

## Australian Energy Regulator

### 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:** \_\_\_\_\_

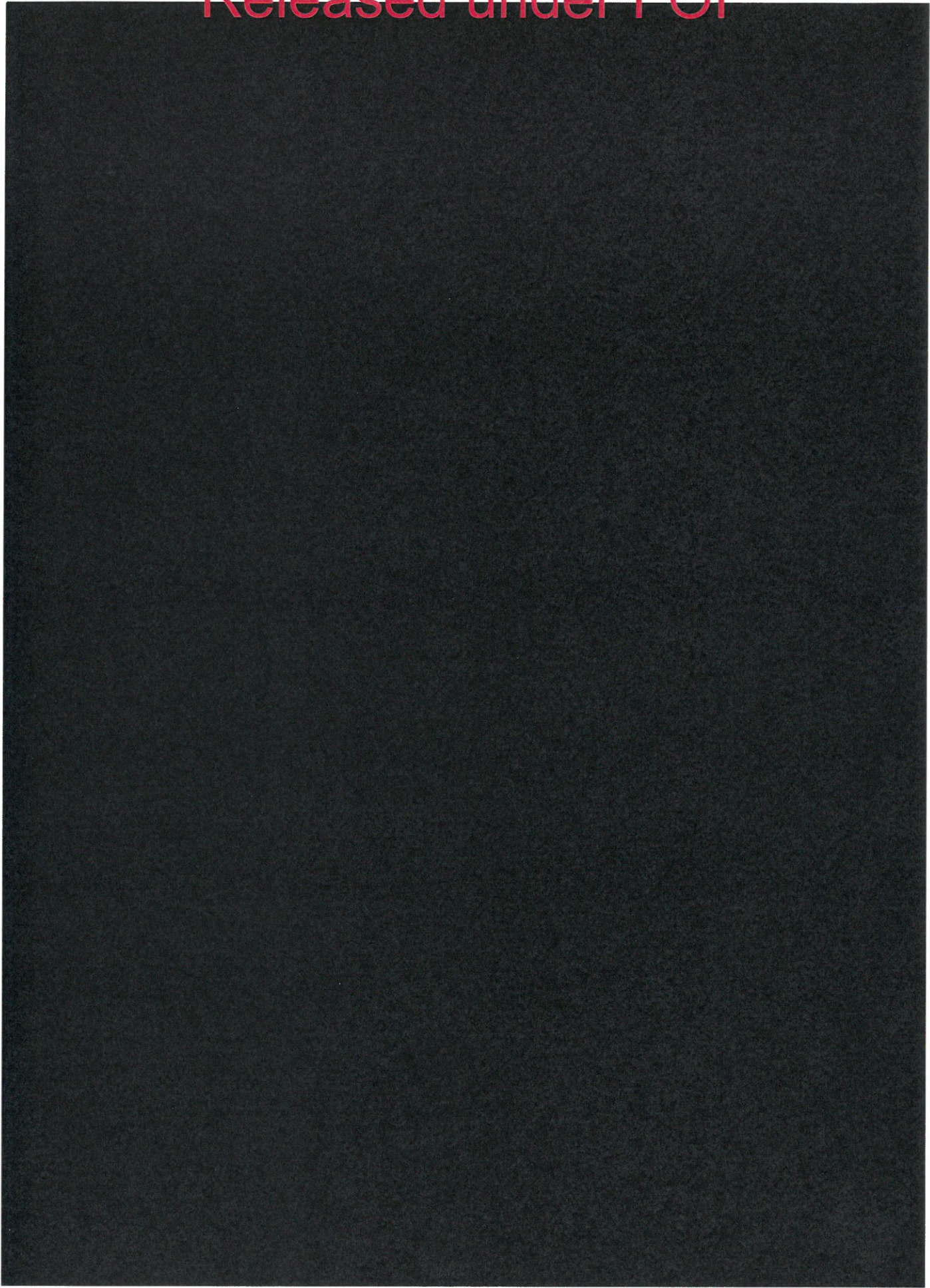
**Date:** \_\_\_\_\_

#### **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:

<b>The Pre-event</b>	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.
<b>The Event</b>	The period immediately prior to the Black System Event in SA.
<b>System Restoration</b>	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.
<b>Market suspension</b>	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.

