimum operating level for a generator. We believe that the impact of such legal restrictions is more commonly observed, and has more serious consequences, in relation to a minimum operating level.

We therefore propose that the concept of a minimum operating level in section 5.1.4 be extended to include a minimum operating level necessitated by a legal requirement. This would supplement the existing reference to ramp rate only in section 5.1.2.

2. Duplication of information

The draft guidelines require in a range of circumstances that the reason that should be given for a rebid includes the expected duration of a change in plant condition; examples include changes in ramp rate or inflexibility.

The NGF understands that to the extent that an estimate of duration is available it should be included in the rebid parameters themselves, for example in the period for which inflexibility is included in the offer.

Given the limited space available for rebid reasons, we submit that the inclusion of estimated duration in the rebid reason is desirable only if the estimated duration is not inherent in the rebid data itself.

We propose that the guidelines be altered to recommend the inclusion of estimated duration in the rebid reason only if the that estimated duration will not be evident either from that rebid, or from an offer for a subsequent day

3. Identification of a series of events

In section 6.2 of the draft guidelines, the AER acknowledges that a rebid may arise as a consequence of a series of events rather than a single event. Under these circumstances the guideline seeks details of the first event in the rebid reasons, with the other relevant events to be clarified via a log book.

It is typical in these cases that the individual events are not material enough to justify a rebid. In this situation the identification of the first event will not be easy or quick, which creates a significant risk that either the event identified was not actually the first, or that the identified event turns out on later analysis to have limited relevance to the rebid.

The NGF submits that the requirement to identify the first event is unnecessary and not supportive of the AER's wider purposes.

We therefore propose that the identification of the first event be deleted from the guideline and replaced by a requirement to identify at least one of the series of events. We note in passing that event most likely to be unambiguously identifiable is the latest in the series of events.

4. Coordination of offer and SCADA values

A new section of the guidelines deals with Supervisory Control and Data Acquisition (SCADA). This provides an alternative source of information on ramp rate limits and potentially impacts on dispatch.

The NGF appreciates that under some conditions values provided via SCADA can impact on market dispatch. We accept that under these conditions there is a discrepancy and that this should be resolved.

However, under conditions where the value provided via SCADA exceeds the value in the market offer, the SCADA value has no impact on dispatch. In this case a requirement to align the values creates an unnecessary workload for no benefit.

We also note that in the case of some generators with older control systems, it is the practice to set a local ramp rate somewhat higher than the expected ramp rate in dispatch, to assist in achieving that dispatched ramp rate despite the limitations of the control system. Thus for these cases the SCADA value will generally be higher than the offered ramp rate, with beneficial results.

We therefore submit that the requirement to align the values should apply only where the SCADA value impacts on dispatch. This applies whenever the SCADA value is lower than the offer value.

5. Drafting suggestions

In reviewing the draft guidelines, we noticed some areas where we believe the drafting could be clarified for interpretive purposes. These are noted below for your consideration.

We suggest that the first paragraph of section 5.1 be modified as follows –

As part of an energy market offer, *relevant participants* are obliged under the Rules to provide AEMO with details of the rate at which the output of the generator may vary up and down. This is generally referred to as the generator’s ramp rate and is measured in MW/minute. This enables AEMO to safely issue dispatch instructions to generators to vary their output to match supply and demand. *Relevant participants* have the ability to rebid their ramp rates during a trading interval, with effect from the next dispatch interval.

In the series of dot points in section 5.3, we suggest that the reference to the response breakpoint, should be made plural, to reflect that the general case of market ancillary service offers allows for two response breakpoints in each offer.

If you have any questions in relation to this submission please call Alex Cruickshank on 03 8633 6026.

Yours faithfully



Alex Cruickshank
Chair, Market Working Group