



AGL Energy Limited

ABN: 74 115 061 375

Level 24, 200 George St

Sydney NSW 2000

Locked Bag 1837

St Leonards NSW 2065

t: 02 9921 2999

f: 02 9921 2552

agl.com.au

Mr John Pierce

Australian Energy Market Commission

PO Box A2449

Sydney South, NSW 1235

7 February 2019

AGL Submission to Reliability Panel, AEMO Request for Protected Event Declaration – Consultation Paper

AGL welcomes the opportunity to comment on the Reliability Panel's (**Panel**) Consultation paper, regarding the Australian Energy Market Operator's (AEMO) Request for a Protected Event Declaration in South Australia (**the Consultation**).

AGL is one of Australia's leading integrated energy companies and the largest ASX listed owner, operator, and developer of renewable generation. Our diverse power generation portfolio includes base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources. AGL is also a significant retailer of energy and provides energy solutions to over 3.6 million customer accounts in New South Wales, Victoria, Queensland, Western Australia, and South Australia.

AGL acknowledges the important role that AEMO has played over the interim period and the rationale for requesting the declaration of a protected event described as "***the loss of multiple transmission elements causing generation disconnection in the South Australia region during forecast destructive wind conditions***".

AGL broadly supports AEMO's recommended option to enforce an import limit of 250 MW on the Heywood interconnector, which would allow for a 600MW head-room up to the 850MW satisfactory limit on the interconnector. However, we believe further clarity on how this head-room has been calculated would assist in explaining why this solution, together with an upgrade of the System Integrity Protection Scheme (SIPS), is adequate to address a contingency i.e. a loss of 500MW of generation.

Further, when enforcing the 250MW import limit, AEMO should provide reasonable warning, in advance of a Protected Event Declaration to ensure generators are able to provide additional generation, as required, to meet expected customer load.



With respect to the upgrades proposed to the SIPS, AGL accepts this may be the most effective solution. However, we note that the Emergency Frequency Control Scheme (EFCS) is exempt from the RIT-T and therefore a regulatory mechanism to assess overall net benefits is not applicable. In the absence of this mechanism, AGL encourages the Panel to assure themselves on the appropriateness of the solution in line with the National Electricity Objective, to ensure consumers are not unnecessarily burdened.

AGL supports the proposed review process with a focus on evaluating overall implementation and operational costs, as well as assessing the impact of energy storage penetration in the market.

If you have any queries about this submission, please contact Shevy Moss-Feiglin on (02) 99212339 or smossfeiglin@agl.com.au

Yours sincerely,

Elizabeth Molyneux
General Manager Energy Markets Regulation