

13 June 2008

Dr John Tamblyn
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235
Australia

By email: submissions@aemc.gov.au

Dear John,

Supplementary Submission to the proposed Rule change for the Reclassification of Contingency Events

As requested, NEMMCO submits a supplementary submission relating to the changes proposed in International Power (Australia) Pty Ltd's (**IPRA**) submission to the Australian Energy Regulator's (**AER**) Rule change proposal.

In its submission, IPRA support the AER's proposed Rule and also propose changes be made to clauses 4.2.3(c) and (d), further consequential changes were proposed to clauses 4.2.4, 4.2.5, 4.5.1 and 4.8.4. Essentially, IPRA's changes seek to clarify the definition of a credible contingency event by replacing clause 4.2.3(c) and removing clause 4.2.3(d). IPRA submit that the definition of a credible contingency event should make it clear that the disconnection of more than one item from the power system is included. IPRA also submit that the definitions of single credible contingency event and critical single credible contingency event be removed from the Rules.

NEMMCO supports the intent of IPRA's submission. However, our preliminary analysis identified some implications which need to be addressed, these are outlined below.

Definition of Credible Contingency Event

Since clause 4.2.3(b) defines a credible contingency event NEMMCO suggests IPRA's proposed clause 4.2.3(c) should be included as a part of clause 4.2.3(b) to ensure the definition is clear.

Definition of Involuntary Load Shedding

Under proposed clause 4.8.4(c), NEMMCO would declare a lack of reserve level 2 (LOR2) condition when it considers that the occurrence of any credible contingency event that would lead to either a generating unit or interconnector being removed from operational service is likely to require involuntary load shedding. The Rules' definition of involuntary load shedding

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excludes interruptible load, which also excludes automatic underfrequency load shedding. This definition is inconsistent with NEMMCO's interpretation of LOR2. As such, NEMMCO submits that the Rules' definition of involuntary load shedding should be expanded to include automatic underfrequency load shedding as follows:

Load shedding where the load shed is not an interruptible load except load under the control of underfrequency relays as described in clause S5.1.10.1 (a), or a scheduled load.

NEMMCO notes that this does not directly relate to the AER's Rule change proposal. Nonetheless, it does relate to IPRA's proposed changes and NEMMCO considers that this is an opportunity to ensure the Rules' definition of involuntary load shedding is adequate. Additionally, NEMMCO's proposed change to the definition of involuntary load shedding would have no further impact on the Rules because the definition is only used in clause 4.8.4(c).

We look forward to the AEMC's consideration of our supplementary submission. If you have any queries on any of the matters raised in this submission please contact Taryn Maroney on (02) 8884 5609.

Yours sincerely,


Brian Spalding
Chief Operating Officer