

John Pierce  
Chairman  
Australian Energy Markets Commission  
PO Box A2449  
SYDNEY SOUTH NSW 1235

By online submission.

9 Oct 2014

Dear Mr Pierce,

**RE: Generator ramp rates and dispatch inflexibility in bidding Draft Determination (ERC0165)**

GDF SUEZ Australian Energy (GDFSAE) appreciates the opportunity to comment on the AEMC's Draft Determination on generator ramp rates and dispatch inflexibility in bidding (Draft Determination).

GDFSAE believes that the AEMC's more preferable draft rule is an improvement on the original rule change proposal from the AER as it provides a reasonable compromise between ensuring sufficient ramping capability in the NEM to maintain system security, without imposing unnecessarily onerous minimum obligations on generators.

The AEMC proposal of requiring at least one per cent of maximum generation capacity on a MW/minute basis overcomes the current issue of imposing a relatively high ramp rate obligation on smaller generating units of less than 100 MW capacity. This is supported by GDFSAE.

However, the AEMC's proposed option of one per cent, rounded up to the nearest whole number will impose relatively high ramping obligations on the largest generating units in the NEM. For example, the largest generating units would be required to provide minimum ramp rates of 7 or 8 MW/minute under the AEMC's proposal. GDFSAE understands this level of ramp capability could be difficult for some units to maintain.

GDFSAE is supportive of AEMO having access to sufficient ramp capability in the NEM to ensure power system security, and understands that AEMO have indicated that the ramping capability currently available is sufficient for this purpose. GDFSAE also notes that the AEMC's proposal would result in a greater level of ramping capability in the NEM than provided under current arrangements.

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GDFSAE therefore suggests that the AEMC proposed more preferable rule change be modified slightly to set an upper limit on the minimum ramp rate obligation of 5 MW/minute per generating unit. For aggregate units in the NEM, this upper limit would be applied to each of the physical units within an aggregated unit.

A further suggested change with regard to aggregate units relates to how the minimum ramp rate is calculated. The capability for aggregate units to ramp up and down is a function of how many physical units are on line at the time. If the minimum ramp rate is simply one per cent of the registered maximum capacity of the aggregate unit, then the resulting ramping obligation may not be achievable unless sufficient physical units are on line.

To overcome this problem, it is suggested that the minimum ramp rate obligation be made equal to one per cent of the maximum capacity of the physical units that are on line at any point in time. AEMO have real time data that confirms the on line status of all physical generating units, so this should be a simple calculation.

GDFSAE hopes that the information provided in this submission assists the AEMC in its deliberations, and would be happy to discuss any aspects if necessary.

Yours sincerely,



Chris Deague  
Senior Market Specialist