



13 October 2016

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Australian Energy Market Commission
PO Box A2449
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Dear Sir/Madam

AEMC Consultation Paper - System Security Framework Review (8 September 2016)

Ausgrid refers to the Australian Energy Market Commission's (AEMC) Consultation Paper on the System Security Framework Review dated 8 September 2016 and welcomes the opportunity to provide comment.

In principle Ausgrid supports the System Security Framework Review and looks forward to the further detail to be developed by the technical working group.

As noted in the Consultation Paper, the proposed rule changes are highly relevant to the specific challenges of the South Australian network. Ausgrid is not currently affected by the issues described in the Consultation Paper largely due to the relatively high proportion of synchronous generation in the NSW network. It is however acknowledged that in the future as existing coal fired generation is retired and additional solar and wind energy facilities are commissioned these issue may become more relevant to Ausgrid.

It is important to ensure the outcomes of the review, whilst appropriately addressing the challenges faced by South Australia, are also applicable and appropriate for the broader NEM with the different installation generation capacities.

It is also noted that DNSPs such as Ausgrid do not have any direct responsibility for controlling the mix of generation types installed on the distribution network. The development of a framework where AEMO and the relevant TNSP provide guidance to ensure an appropriate balance of generation types is seen as a potential area for further development.

Regarding the management of power system strength, further reduction in faults levels will provide Ausgrid with longer term challenges in meeting its quality of supply requirements and ensuring suitable protection of its distribution network.

The Consultation Paper discusses several identified technical issues associated with low system strength. Specifically, one of the issues of low system strength is noted as resulting in a reduced effectiveness of the protection system which may potentially require investment in replacement or readjustment of the affected protection systems. Whilst this is correct, a reduction in fault level could drive a need for additional investment in the primary network elements. This will be pertinent in cases where fault levels are not far above the maximum expected load, and difficult topology can make a protection upgrade not possible or cost effective in addressing the discrimination and clearing time requirements.

Ausgrid looks forward to the further technical detail to be developed by the technical working group with regards to the proposed rule changes, particularly in the application of any adjustments to the National Electricity Rules on existing infrastructure.

If you have any queries or wish to discuss this matter in further detail please contact Matthew Webb on (02) 9269 4222 or via email mwebb@ausgrid.com.au

Yours sincerely

A handwritten signature in black ink that reads "J. Hardwick," with a comma at the end. The signature is written in a cursive style.

JOHN HARDWICK
General Manager – Asset Management