
**Status Report prepared under
clause 7.12 of the Market Rules by
System Management
1 July 2014 – 30 September 2014**



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1 Introduction

1.1 System Management

Western Power is established under section 4(1)(b) of the *Electricity Corporations Act 2005* and has the functions conferred under section 41 of that act.

Part 9 of the *Electricity Industry Act 2004* makes provision for a wholesale electricity market and provides for the establishment of Market Rules.

Regulation 13 of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* provides that the Market Rules may confer on an entity the function of operating the SWIS in a secure and reliable manner.

Clause 2.2 of the *Wholesale Electricity Market Amending Rules (September 2006)* (**Market Rules**) confers this responsibility upon the segregated (“ring fenced”) business unit of Western Power known as System Management. Amongst these responsibilities, the functions of System Management are to:

- release information required by the Market Rules;
- monitor rule participants compliance with the Market Rules relating to dispatch and power system security and power system reliability; and
- provide regular reports to the IMO and other market participants.

Included in the requirement to monitor and report is this Status Report, described in clause 7.12 of the Market Rules.

1.2 Status Report

Clause 7.12 requires System Management to provide a quarterly report on the performance of the market with respect to the dispatch process. The report must include details of:

- the incidence and extent of issuance of Operating Instructions and Dispatch Instructions;
- the incidence and extent of non-compliance with Operating Instructions and Dispatch Instructions;
- the incidence and reasons for the issuance of Dispatch Instructions to Balancing Facilities Out of Merit, including for the purposes of this clause, issuing Dispatch Orders to the Verve Energy Balancing Portfolio in accordance with clause 7.6.2;
- the incidence and extent of transmission constraints;
- the incidence and extent of shortfalls in Ancillary Services, involuntary curtailment of load, High Risk Operating States and Emergency Operating States;
- the incidence and reasons for the selection and use of LFAS Facilities under clause 7B.3.8.

System Management has prepared this report pursuant to its obligations under clause 7.12 of the Market Rules, for the period 1 July 2014 to 30 September 2014.

Unless otherwise specified, data contained within this report refers to trading dates and not calendar dates.

2 Issuance of Dispatch and Operating Instructions.

System Management issued a total of 10,944 Dispatch Instructions to Market Participants during the current reporting period.

Figure 1 below shows the number of Dispatch instructions issued by month since 1 April 2013.