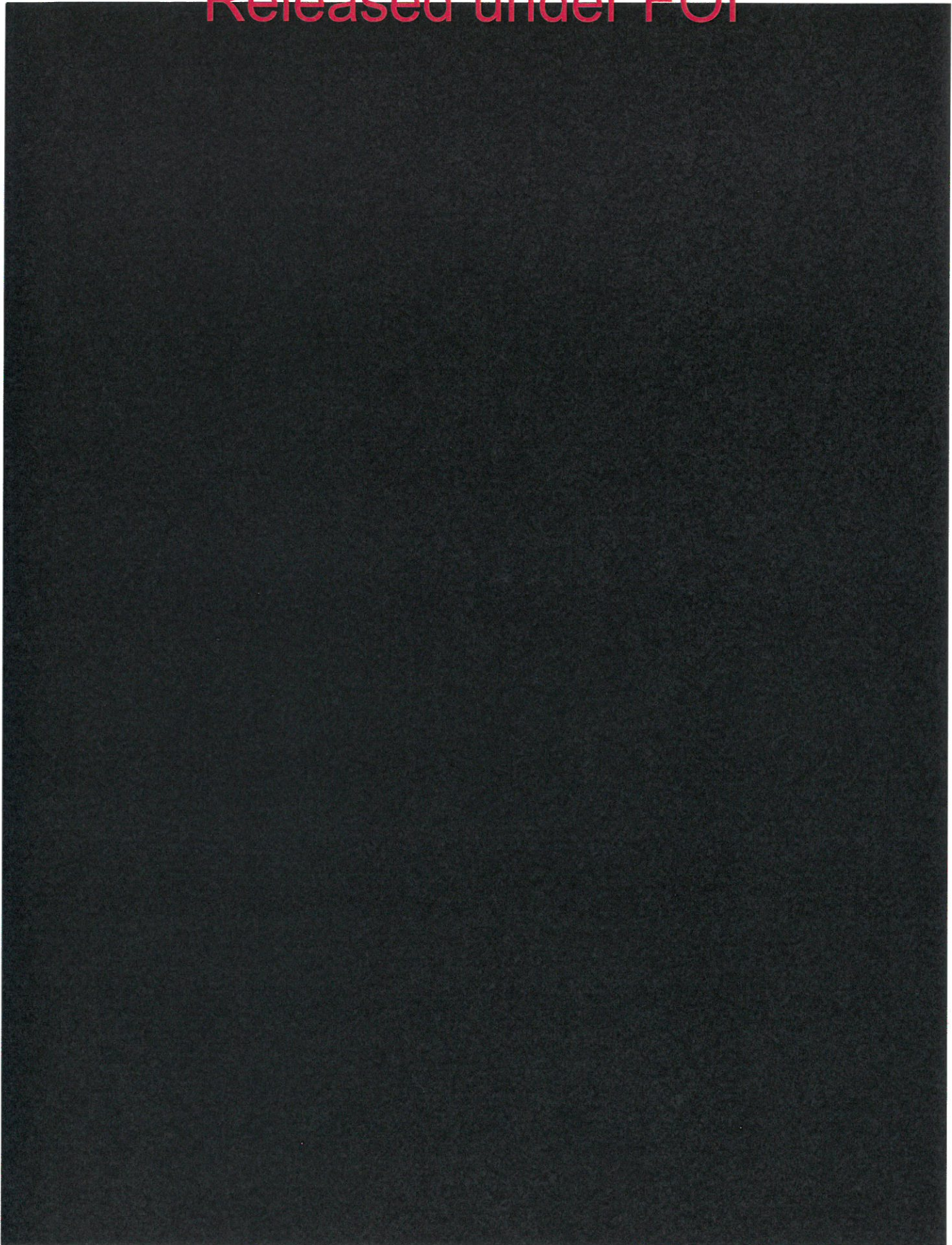
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## Background

- 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<sup>1</sup> however the SA wholesale market was suspended for 13 days.<sup>2</sup>
- 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.

