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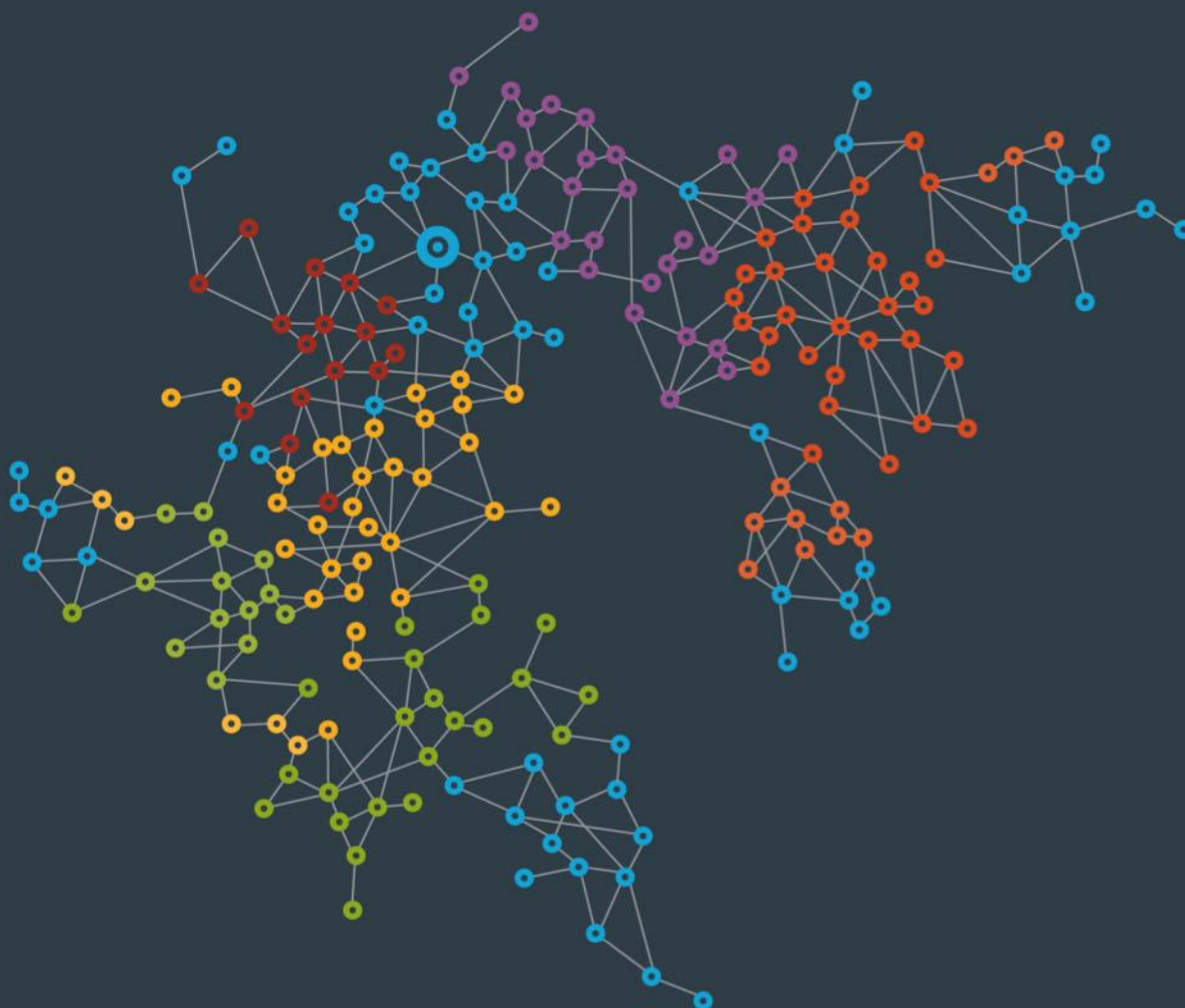
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## 2014 Ancillary Service Standards and Requirements Study

### Invitation to Provide Submissions on Draft Report

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24 September 2014



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### Document details

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## 1. Summary of the study

In accordance with clause 3.15.1 of the Wholesale Electricity Market Rules (Market Rules), at least once in every five year period starting from Energy Market Commencement the Independent Market Operator (IMO), with the assistance of System Management, must carry out a study on the Ancillary Service Standards and the basis for setting Ancillary Service Requirements for the South West interconnected system (SWIS) in Western Australia.