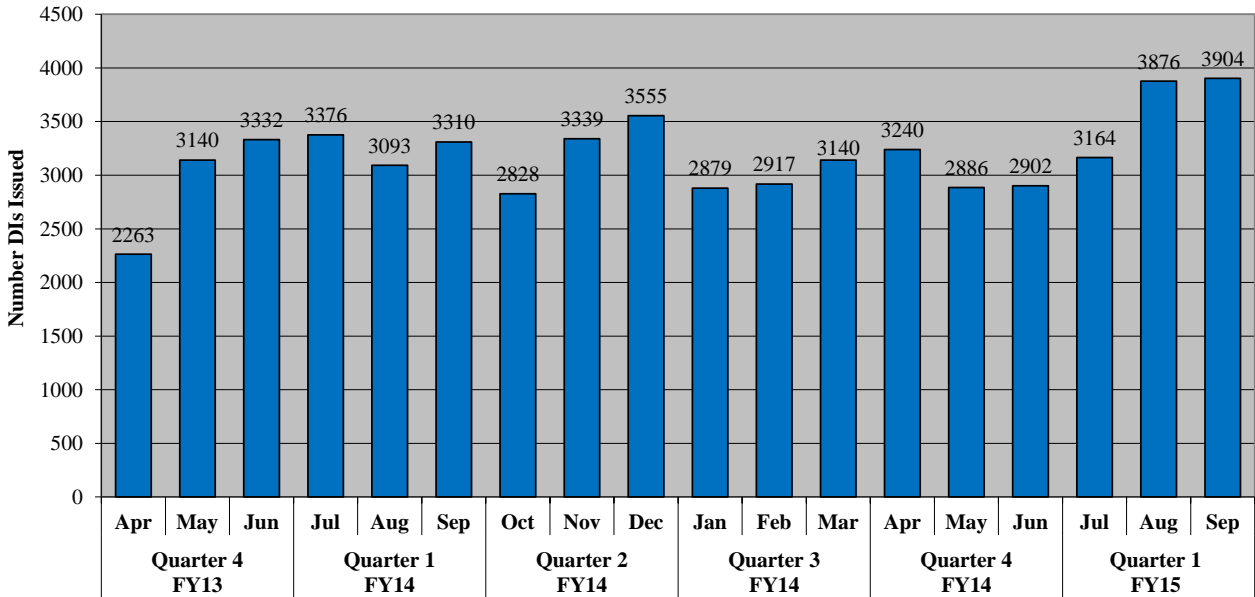


Figure 1: Dispatch Instructions per month

During the current reporting period, System Management issued a total of 51 Operating Instructions.

Under the Market Rules an Operating Instruction is required for Commissioning and Reserve Capacity Testing.

Figure 2 below shows the number of Operating Instructions issued by month since 1 April 2013.

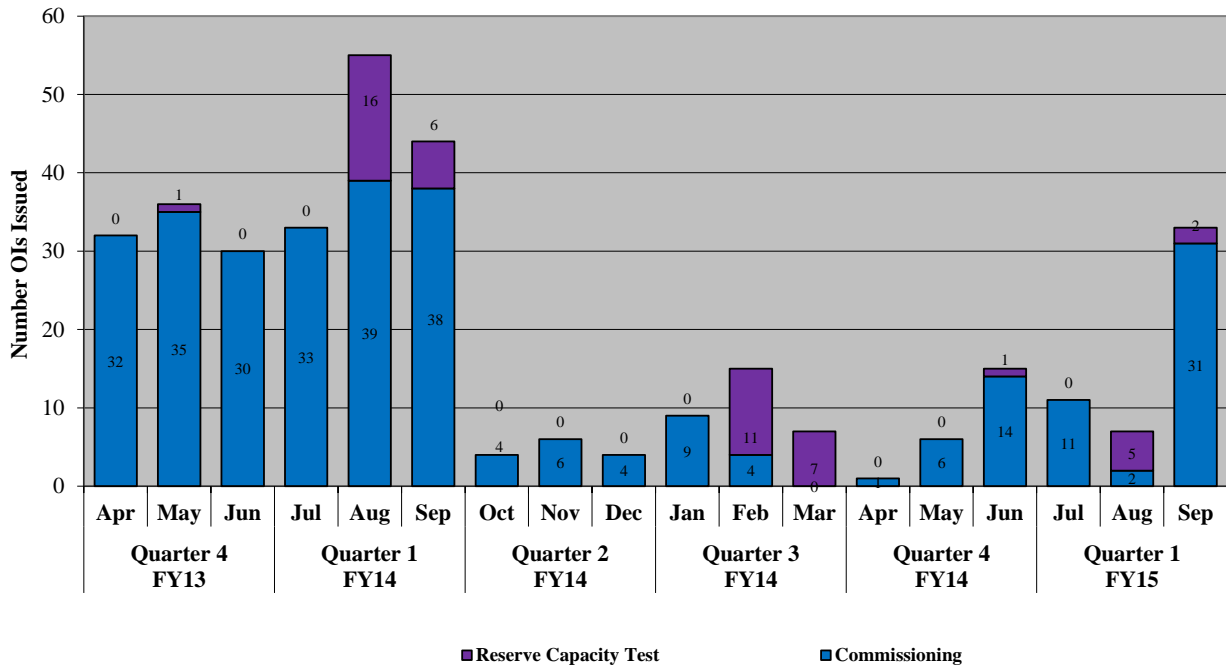


Figure 2: Operating Instructions per month

3 Non-compliance with Dispatch and Operating Instructions

In the current reporting period, System Management reported 445 instances of non-compliance with Dispatch Instructions by a Market Participant at the end of their scheduled interval taking into account the Tolerance Range where applicable.

