



Annual Market Performance Review 2014

The Reliability Panel (Panel) has published a final report for the Annual Market Performance Review 2014. The report sets out the findings of the Panel's examination of the performance of the National Electricity Market over the 2013-14 financial year in terms of reliability, security and safety of the power system.

2013-14 overview

The National Electricity Market (NEM) regions experienced the warmest spring on record for Australia in 2013. Temperatures were also warmer than average for Australia over summer and autumn, with a number of heat waves affecting Victoria, South Australia and Tasmania during January 2014. Temperatures in winter 2013 were average across the NEM regions.

Against this background, the Panel's assessment of the performance of the NEM against various reliability and security measures is summarised as follows:

- **Reliability:** There were no reliability events and unserved energy (USE) was within the reliability standard for all NEM regions. The Australian Energy Market Operator (AEMO) was not required to issue any directions for reliability and was not required to exercise the Reliability and Emergency Reserve Trader mechanism.
- **Security:** AEMO was required to issue one direction for security to maintain the power system in a secure operating state. While there were some frequency excursions outside the frequency operating standards on the mainland and in Tasmania, these incidents were managed without material impacts on the market or market participants.
- **Safety:** The Panel is not aware of any incidents where AEMO has not achieved its obligations with respect to safety in the NEM.

What is the AMPR

Each year under the National Electricity Rules (NER), the Panel is required to review the performance of the NEM. The scope of this review considers the reliability, security and safety of the NEM in terms of its performance against the standards and guidelines determined by the Panel under the NER.

Background information

What are reliability and the reliability standard?

Reliability of the power system relates to ensuring there is sufficient capacity to generate and transport electricity to meet all consumer demand. To assess against the reliability standard, the "bulk transmission" capacity of the NEM is taken to equate to the interconnector capability. Consequently, only constraints in the transmission network that affect interconnector capability are considered when assessing the availability of reserves in a region. As such, the reliability standard does not take into account USE that is caused by outages of local transmission or distribution elements that do not significantly impact the ability to transfer power into the region where the USE occurred.

The measure of USE refers to an amount of energy that is required by customers but cannot be supplied. The reliability standard is set by the Panel and is a maximum permissible USE of 0.002 per cent per region or regions per financial year.

What is security?

Security of the power system refers to maintaining power system equipment within their technical operating limits. Maintaining security of the power system also includes adhering to the frequency operating standards, which are set by the Panel. Security issues are typically managed directly by AEMO and network operators.

The final report provides the Panel's considerations and comments on specific events that occurred in 2013-14, as well as an assessment of the performance of the NEM against various reliability and security measures.

What is safety?

Safety of the NEM relates to a wide range of issues, including the safe operation of equipment, and the safety of personnel and the public. There is no national safety regulator and each jurisdiction has specific safety provisions relating to transmission and distribution power systems.

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