

# Enhancement compliance plan notice

**Published 10 March 2020**

As prescribed in the Hydro Tasmania ESI Enhancements Compliance Plan:

- Principle 3.2, Hydro Tasmania can only instruct Basslink Pty Ltd (BPL) to submit a positive bid which applies to southward flows across Basslink in appropriate circumstances, including where Hydro Tasmania believes it is reasonably necessary to avoid thermal overloading of the HVDC cable; and
- Principle 3.3, Hydro Tasmania must publicly disclose when it has instructed BPL to make a positive bid in a southward direction and the reason for doing so.

Details:

- Basslink is currently bid available at 478 MW by its owner and operator BPL.
- In October 2019 Hydro Tasmania commenced instructing BPL to modify its dispatch offers to the market operator, AEMO due to receipt of engineering analysis from its experts recommending flows were limited to below 500MW on a continuous basis following a preliminary review of a recent survey of Bass Strait environmental properties. Details are contained in Hydro Tasmania's previously published ESI compliance plan notices.
- Hydro Tasmania has recently received revised analysis from its expert taking into account final survey information. That revised analysis concludes that the Basslink cable may be at risk of exceeding its temperature design limits if operated continuously at above 459 MW during late Winter to early Summer (1 August to 31 December) and 446 MW from late Summer to early Winter (1 January to 31 July). Its expert also advises the Basslink Cable is technically capable of operating at a flow of 594MW on export, albeit it for shorter durations than originally anticipated by its design<sup>1</sup>.
- Note the periods comprised in the expert's revised recommendation for continuous flows have shifted by two months compared to the preliminary analysis and recommendation which can be found in the October 2019 ESI compliance plan notice. There has also been a slight adjustment to the volumes.

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<sup>1</sup> Hydro Tasmania understands based on previous advice from its expert that safe operation above the continuous flow 'limits' noted above would be possible in future if BPL adopts a new control system and implements other measures to reduce electrical stress on the cable. Hydro Tasmania notes BPL disagrees with Hydro Tasmania's expert's findings, including its recommendation that flows be limited and its findings that the cable does not meet its original design requirements. Accordingly, BPL also disagrees with the necessity for measures to reduce electrical stress.

- In light of the updated recommendations, effective 04:00 market time on 10 March 2020, Hydro Tasmania updated the instructions it is issuing to BPL to modify its dispatch offers to the market operator, AEMO, to reflect the revised flow levels and periods.
- Hydro Tasmania has provided BPL (the asset owner) with the revised recommendations from its expert and Hydro Tasmania will continue to review its position as any new information comes to hand. BPL does not agree with the recommendations. Hydro Tasmania is using its contractual right to issue these bidding instructions because there is disagreement between Hydro Tasmania and BPL about the risk that Hydro Tasmania is seeking to address.
- The modification of dispatch offers is to place a price (the Market Price Cap) on the capacity above:
  - 459 MW - 1 August to 31 December (inclusive); and
  - 446 MW - 1 January to 31 July (inclusive);

will apply to both northward and southward Basslink flows from 04:00 market time on 10 March 2020.

- This measure will remain in place until further notice.

*All MW values in this notification are stated at the receiving end consistent with the way bids are submitted.*