

Electricity Pricing Event Report – Thursday 19 November 2015

Market Outcomes: New South Wales spot price reached \$2,504.34/MWh and \$763.44/MWh for trading intervals (TIs) ending 1630 and 1700 hrs respectively. Queensland spot price reached \$2,333.76/MWh for TI ending 1630 hrs.

Energy and FCAS prices for the other NEM regions were not affected by this event.

Counter price flows caused negative residues of approximately \$784,000 to accumulate on the New South Wales to Victoria directional interconnector between TIs ending 1630 hrs and 1730 hrs. AEMO managed negative residues from 1655 hrs to 1830 hrs (Market Notices 50625 and 50633).

Actual Lack of Reserve Level 1 (LOR1) condition had been declared for the New South Wales region from 1619 hrs to 1730 hrs (Market Notices 50605 and 50628).

Detailed Analysis: 5-Minute dispatch price in New South Wales was between \$1,690.43/MWh and the Market Price Cap (MPC) of \$13,800/MWh for three dispatch intervals (DIs) between DIs ending 1630 hrs and 1650 hrs. 5-Minute dispatch price in Queensland reached \$12,899.89/MWh for DI ending 1630 hrs. The high prices in both regions can be attributed to high demand due to high temperatures, and flow on the VIC-NSW interconnector was constrained towards Victoria to manage a planned outage.

The New South Wales demand reached a peak of 11,861 MW for TI ending 1700 hrs while the demand in Queensland was 7,582 MW for TI ending 1630 hrs. The maximum temperature in Sydney and Brisbane were above 34°C on the day.

Target flow on the VIC-NSW interconnector was constrained up to 620 MW towards Victoria during the high priced DIs by the outage constraint equation N>>N-DTKV_E. This constraint equation prevents post-contingent overload of the Canberra – Yass no.9 330 kV line during the planned outage of the Dapto – Kangaroo Valley no.18 330 kV line. This constraint equation also constrained down cheaper priced generation in the southern area of New South Wales.

Due to the counter-priced flow on the VIC-NSW interconnector, the negative residue management (NRM) constraint equation NRM_NSW1_VIC1 was activated from DI ending 1700 hrs. The NRM constraint equation reduced the interconnector flow towards Victoria from 455 MW to 0 MW between DIs ending 1700 hrs and 1755 hrs.

The 5-minute price reduced to below \$340/MWh after DI ending 1700 hrs with a reduction in demand, rebidding of generation capacity from higher to lower priced bands, and reduction in interconnector flow towards Victoria.

The high 30-minute spot prices were not forecast in the pre-dispatch schedules. In pre-dispatch, more flow towards New South Wales was available on the VIC-NSW interconnector as the outage constraint equation that sets the limit is determined from subregional demand forecast.