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Australian Energy Market Commission
Reliability Panel

Email: aemc@aemc.gov.au
Ref: REL0065

To the Reliability Panel

Review of the Frequency Operating Standard – Stage Two: Draft Report

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (**Meridian**) thank the Australian Energy Market Commission (**AEMC**) for the opportunity to provide comments in relation to the Draft Report for Review of the Frequency Operating Standard (**FOS**) – Stage Two (**Draft Report**).

Meridian is the owner and operator of the Mt Mercer and Mt Millar Wind Farms as well as Powershop Australia, an innovative retailer committed to providing lower prices for consumers which recognizes the benefits for consumers of a transition to a more renewable-based and distributed energy system. Last year Meridian made a significant investment in the future of the Australian energy market through the acquisition of three hydro plants in New South Wales and underwriting the development of new renewable generation assets in Victoria and New South Wales.

Meridian is generally supportive of the Panel's work on the FOS and the Draft Report. We have had the opportunity to review the Australian Energy Council (**AEC**) submission and support the comments raised in that submission. In particular, we share the AEC's concern in relation to the failure to grandfather existing generation (i.e. Musselroe wind farm (**Musselroe**)) from the impact of the proposed change to the definition of generation event. We consider that making such a change so soon after the investment in Musselroe was finalised is likely to have a negative impact on investment signals for future generation. To this extent we would ask the Panel to contemplate whether this decision is truly consistent with the National Electricity Objective particularly given its focus on ensuring that necessary investment is made to meet customer requirements.

On this basis, we ask that the Panel give further consideration to exempting existing generation from the new definition of generation event.

If you would like to discuss our submission further, please do not hesitate to contact me.

Yours sincerely,

Ed McManus
Chief Executive Officer
Meridian Energy Australia & Powershop Australia