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21 November 2006

John Tamblyn Chairman Australian Energy Market Commission PO Box H166 Australia Square NSW 1215

Re: Consequential amendment to the Rules in relation to derogations that impact AGL Hydro Partnership

Dear John

Thank you for your letter asking for AGL Hydro Partnership's (AGL) views on the consequential amendments to the Rules contained in the National Electricity Amendment (Technical Standards for Wind and other Generator Connections) Rule 2006 (the proposed Rule).

AGL notes that the proposed Rule will make the existing derogation in favour of the Clover Power Station more difficult to interpret since the clause referenced will cease to exist. We are satisfied, however, that:

- The current process, supported by the AEMC, to grandfather existing generator capabilities into the registered performance standards for generator will render this derogation superfluous; and
- AGL and NEMMCO have agreed, for the purposes of registering Performance Standards under the Rules, that schedule 5.2.5.10 does not apply to the Clover Power Station.

We therefore recommend that the AEMC and the Victorian Jurisdiction take no action in relation to this clause.

Your sincerely,

Jeff Dimery

General Manager Merchant Power