

Sandhya Jaishankar
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

By online submission

21 September 2012

Dear Sandhya,

Re Normal voltage rule change ref ERC0148

International Power GDF Suez Australia (IPRA) appreciates the work that the AEMC have done in assessing the proposed rule change, and for providing the opportunity for comment.

International Power entered the Australian energy industry in 1996 and has grown to become one of the country's largest private energy generators, with assets in Victoria, South Australia and Western Australia. The International Power portfolio also includes Simply Energy, a wholly owned subsidiary of International Power and one of the largest second tier retailers operating in South Australia, Victoria and other National Electricity Market (NEM) regions.

To IPRA's knowledge, a change to the normal voltage at a connection point has only occurred twice in the history of the NEM, and therefore could not be described as a regular occurrence. However as noted by the AEMC in section 5.1 of the consultation paper, changes to normal voltage are likely to affect distribution and transmission networks, as well as AEMO, generators, large users, and new generation entrants.

Although change to normal voltage might be an unlikely event, the ramifications for a connected participant are potentially significant, as changing the rating of already installed and operating equipment could be very costly or impractical. The fact that normal voltage changes have been imposed in the past gives rise to concern for participants that they might be faced with a normal voltage change impacting on their generation or load.

IPRA has considered the assessment framework proposed by the AEMC, and has concluded that it is appropriate for this rule change proposal, as it considers the risks associated with the current rules, and the potential costs and benefits of the proposed change.

IPRA agrees with the AEMC conclusion that rule clause 5.3 is somewhat convoluted, and does not provide a perfect process for dealing with changes to normal voltage. In preparing the rule change proposal, IPRA gave consideration to drafting new rule clauses specifically to deal with consultation requirements for changes to normal voltage. However, we chose not to propose new rule clauses because changes to normal voltage have been rare to date. In addition, if specific rule clauses were to be drafted, then it might be considered appropriate to

include requirements for changes to other technical parameters at a connection point, such as fault level and protection settings.

Whilst it is accepted that clause 5.3 does not provide a perfect solution to this issue, it does reinforce the principle that TNSPs and AEMO should consult with affected parties when considering the impact of changes to normal voltage. IPRA also note the related rule change request for connecting embedded generators submitted by Climate Works, Seed and Property Council, which creates an opportunity to improve rule clause 5.3.

In conclusion, IPRA recommends that the rule change proposal be authorised as proposed, and that consideration to improving the effectiveness of clause 5.3 in meeting the desired consultation outcomes be considered within the related embedded generator rule change process.

Should you have any enquiries regarding this matter please do not hesitate to contact me on 03 9617 8331.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "C. Deague".

Chris Deague

Senior Market Specialist