

20 December 2023

 Mr Bradley Harrison
 Manager Network Planning
 ElectraNet
 Via: [REDACTED]

Dear Brad,

System security services – Revised notice under the National Electricity Rules (NER)

This letter provides an updated notice under NER clause 5.20B.3 in respect of inertia shortfalls for the South Australia region. This reflects the outcomes of AEMO’s 2023 Inertia Report¹, published on 1 December 2023.

Inertia shortfall

The 2023 Inertia Report revises the previously declared inertia shortfall for South Australia. The updated shortfall magnitude and timing is summarised in the table below.

Inertia Subnetwork	Identified Shortfall		
	While existing ElectraNet FFR contracts are in place Now until July 2024	Until PEC Stage 2 is operational and associated control schemes are in place July 2024 until Dec 2024	After PEC Stage 2 is operational and associated control schemes are in place From Dec 2024
South Australia	[360 MW FFR already contracted]	500 MWs (or ~50 MW FFR)	0 MWs

Note: Dates are indicative, as the shortfall is linked to specific milestone events, rather than calendar dates.

AEMO notes that ElectraNet currently has sufficient inertia support contracts in place to address the previously identified shortfall until 1 July 2024. From this point, AEMO is declaring an inertia shortfall of 500 MWs until Project EnergyConnect (PEC) Stage 2 is operational² and all necessary control schemes are in place to manage the non-credible loss of either PEC or the Heywood interconnector³.

The 500 MWs shortfall could be met by extending some existing FFR contracts (~50 MW FFR) or as new proponents register in the 1-second FCAS market. AEMO requests that ElectraNet make inertia services available to address the shortfall, in accordance with NER clause 5.20B.4(b).

AEMO notes that the size and duration of this shortfall reflects assumptions about the 1-second FCAS market and the timing of PEC Stage 2. While these are the best assumptions currently available, AEMO would support reasonable flexibility in any FFR contracting arrangements to allow for a reduced magnitude, early termination, or contract extension. AEMO will provide updated advice if the projected magnitude or timing of this inertia shortfall changes.

¹ AEMO. 2023 Inertia Report. December 2023. Available via https://aemo.com.au/-/media/files/electricity/nem/security_and_reliability/system-strength-requirements/2023-inertia-report.pdf?la=en

² Including a minimum period of operation and minimum commissioning tests successfully completed.

³ Including operational measures in place to manage any periods where the scheme is not effective.

Please don't hesitate to contact me directly at [REDACTED] should you have any questions about the matters raised in this letter.

Yours sincerely,



Nathan White

Manager – System Security Planning

cc: Brad Parker