

ENHANCED LICENCE CONDITIONS TO APPLY TO NEW GENERATION LICENCES IN SOUTH AUSTRALIA

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Legal Briefings – By **Nick Baker**, **Liza Carver**, **Alison Dodd** and **David Douglas**

The Essential Services Commission of South Australia (**Commission**) has been conducting an Inquiry into the technical licence conditions that it has applied to wind and other inverter-connected generation projects in South Australia since 2004.

Although this is a routine review, and follows a similar review that was conducted in 2010, given South Australia's recent energy security issues, the Inquiry has recently generated increased interest.

This is especially in light on the Australian Energy Market Operator (**AEMO**) providing interim advice to the Inquiry that new conditions be applied before generation licences are granted to wind projects in South Australia.

The Commission has taken into account AEMO's interim submission and on 14 March 2017 decided to apply the additional technical conditions for any new generation licence application, until AEMO's final advice is delivered (which is expected to be in April) and the Inquiry is completed.

The enhanced licence conditions recommended by AEMO in its interim report include:

- **Frequency control capabilities:** AEMO has recommended the introduction of mandatory provisions of frequency control capability throughout the operational frequency tolerance band and the extreme frequency excursion tolerance limit, as well as the ability to receive and respond to automatic generation control based on four second signals.

- **Ramp rate controls:** These include the ability within each dispatch interval to limit the rate of change of active power.
- **Voltage and disturbance ride-through capabilities:** Voltage and disturbance ride-through capabilities, including:
 - with regard to the rate of change of frequency the generator must be able to withstand, a requirement to meet both the National Electricity Market (**NEM**) automatic standard and minimum standard;
 - an obligation for generators to ride through a specified total duration of voltage disturbances, regardless of the individual disturbance types or durations;
 - the ability to recover as fast as possible active power output after the fault clearance, without compromising voltage recovery;
 - if necessary, a requirement to supply or absorb fast acting reactive power both during and after the disturbance, depending on whether the disturbance causes low voltages or high voltages; and
 - in order to mitigate the risk of system collapse following a loss of synchronous connection between South Australia and the rest of the NEM, a requirement for enhanced high voltage ride-through capability beyond that specified in NER Figure S5.1a.1.
- **Other capabilities:** This includes the ability following a black system event, to assist in system restoration.

As these conditions will come into effect immediately for all new wind and other inverter-connected generation licence applicants, pending the release of the final report by AEMO, all potential generation licence applicants are advised to discuss licensing requirements with the Commission.

The energy sector in Australia is undergoing significant changes at present, and as such, all parties interested in investing in intermittent generation projects are also advised to monitor a number of other reports such as the Independent Review into the Future Security of the National Electricity Market by the Chief Scientist, as well as the AEMO Future Power System Security Program amongst others.

Our full service [Energy team](#) can advise on the range of potential issues facing current energy market participants, developers and financiers arising out of this and other change in the energy sector.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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