



4 December 2020

Attention: Tanya Hobbs
Australian Competition and Consumer Commission
Assistant Director | Adjudication
Australian Competition & Consumer Commission
23 Marcus Clarke Street Canberra 2601 | Australia

Dear Tanya

North West Power System Dispatch Protocol – Mica Creek Power Station cold storage

We refer to:

- the authorisation granted by the ACCC to Stanwell Corporation Limited (**Stanwell**) and Diamantina Power Station Pty Ltd (**DPS**) in respect of coordination of electricity dispatch in the North West Power System (**NWPS**) on 11 March 2020 (AA1000454) (**Authorisation**); and
- the North West Power System Dispatch Protocol between DPS, Stanwell and other participants in the NWPS (**Dispatch Protocol**).

Unless otherwise defined, capitalised terms used in this letter have the same meaning as in the Dispatch Protocol, unless the context requires otherwise.

1.1 Disconnection of Mica Creek Power Station

On 10 September 2020, Stanwell advised DPS by letter that the Mica Creek Power Station (**MCPS**) would be placed in cold storage from 1 January 2021, when its current supply contracts come to an end and it no longer sells electricity to customers in the NWPS.

This will involve Stanwell placing generating units C1, C2, B1, M1, M2 and M3 into cold storage and at a future date removing a short conductor span to physically disconnect these units from the NWPS. Stanwell also intends to decommission generating units A5, A6 and A7. The 'A' switchyard will be de-commissioned when MCPS is physically disconnected from the supply network.

The Authorisation contains a Notification Condition that requires DPS and Stanwell to notify the ACCC of any amendment to specified Schedules in the Dispatch Protocol, including:

- Schedule 7 – Load Shedding System.; and
- Schedule 9 – List of Participants and Disconnected Participants

These Schedules will be amended in order to ensure the ongoing quality and reliability of electricity supply, system security and safety when the MCPS is disconnected from the NWPS.



This letter provides notice to the ACCC of the proposed amendments to Schedules 7 and 9 of the Dispatch Protocols.

1.2 Amendments to the Dispatch Protocol

The current NWPS participants propose to amend Schedules 7 and 9 of the Dispatch Protocol as set out in the Annexure to this letter. The amended Schedules will be effective from 1 January 2021.

Further detail in relation to these amendments is set out below.

1.2.1 Schedule 7 – Load Shedding System

Section 10 of the Dispatch Protocols provides for NWPS system security. Relevantly, a sudden loss of a substantial amount of connected generation capacity, can cause system frequency to begin to fail, and unless some other action is taken this loss is likely to lead to a drop in system frequency, cascade tripping of generation and a system collapse (i.e. a major generation shortfall).

The risk of a major generation shortfall is addressed in:

- clause 10.8, which provides for controlled load shedding so that the remaining system loading matches the available amount of generation to protect and stabilise the generation system ; and
- Schedules 7 and 8, which provides for the prioritisation of shedding procedures to be followed in the event of a major generation shortfall.

Schedule 7 currently provides for the prioritisation of load shedding across both the MCPS and the DPS. Following the disconnection of MCPS from the NWPS, Table 7 of Schedule 7 will be amended to remove the relevant MCPS generators and to ensure that the load shedding obligations remain fit for purpose.

As set out in clause 10.8(c) of the Dispatch Protocols, the Working Committee is required to review the load shedding procedures at each Working Committee meeting, and to consider whether they remain effective and equitable. As set out in paragraph 4.26 of the Authorisation, the NWPS Working Committee has required load shedding by all participants at various times, and the order of priority is rotated annually to ensure equality amongst participants.

Following the disconnection of the MCPS, the Working Committee will continue to require equitable load shedding by all Participants in accordance with clause 10.8(c).

1.2.2 Schedule 9 – List of Participants and Disconnected Participants

Stanwell is currently listed as a Participant of the NWPS in Schedule 9 of the Dispatch Protocols and will retain this status until the physical disconnection from the NWPS takes place. When MCPS is physically disconnected from the NWPS, Stanwell will become a Disconnected Participant under Schedule 9 of the Dispatch Protocol.



This will not affect Stanwell's rights to vote on relevant matters as a member of the NWPS Working Committee or provide any member of the NWPS Working Committee with the ability to determine operational matters. Relevantly:

- the Working Committee currently comprises DPS (in its own capacity and as the Generator Coordinator), Stanwell, Mount Isa Mines Co, Ernest Henry Mining Co, MMG Dugald River Co, Capricorn Copper Pty Ltd, Century Mining Limited and Ergon Energy Corporation;
- As a Disconnected Participant, Stanwell will continue to be a member of the Working Committee and will retain its existing voting rights in respect of decisions that may affect Stanwell's proposed activities.¹
- All Participants have equal voting rights in the Working Committee;
- If a dispute arises between a Participant, or a Disconnected Participant, and the Working Group in relation to clauses 3.4 (Threshold Changes to the NWPS), 6.9 (adding generation capacity) or 7.3 (extending the Supply Network) then the Participant or Disconnected Participant may seek review of the decision by an independent expert, whose decision will be binding; and
- Most provisions of the Dispatch Protocol can only be amended where there is a consensus between all Participants, including clauses 2.9 (High Level Principles), 2.12 (Generation Coordinator), 4 (Process for admitting New Participants), 8 (Energy Dispatch) and Clause 10.6 to 10.11 (System Security).

Please let us know if we can further assist the Commission by arranging a meeting or telephone conference to discuss these issues in more detail.

Yours sincerely,

Matthew Forrest

General Manager Energy Solutions (Power)



¹ See clauses 2 and 11(d)(i) of Schedule 1 to the Dispatch Protocol



Annexure

Schedule 7 – Load Shedding System (LSS)

Table 7

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Schedule 9 – List of Participants and Disconnected Participants in the NWPS

Participant	No. Representatives	Representing	No. Votes
DPS Co	1	Generation Coordinator	1
DPS Co	1	DPS	
Stanwell	1	MCPS Will become a Disconnected Participant when the last MCPS generator is disconnected from the NWPS network	1
EECL	1	EECL's part of the Supply Network	1
EEQ	1	Retail loads in Mount Isa and Cloncurry	1
MIM Co	1	Mount Isa Mine George Fisher Mine Lady Loretta Mine Lady Annie Mine	1
EHM Co	1	Ernest Henry Mine	1
MMG Dugald River Co	1	Dugald River Mine	1
Capricorn Copper Co	1	Capricorn Copper Mine	1
Century Mining Limited	1	Century Mine	1