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Market Operator  
Power and Water Corporation  
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Dear Market Operator

### **Submission in relation to Generator Offer Procedure and Tie Break Procedure Consultation**

Territory Generation (TGen) appreciates the opportunity to provide a submission in relation to the proposed revisions to the Generator Offer Procedure and Tie Break Procedure.

TGen is concerned that in the proposed procedures, PWC are treating generating technologies differently, and this potentially creates a precedent. Specifically, the second dot point within the Scope section of the Consultation Paper infers that the changes are introducing a bias towards solar:

“Adopting the tie breaking rules for ordering the scheduling and backing off of energy to recognise that there may be more zero priced generation, and it would be undesirable to back off the entire dispatchable output of solar farms (or other units) in one step (which reduces diversity of supply).”

This appears to place a preference in the dispatch merit for one technology over another. During the Generator Performance Standards consultations, PWC adopted the position of being technology agnostic. TGen proposes that this principle be universal across the reforms.

#### **Clarification of Bands**

The paper suggests that the band 1 quantity is intended to reflect “minimum stable generation”. The paper also identifies that this is to ensure that the definition makes it clear that the value should reflect the physical characteristics of the unit because the value may be used as a device to influence how the unit is scheduled or dispatched. TGen suggests that the value must reflect the physical characteristics of the unit and that PWC needs to, as a matter of urgency, develop guidelines on determining and auditing the minimum stable generation limits to ensure an equitable process is implemented.

#### **Short Run Merit Order**

TGen welcomes the introduction of the short run capability of the offer and commitment process that has been unutilised since the inception of INTEM. However, in implementing this TGen is concerned about the timeframe that is meant by ‘short run’. The paper indicates ‘less than four hours’ as being the basis. TGen is unaware of where the statement of ‘less than four hours’ has originated and that this timeframe requires more explanation and consultation with generators, as it could directly impact operating mode of equipment.

### **Decommitment Order**

TGen welcomes the introduction of a 'decommitment order' as this has potential to simplify the offer process. However, TGen notes that the decommitment timeframe focusses on the load dropping after 6pm. The current load profiles indicate that system demand has two peaks, one in the morning and one in the evening. TGen suggests that it may be appropriate to consider a decommitment order to consider when the system load decreases after the morning peak also.

### **Ending of Revised Offer Process**

The paper indicates that this is intended to prevent one generator from altering their offer to impact the dispatch arrangements of another generator and will allow for a smoother move towards future market arrangements.

TGen agrees that one generator should not be able to impact the dispatch arrangements of another generator. However, TGen opposes removal of the ability to revise an offer after gate closure.

In the near future it is likely that the only generator offering fast start units will be TGen, and as such it will be TGen units that will be brought online to meet peak loads. By way of example, if the peak load is lower than system load forecast by System Control this may lead to a large TGen machine being dispatched to meet only a marginal increase in capacity requirement. Whereas the ability to revise the offer might see a smaller capacity TGen machine dispatched at a lower overall cost. The removal of the revised offer process would not allow this to occur.

The current offer procedure allows for providing a revised offer to cater for a change in circumstances. TGen proposes that, this remains with or without caveats to include that the revised offer will not impact another generator's dispatch arrangements.

TGen believes that removal of the ability to revise the offer will result in additional cost to Generators.

### **GENERATOR OFFER PROCEDURE DETAIL**

#### **Generator Offer Template**

The revised template is difficult to read and review. As such TGen is unable to comment, however notes that we have a preference to transition to an automated file transfer, rather than Excel, to improve reliability and effectiveness of communication.

#### **Instructions for completing the Generator Offer: 13 Default Generator Offer**

Early in the operation of the INTEM, it was agreed with System Control that the default offer would be the last valid offer submitted by the generator. This was intended for circumstances where the submitting of an offer was delayed that the previous offer would more likely reflect the current circumstances of the generator than a default offer registered with the Market Operator. TGen requests that this be formally adopted into this section of the procedure.

Should you require any further information please do not hesitate to contact Eddie Mallan, GM Commercial or Andrew Roberts of my office.

Yours sincerely



Gerhard Laubscher  
**Chief Executive Officer**

28 July 2020