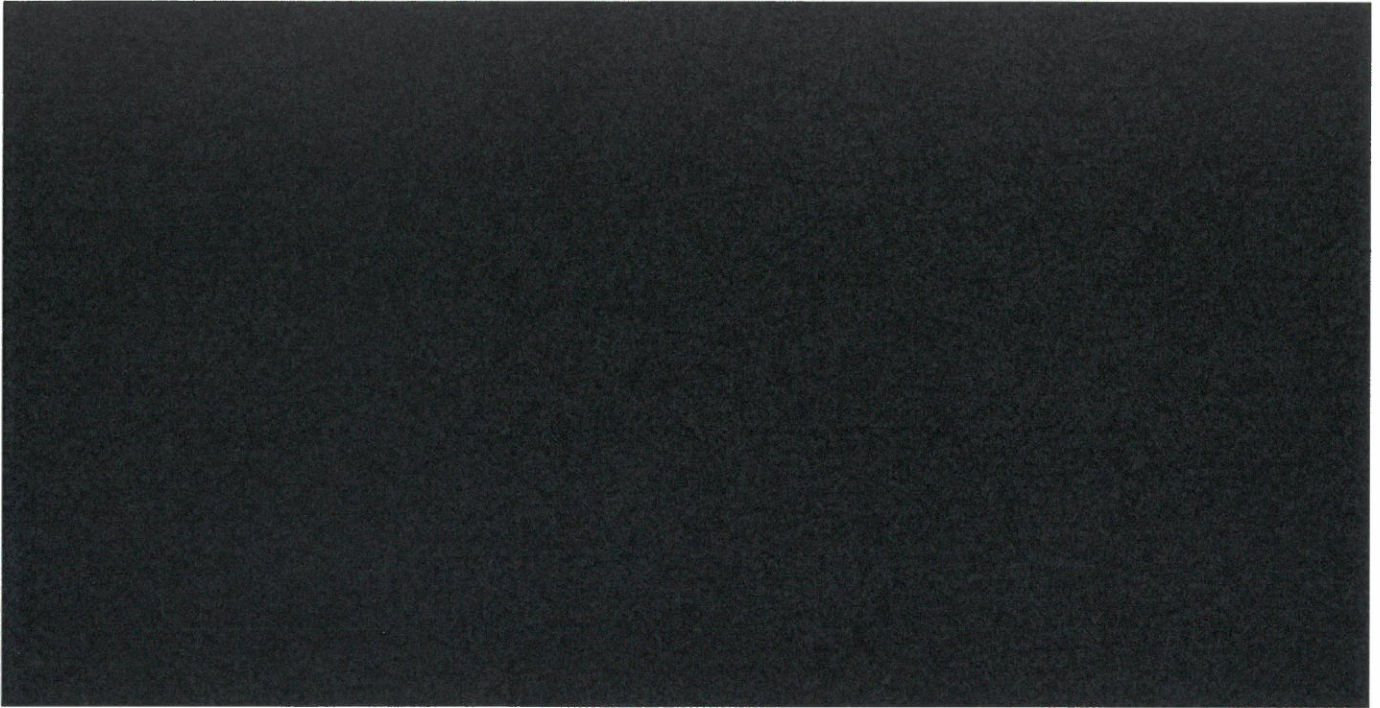
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## *The Event investigation*

- 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.



A handwritten signature in blue ink, appearing to read 'Paula Conboy', is located below the redacted area.

Paula Conboy  
Chair