The study must include:

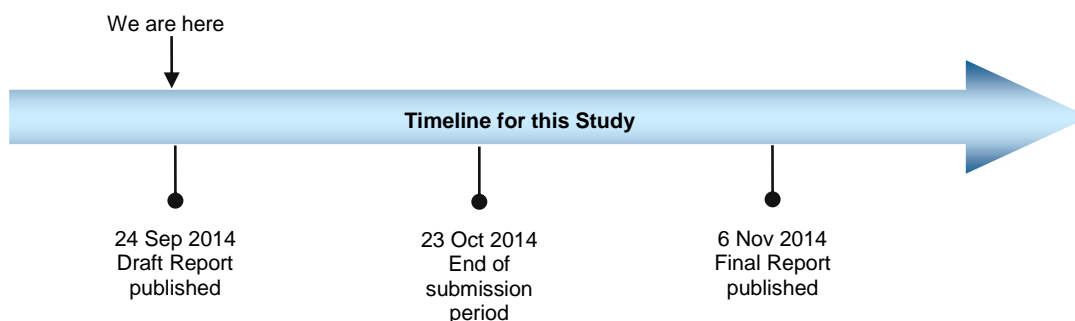
- technical analyses determining the relationship between the level of Ancillary Services provided and the SWIS Operating Standards set out in clause 3.1 of the Market Rules;
- identification of the expected costs that would result from an increase in the requirements for Ancillary Services due to additional Facilities connecting to the SWIS;
- a cost-benefit study on the effects on stakeholders of providing and using a variety of levels of each Ancillary Service; and
- a public consultation process.

The IMO published the Final Report for the first study on 6 November 2009. The next study is therefore due for completion by 6 November 2014.

The IMO has engaged ROAM Consulting to assist it with the 2014 study. ROAM Consulting has prepared a Draft Report which is available on the IMO Web Site:

[http://www.imowa.com.au/2014\\_AS\\_Study](http://www.imowa.com.au/2014_AS_Study).

The projected timeline for the 2014 study is:



### **Electricity Market Review**

The IMO notes that the State Government's Electricity Market Review (EMR) is considering several options for the evolution of the WEM that have significant potential impacts on the provision of Ancillary Services. These include:

- reduction of gate closure and dispatch interval times;
- co-optimisation of Ancillary Service and energy markets;
- introduction of a constrained network model;
- the requirement for Synergy to bid on a facility-by-facility or unit-by-unit basis;
- structural separation of Synergy; and

- adoption of the National Electricity Market (NEM) market rules.

Uncertainty about the outcomes of the EMR currently limits the ability to develop detailed solutions for some of the issues raised in the Draft Report. The ability to prepare meaningful cost/benefit analyses is also affected by this uncertainty. The IMO expects that further work on the definition of Ancillary Service Standards and Requirements will be required once the EMR recommendations are known and the path for the ongoing evolution of the WEM is clearer.

## 2. Invitation for submissions

The IMO invites all sectors of the Western Australian energy industry to make submissions on the Draft Report prepared by ROAM Consulting.

The submission period is four weeks from the publication date of this report. Submissions must be delivered to the IMO by **5:00pm (WST) on Thursday 23 October 2014**.

Submissions:

- should clearly address any issues that interested parties consider relevant to this study; and
- should provide any supporting evidence or calculations (if appropriate).

### ***Publication of submissions***

Please note that the IMO is required by clause 10.5.1(q) of the Market Rules to make all submissions public. If confidential information is provided in a submission as supporting evidence, it must be clearly marked as confidential. Any confidential information will be excluded when the submission is made public.

### ***How to make a submission***

The IMO prefers to receive submissions by email to [market.development@imowa.com.au](mailto:market.development@imowa.com.au).

Written submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator  
Attn: Group Manager, Development & Capacity  
PO Box 7096  
Cloisters Square, PERTH, WA 6850

Fax: (08) 9254 4399

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