System Management issued 20,920 one minute non-compliance notifications to Market Participants for non-compliance with Dispatch Instructions during the reporting period taking into account the Tolerance Range where applicable.

There were a total of 106 failures by a Market Participant to acknowledge a Dispatch Instruction through the Market Participant Interface.

There were a total of 2 failures by a Market Participant to acknowledge an Operating Instruction.

Figure 3¹, below provides historical non-compliance data since 1 April 2013.

¹ 7.12 Report for Q2_13 and prior only captured non-compliance for scheduled generators. The report post Q2_13 captures both scheduled and intermittent generators.

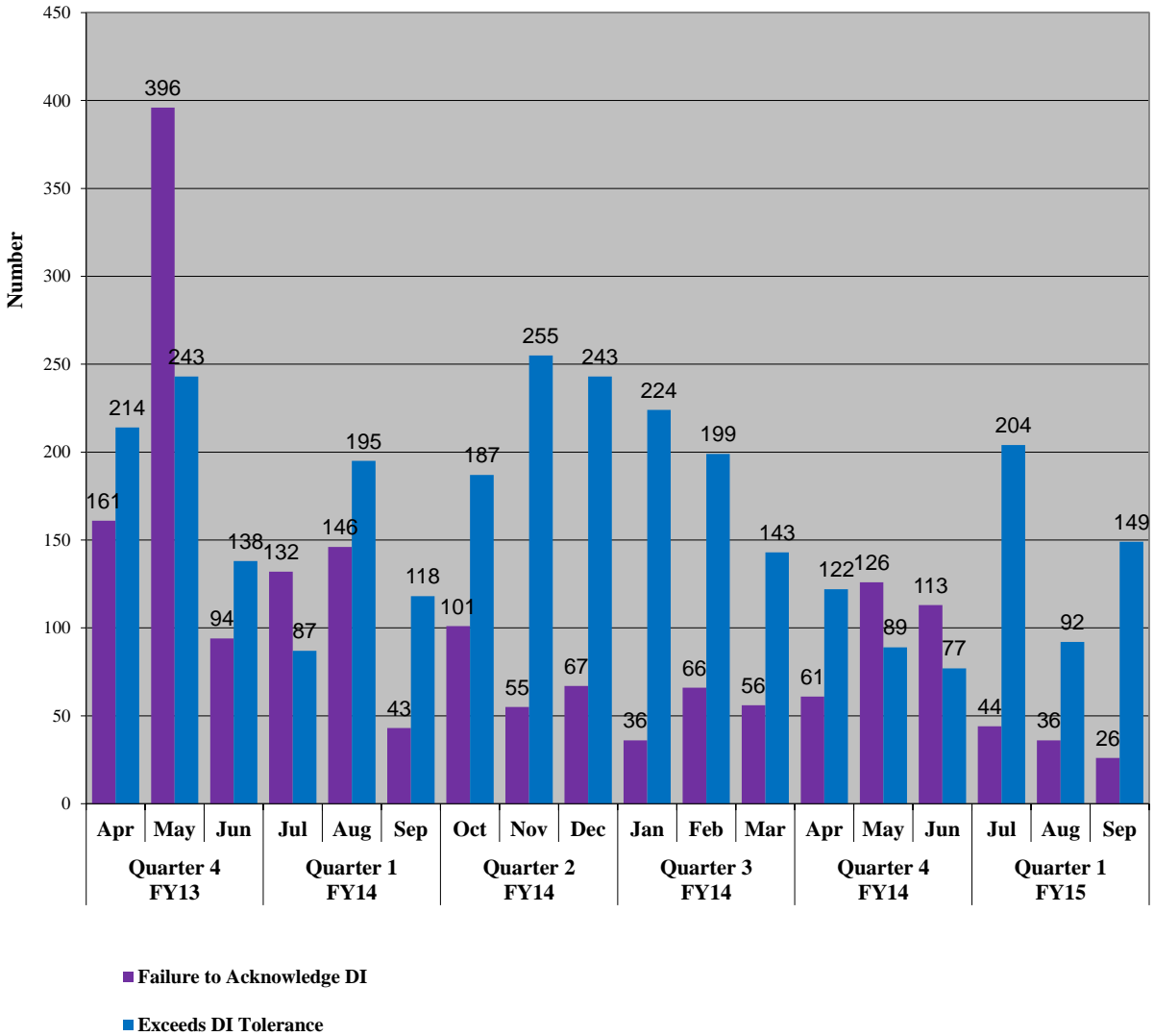


Figure 3: Dispatch Instruction non-compliance notifications (end of interval) and non-acknowledged Dispatch Instructions

4 Issuance of Dispatch Instructions to Balancing Facilities Out of Merit Order.

4.1 Out of Merit instances reported to the IMO

During the reporting period there were no self-reported occasions of potential Out of Merit dispatch to the IMO.

4.2 Other instances of Out of Merit dispatch

Section 5 of this report contains information pertaining to facilities that have been impacted by transmission constraints. Where a transmission constraint reported in section 5 has resulted in a facility/ies being dispatched to a position that differs from the applicable Balancing Merit Order then these instances will constitute Out of Merit dispatch. Dispatch Advisory notifications are released for these transmission constraint related instances.

Section 6 of this report describes occasions of High Risk and Emergency Operating States that have occurred during the reporting period. During elevated Operating States there may be a need to dispatch facilities Out of Merit to return the power system to a Normal Operating State where indicated in the information provided in section 6.

5 Transmission constraints

A “transmission constraint” refers to the configuration of the transmission network that has an effect or potential effect of constraining or otherwise varying the output of a generator.

System Management has identified the following periods involving transmission constraints during the period:

