



**Hydro Tasmania**  
*the renewable energy business*

22 April 2010

Mr Scott Stacey  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Sent online

**Aggregation of Ancillary Service Loads Rule 2010 –  
“ERC0104”**

Dear Scott,

Thank you for the opportunity to comment on the consultation paper in relation to the aggregation of Ancillary Service Loads.

We agree that this AEMO proposal will further the Market Objective by creating a more open market for Ancillary Services and removing a barrier to the provision of these services by loads.

In relation to the interaction between ancillary service loads and Market Customers, we agree that there is some value in considering the merits of removing this barrier to Ancillary Services market development in the same consultation as the AEMO proposal, (rather than a separate NEM consultation process). We note that widening the proposal in this way is quite common during Market consultations as issues arise and evolve. It is certainly more efficient to do this than to force separate processes, based on narrow terms of reference so long as the process is used in good faith.

Whilst we recognise the advantages from an AEMO perspective of interacting with only one Market Participant for each load, we agree with the Commission that the wider interests of the market are served by making it easier for businesses that specialise in load aggregation to provide aggregated MAS, without also purchasing electricity from the wholesale market for the loads.

In relation to the materiality of this issue, we note that following the recent frequency standard change in Tasmania there have been periods of shortage of local MAS supply and a failure of new suppliers to enter the market.

If you have enquiries on the attached submission, please call the undersigned on 03-62305775.

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 stroke.

David Bowker  
Manager Regulatory Affairs