

1 Background

- 1.1 Hydro Tasmania holds Licences issued by the Regulator under the ESI Act to undertake electricity Generation, Distribution and retailing operations on the Bass Strait Islands (BSI).
- 1.2 The Code provides that Hydro Tasmania, as holder of a Licence to conduct operations of Distribution of electricity on the BSI, shall perform the role of BSI System Controller. As BSI System Controller, Hydro Tasmania is required under sub-section 4A.2.2.1(b) of the Code to make, publish on its website, and update as needed a BSI Dispatch Guideline which outlines how the BSI Power System manages merit order Dispatch and Generation Constraints. These Guidelines are the aforementioned Dispatch Guidelines.

2 Definitions

- 2.1 In these Guidelines, unless otherwise defined, words having a defined meaning in the Code have the same meaning in these Guidelines and, unless the contrary intention appears:
 - (1) **BSI Power System** means the electricity power system of the BSI networks including associated Generation and Distribution networks for the supply of electricity on the BSI, operated as an integrated arrangement on each of King Island and Flinders Island.
 - (2) **BSI System Controller** means Hydro Tasmania.
 - (3) **Code** means Chapter 4A of the Tasmanian Electricity Code (Bass Strait Islands - System Operations and Network Service Provisions).
 - (4) **Controllable** means Generating Units that can be controlled by the BSI System Controller.
 - (5) **Firm Generation** means sources of Generation which are controllable and reliable, in that they are not episodic or reliant on environmental variables such as the wind and sun to produce electricity.
 - (6) **Guidelines** means these Dispatch Guidelines - Bass Strait Islands dated [1 July 2012] as amended and supplemented by Hydro Tasmania from time to time.

- (7) **Hydro Tasmania** means Hydro-Electric Corporation ABN 48 072 377 158.
- (8) **Power Purchase Agreement** means an agreement between the BSI System Controller and a BSI Power System Participant which sets out the terms and conditions upon which the BSI System Controller will purchase Energy from the BSI Power System Participant.
- (9) **Satisfactory Operating State** has the meaning given to that term in the Code.
- (10) **System Reliability** refers to both the Generation System and Distribution System on BSI, and is a measure of the ability of the BSI Power System to supply Energy to meet the load for the period of time intended, under the operating conditions encountered and expected.
- (11) **System Stability** means the maintenance of the BSI Power System in a Satisfactory Operating State.

3 Hydro Tasmania's Responsibility

3.1 The obligations of the BSI System Controller under the Code are to:

- (1) facilitate and (where agreed) operate the Dispatch of Generating Units;
- (2) use its reasonable endeavours to achieve Power System Security on the BSI; and
- (3) conduct BSI Power System planning.

3.2 The responsibilities of the BSI System Controller with regard to Power System Security on the BSI are to:

- (1) arrange the Dispatch of Generating Units (including Dispatch by remote control actions or specific directions);
- (2) determine any potential Constraint on the Dispatch of Generating Units and the assessment of the effect of this Constraint on the maintenance of Power System Security on BSI; and

- (3) establish a merit order for Dispatch having regard to the provisions of Connection Agreements.

4 Role of Firm Generation

- 4.1 Hydro Tasmania currently owns and operates a diesel fired power station on King Island and on Flinders Island. These Generating Units provide a Controllable and reliable source of energy to the BSI which is considered to be Firm Generation. This Firm Generation takes priority over other Generation sources on the BSI at times when demand, Power System Security and System Stability dictates it, as determined by the BSI System Controller.

5 Non-firm load generation and associated Dispatch rules

- 5.1 Generation on the BSI, other than that which is set out as Firm Generation, falls into two distinct categories:

- (1) **Controlled**

Controlled is Generation that can be actively Controlled by the BSI System Controller. Subject to System Stability, Power System Security and System Reliability, these Generating Units will be Dispatched by the BSI System Controller in priority based upon the earlier of:

- (a) the date of the Connection Agreement relating to that Generating Unit; or
- (b) the date on which the Generating Unit was first connected to the BSI Power System.

To be classified as Controlled, adequate systems need to be installed to enable the Generation to be Controlled by the BSI System Controller.

- (2) **Uncontrolled (self-dispatched)**

- (a) Uncontrolled is Generation where the Generating Unit or Generating Units (as the case may be):
 - (i) subject to section 5.1(2)(b), has a generating capacity of less than 5 kW;

- (ii) cannot be actively Controlled by the BSI System Controller; and
- (iii) is committed and scheduled by the owner or operator of the Generating Unit or Generating Units (as the case may be).

There are limits to how much Uncontrolled electricity can be fed into the BSI Power System without causing System Stability issues, as it is not possible to accurately assess the amount of Energy that Uncontrolled sources will be generating at any one time.

- (b) The limit of generating capacity set out in section 5.1(2)(a)(i) is subject to the discretion of the BSI System Controller having regard to System Stability and Power System Security on BSI, as well as the overall efficiency and cost of providing Energy services on the BSI.

5.2 It is the responsibility of the BSI System Controller to determine the classification of a Generating Unit (either Controlled or Uncontrolled) at the time of the application for Connection to the BSI Power System.

6 Power Purchase Agreements

6.1 Subject to the discretion of Hydro Tasmania in its capacity as the holder of a Licence to undertake electricity Generation on the BSI and as the BSI System Controller, any potential BSI Power System Participant must enter into a Power Purchase Agreement and Connection Agreement with Hydro Tasmania in respect of the electricity produced by its Generation Unit or Generating Units (as the case may be).

6.2 The price offered by Hydro Tasmania under any Power Purchase Agreement entered into under section 6.1 is subject to assessment of a number of factors including, but not limited to:

- (1) the generating capacity of the Generating Unit or Generating Units (as the case may be);
- (2) the reliability of the Generating Unit or Generating Units (as the case may be);

- (3) whether the Generating Unit or Generating Units (as the case may be) is Controlled or Uncontrolled; and
- (4) the value inherent in that generation from an overall BSI Power System perspective.

7 Responsibility of BSI Power System Participants

- 7.1 In accordance with the Code, Generators Connected to the BSI Networks who are Self-Dispatched must specify and advise the BSI System Controller the likely output profile, including peaks, and if the output is seasonally affected, expected daily generating profiles for each month of the year. The BSI System Controller may waive this obligation in its absolute discretion.
- 7.2 A BSI Power System Participant must promptly advise the BSI System Controller if it becomes aware of any circumstance which could be expected to adversely affect the secure operation of the BSI Power System.

8 Further information

- 8.1 These Guidelines refer to the high level requirements set out in the Code. For full details of the requirements, please refer to the Code.
- 8.2 These Guidelines will be reviewed periodically by Hydro Tasmania and updated on its website (www.hydro.com.au). If you would like a hard copy of these Guidelines, please contact Hydro Tasmania on 1300 360 441.