

18 November 2008

Mr Ian Woodward,
Chairman Reliability Panel,
Australian Energy Market Commission,
PO Box A2449,
Sydney South NSW 1235

By email: submissions@aemc.gov.au

Dear Mr Woodward,

AEMC 2008, Annual Electricity Market Performance Review 2008, Draft Report

Hydro Tasmania would like to thank the Panel for its informative Draft Report and the invitation to comment on the material presented.

In the spirit of constructive contribution to a Final Report, we would like to expand upon the issue of frequency management in Tasmania and in particular on the Panel's standard of a 0.05 Hz limit on the standard deviation of power system frequency.

Figure 30 on page 58 of the Draft Report shows that the standard deviation of frequency for the small Tasmanian system is large compared with that for the greater mainland system. For example in the period between May 2006 and the end of June 2008, the standard deviation for the mainland rarely exceeded 0.04 Hz and never exceeded 0.045 Hz. In comparison, the standard deviation for Tasmania exceeded 0.05 Hz at least 15 times, with several occurrences of standard deviation greater than 0.075 Hz¹.

This raises the following questions:

1. Is the Panel's 0.05 Hz target for standard deviation of frequency appropriate for the smaller Tasmanian system?
2. If not, then what would an appropriate operational target be for Tasmania?
3. If the 0.05 Hz target is appropriate, then what economically efficient measures could be taken to ensure that it is achieved?

¹ It is noted that performance seems to be rather better in the latter part of the period, ie after about October 2007. This could be related to learning on the part of system operators or perhaps to the way in which changed Basslink usage has allowed it to support Tasmanian frequency control. Nevertheless, the 0.05 Hz limit was exceeded in this period also.

Hydro Tasmania would requests that the Panel address these questions in its Final report.

If you require any further information, please contact me on (03) 6230 5775.

Yours sincerely,

A handwritten signature in black ink that reads "D. Bowker." The signature is written in a cursive style and is underlined with a single horizontal line.

David Bowker

Manager Regulatory Affairs