- On the 14th September 2014, System Management constrained the following Facilities due to a planned transmission outage on the on the 220kV MU-NGS-KND line in the Eastern Goldfields region (Dispatch Advisory 6417 released)
 - STHNRCSR_EG for 32 Intervals
 - PRK_AG for 21 Intervals
 - Since the 23rd of February 2014 an ongoing issue with the loss of the Muja Bus Tie Transformer two failure (MUBTT2) and loss of voltage control in the Great Southern region, has required System Management to dispatch Vinalco’s Muja 2, Muja 3 and Muja 4 facilities at times for security reasons. Additional information can be found through the IMO website <http://www.imowa.com.au/industry-briefings-muja-transformer-failure>. On 28 September 2014 the MUBTT2 outage was resolved and the requirement to dispatch Vinalco’s Muja facilities for this scenario ceased.

6 Operating States, Shortfalls in Ancillary Services and Involuntary Curtailment of Load

6.1 High Risk Operating State

One High Risk Operating State (DA4603) was issued during the reporting period which commenced from 21 June 2014 to 28 September 2014.

Due to the SWIS being in a High Risk State for the majority of the duration of this reporting period (up to 28 September 2014), any additional events potentially meeting the High Risk State criteria, while notified through a Dispatch Advisory, did not alter the prevailing operating state and therefore are not included in this report.

Date	21 June 2014 – 28 September 2014
Interval/s	Commenced 21 June Interval 20:2 Withdrawn 28 September Interval 9:1
DA Number	DA 4603
Details	MUJA_G1 tripped at 8:52pm on 21 June and it appeared that there were potential facility availability issues with some of the remaining Vinalco Facilities. This caused an increased risk to Power System Security given the ongoing issues in the Great Southern Region and the loss of MUBTT2.
System Management action	Continued to dispatch as per the latest BMO with Out of Merit dispatch of Vinalco’s Muja 2, Muja 3 and Muja 4 as required to manage Power System Security.

6.2 Emergency Operating State

There were no Emergency Operating States reported during the period.

Figure 4 below provides historical data for High Risk and Emergency Operating States that have occurred since 1 April 2014.

