

31 January 2012

Mr Neville Henderson
Chairman
Reliability Panel
Australian Energy Market Commission
Level 5
201 Elizabeth Street
SYDNEY NSW 2000

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FROM THE OFFICE OF THE
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Neville.
Dear Mr Henderson

Proposed Amendments to Guidelines for identifying Reviewable Operating Incidents

AEMO is proposing changes to the Guidelines for identifying Reviewable Operating Incidents, for the consideration of the Reliability Panel.

Currently a high proportion of the incidents being reviewed involve incidents for transmission subsystems with voltage levels below 220 kV. These incidents, whilst important at the local level, do not normally threaten the security of the main transmission network. The issues are largely supply point reliability issues which AEMO believes are best addressed by the Transmission Network Service Provider under arrangements set out in the connection agreements, which it enters with relevant participants. As such, AEMO's involvement in this process for these types of events represents a duplication of effort.

The proposed changes are detailed in the attached document.

AEMO is proposing these changes on the basis of improving overall efficiency without, it is believed, reducing the effectiveness of investigations being undertaken in response to these types of operating incidents.

If you require any further information, please contact Michael Lyons on 03 9609 8792.

Yours sincerely



Matt Zema
Managing Director and Chief Executive Officer

Proposed Amendments to Guidelines for identifying reviewable operating incidents

When determining whether a power system operating incident is of significance under clause 4.8.15(a), and hence reviewable, [NEMMCOAEMO](#) should apply the following guidelines:

- 1A. An operating incident will be considered a reviewable operating incident only if
 - One of more of the transmission elements, which were forced out of service, has a nominal voltage of 220kV or above ; or
 - The event resulted in a threat to the power system security of the higher voltage transmission network (that is with nominal voltage 220kV or above)
- 1B. Under clause 4.8.15(a)(1)(i) Apply the definition of a non-credible contingency in clause 4.2.3 and define a multiple contingency event as reviewable for when the events, including any inappropriate automatic or manual operation of transmission elements occur within 30 minutes of each other and the residual impact of an earlier contingency interacts with a later contingency.
2. Under clause 4.8.15(a)(1)(ii): Apply the definition of “black system” in Chapter 10 of the Rules. For this purpose a major supply disruption affecting a significant number of customers is considered as one resulting in loss of at least 60% of the predicted regional load with the exception of:
 - regions with minimal load (for example the Snowy region): and
 - the Queensland region, where the loss of 60% of the load (excluding the pot line loads) in any of the Northern Queensland, Central Queensland or Southern Queensland areas is also considered to be a major supply disruption.
3. Under clause 4.8.15(a)(1)(iii): Define as reviewable all incidents where the frequency is outside the operational frequency tolerance band (currently set by the Panel at 49 to 51 Hz on the mainland and 47.5 to 53 Hz in Tasmania).
4. Under clause 4.8.15(a)(1)(iv): **Subject to 1A above**, define all incidents where the power system is insecure for more than 30 minutes as reviewable operating incidents.
5. Under clause 4.8.15(a)(1)(v): Define all incidents where there is load shedding due to a clause 4.8.9 instruction as reviewable operating incidents.
6. Under clause 4.8.15(a)(3): A reviewable operating incident includes incidents that satisfy one or more of the following descriptions:
 - a) **subject to 1A above**, the power system is not in a satisfactory operating state for more than 5 minutes (excluding issues resulted to potential oscillatory or transient stability);
 - b) [NEMMCOAEMO](#)'s on-line oscillatory and transient stability monitoring systems detecting a potential instability for 30 minutes, continuously;
 - c) incidents on a distribution network that affect the security of the transmission system including:
 - faults of extended duration within the distribution network where these have had a material impact on the transmission system; and

- loss of multiple embedded generating units the total capacity of which exceeds the capacity of the largest generating unit within any region including an affected generating unit.
- d) incidents that result in the operation of under frequency or over-frequency protection and control schemes including:
 - automatic under frequency load shedding; and
 - automatic tripping of a generating unit due to over-frequency; or
- | e) where the AEMC Reliability Panel requests [NEMMCOAEMO](#) to review and report on an incident under clauses 4.8.15(b) and (c)9, after considering whether:
 - the incident represented a threat to system security; and
 - | • the benefits to the NEM are likely to exceed the cost to [NEMMCOAEMO](#) and the affected participants.¹

¹ The Panel considers that the following parties should be able to apply to the Panel for it to request [NEMMCOAEMO](#) to investigate an incident:

- a registered participant, or group of registered participants;
- a participating jurisdiction, or group of participating jurisdictions; or
- | • [NEMMCOAEMO](#) (for clarification).