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Meridian Energy Australia Pty Ltd
Level 15, 357 Collins Street
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Sebastien Henry
Australian Energy Market Commission
PO Box A2449
Sydney South, New South Wales 1235

Project number: ERCO214

Dear Sebastien

Managing the rate of change of power system frequency

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group) is pleased to provide comments to the AEMC in relation to its draft rule to place an obligation on transmission network service providers (TNSP) to procure minimum required levels of inertia or alternative frequency control services to meet these minimum levels.

As you are aware, MEA Group 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 customers which recognizes the benefits for customers of a transition to a more renewable based and distributed energy system.

MEA Group supports the proposed rule as an appropriate mechanism to assist in the managing of system frequency in a cost effective and efficient manner.

We recognise that there are other viable approaches including establishing a market for such services or vesting the obligation in AEMO instead of TNSPs. In these circumstances, we accept that placing the procurement obligation on TNSPs has the potential to produce a lower cost and more practical outcome. However, we share the concerns expressed by some that the approach adopted by TNSPs must be carefully monitored to ensure any natural bias towards network solutions does not distort this procurement.

We encourage the AEMC to consider how the implementation of the rule will be monitored to ensure the expected benefits are delivered.

If you have any further questions please feel free to contact me.

Yours sincerely

Ed McManus
Chief Executive Officer
Meridian Energy Australia Pty Ltd