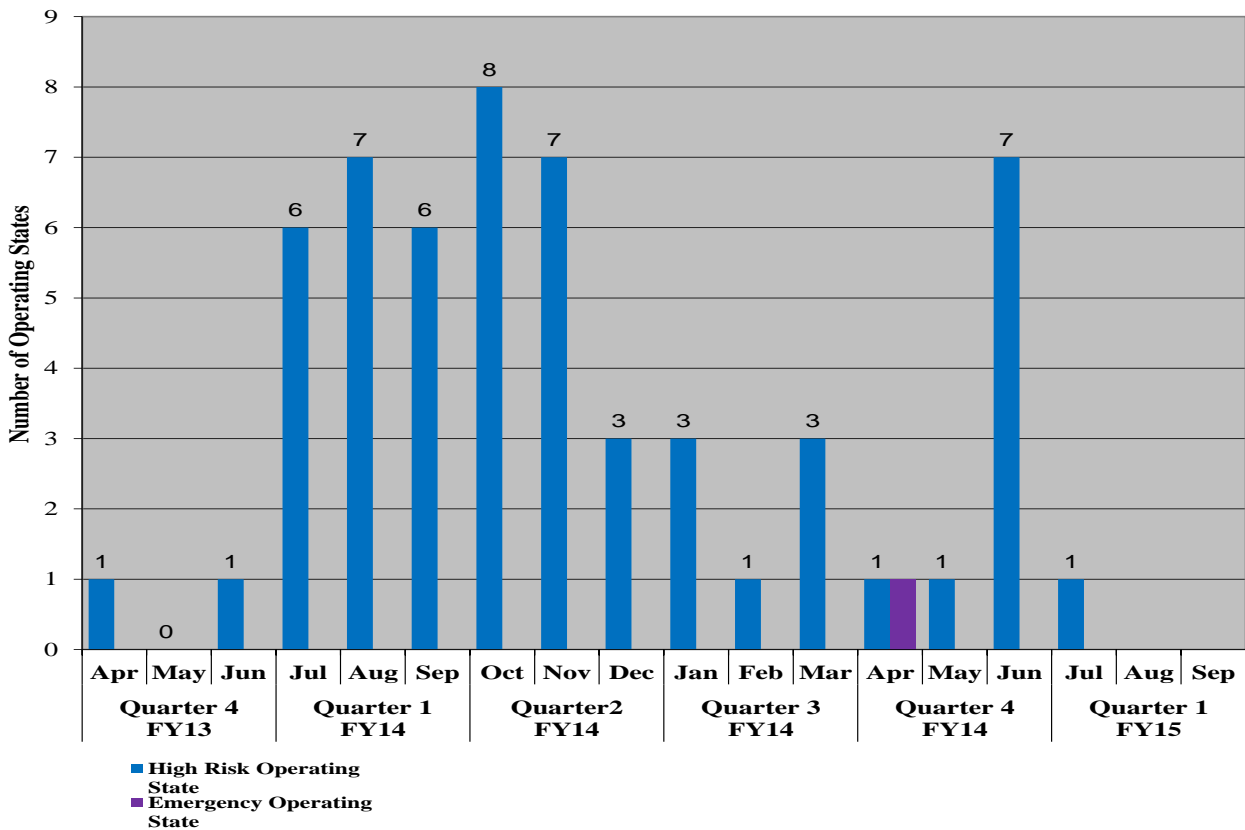


Figure 4: Number of High Risk and Emergency Operating States

6.3 Shortfalls in Ancillary Services

During the reporting period, System Management sought approval from the IMO to the requirement for Dispatch Support Services (DSS) in relation to the failure of BTT1 and BTT2 at Muja Substation. As at 30 September 2014 (end of reporting period) the procurement process related to this Ancillary Services requirement was ongoing.

6.4 Involuntary curtailment of load

There were no instances of involuntary curtailment of load.

7 LFAS Facilities out of Merit Order

During the current reporting period there were no reported incidents where System Management was required to use LFAS Facilities outside of the LFAS Merit Order to operate the SWIS in a reliable and safe manner.