Executive minute

Minute No  86/2018
To: Commonwealth Minister for Energy; South Australia Minister for Energy and Mining
Date: 12/12/2018
Subject: Compliance investigation into South Australia Black System Event September 2016
Timing: Routine

Recommendation:

That you note the status of the matters outlined in this minute.

Noted: ____________________________  Date: ____________________________

Issue

- The AER has reviewed AEMO and multiple National Electricity Market (NEM) participants’ compliance with the National Electricity Rules (NER) in the period surrounding the South Australian state-wide blackout on 28 September 2016.

- The investigation involved four separate parts:
  - The Pre-event: AEMO’s and ElectraNet’s actions in the lead up to the storm event, in particular whether they fulfilled obligations around managing power system security.
  - The Event: The period immediately prior to the Black System Event in SA.
  - System Restoration: The actions of System Restart Ancillary Service (SRAS) providers, ElectraNet and AEMO in restarting the system, including the preparatory steps taken in the preceding years.
  - Market suspension: Compliance with the NER during the 13-day period in which the spot market in SA was suspended, including AEMO’s actions in managing power system security during the suspension.

- This report deals with the pre-event period, system restoration and market suspension.

- The fourth part, regarding the circumstances immediately prior to the black system in South Australia, "The Event", is ongoing.
Background

- The state-wide blackout on 28 September 2016 was triggered by severe weather that damaged transmission and distribution assets.
- This was followed by reduced wind farm output and a loss of synchronism that caused the loss of the Heywood Interconnector.
- The subsequent imbalance in supply and demand resulted in the remaining electricity generation in SA shutting down. Most supplies were restored in 8 hours\(^1\) however the SA wholesale market was suspended for 13 days.\(^2\)
- This blackout, known as a ‘Black System Event’, impacted the entire state-wide network and is the most significant market event since the establishment of the NEM in 1998.
- Market suspension has only occurred once before, in April 2001 for two hours; in 2016 the market was suspended for 13 days.
Released under FOI

The Event investigation

- The performance of a number of wind farms during the actual event is still under investigation – specifically the investigation is examining performance against registered performance standards.

Paula Conboy
Chair