

Enhancement compliance plan notice

Published 18 October 2019

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
- Hydro Tasmania has received engineering analysis from its cable experts, following a preliminary review of a recent survey of Bass Strait environmental properties, which concluded that the Basslink cable may be at risk of exceeding its temperature design limits if operated continuously at above 460 MW during winter and early spring (1 June to 31 October) and 445 MW from late spring to autumn (1 November to 31 May).
- To mitigate this risk, effective 04:00 market time on 19 October 2019*, Hydro Tasmania commenced instructing BPL to modify its dispatch offers to the market operator, AEMO.
- Hydro Tasmania has provided BPL (the asset owner) with recommendations from its cable experts. These recommendations are subject to ongoing review and Hydro Tasmania will continue to review its position as new information comes to hand. 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:
 - 460 MW - 1 June to 31 October (inclusive); and
 - 445 MW - 1 November to 31 May (inclusive);

and will apply to both northward and southward Basslink flows from 04:00 market time on 19 October 2019*.

- 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.

This notice was revised 18 November 2019.

***Note in relation to instructions for 13 and 14 November 2019:** Due to an oversight Hydro Tasmania did not issue an instruction to BPL in respect to those trading days, so a price of \$0/MWh was applied to all available Basslink capacity starting 04:00 13 November 2019. Hydro Tasmania corrected this oversight on the morning

of 14 November 2019 by instructing BPL to rebid at that time to price Basslink capacity above 445MW above \$13,500/MWh¹ for the period ending 07:40 on 14 November 2019 to the period ending 04:00 15 November 2019.

¹ Hydro Tasmania was unable to instruct BPL to bid at the Market Price cap when entering the rebid for this day due to price bands being locked from editing on the trading day in accordance with market rules.