

*At the request of AGL, this submission has replaced the earlier submission from AGL appearing on this website, which has now been withdrawn.*

**Australian Energy Market Commission, 22 January 2013.**

**18 January 2013**

**Steven Graham  
Chief Executive  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235**

Dear Steven,

Re: Draft Rule Determination ERC0148: National Electricity Amendment (Changes to Normal Voltage) Rule 2012

AGL Energy (**AGL**) welcomes the opportunity to comment on the Draft Determination on "National Electricity Amendment (Changes to Normal Voltage) Rule 2012", issued by AEMC on 29 November 2012 (**Draft Determination**).

AGL is one of Australia's largest energy companies and operates across the supply chain including investments in electricity generation and electricity retailing. AGL has over three million retail customers and operational control of over 5,000MW of generation capacity in the National Electricity Market.

AGL supports the Commissioner's conclusion that a rule change is required to improve the transparency around requests to change normal voltage and the proposal to make a more preferable rule change. AGL further agrees with the Commission's view that changes to normal voltage level could have significant impact on registered participants and that a rule change would provide an opportunity for all potentially affected parties to raise their concerns.

AGL generally concurs with the Commission's preferable rule change that will impose an obligation on AEMO to notify registered participants of a request from network service providers to change normal voltage and for the AEMO to notify the registered participants of its subsequent decision on any change to normal voltage. AGL believes these two obligations could reduce the risks of registered participant having to remedy any unexpected and untimely changes of normal voltages and any potential consequential physical or commercial damage to their operations.

AGL is concerned that the proposed preferable rule change does not provide adequate safeguards that any issues raised by the registered participants would be taken into account adequately and satisfactorily.

It is AGL's view, in the proposed preferable rule change, AEMO merely has to publish a notice on the requested change to normal voltage of relevant connection points. There is no explicit obligations in the proposed preferable rule change that requires AEMO to consult or to take into account any issues raised by registered participants.

AGL understands that the Commission has sought to minimise the level of prescriptions in the rules and to provide AEMO with discretion and flexibility in its assessment and decision making. In AGL's view, an explicit obligation to consult with the registered participants does not constrain how AEMO assess and decide on the merit of a proposed change to normal voltage, but merely requires AEMO to take into account the concerns raised by registered participants as is intended in the Commission's Draft Determination.

AGL is further concerned that the proposed preferable rule change seems to suggest that the AEMO merely has to publish a further notice to inform registered participants of the

A few  
words.



- > Being selected as a member of the Dow Jones Sustainability Index 2006/07
- > Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- > Being selected as a constituent of the FTSE4Good Index Series

decision on the requested change and the nature of the change. It is unclear if AEMO has the obligations to publish the reasons for its decisions. It also appears that the registered participants would not have any avenue to appeal when the decisions have not resolved any issues raised satisfactorily.

AGL suggests the following changes to the proposed rule change:

### 5.3.11 Notification of request to change normal voltage

- (a) On receipt of a request from a *Network Service Provider* to change *normal voltage*, AEMO must *publish* a notice to *Registered Participants* ~~advising~~ **consulting on:**
- (1) the change in *normal voltage* requested; and
  - (2) the *connection point* to which the request relates.
- (b) Within a reasonable period after publication of the notice in paragraph (a), AEMO must *publish* a further notice to *Registered Participants* advising:
- (1) whether the *normal voltage* at the relevant *connection point* will change; ~~and~~
  - (2) the nature **and reasons** of any such change; **and**
  - (3) **the process of appeal.**

AGL urges the Commission to consider the suggested changes above, or an equivalent, in its final determination of the proposed rule change. While **AGL** acknowledges that changes to normal voltage is rare, any such change could nevertheless lead to serious commercial and operational consequences. Our proposed amendments impose little or no incremental cost to the administrative or compliance cost of what has already been proposed but would provide an effective mitigation of risks for any unintended outcome.

AGL notes that the normal voltage of a connection point is agreed before construction is commenced on power stations and the value is recorded in the connection agreement and the performance standards of that plant. Therefore any proposal to change the normal voltage for a connection point that has plant already connected would require separate re-negotiation of the connection agreement and performance standards with the connected entities. To avoid any confusion, it may be worthwhile for the AEMC to consider including such a notation in the preferred Rule.

If you have any queries, please contact Kong Min Yeh on 03 8633 6988.

Yours sincerely,



Alex Cruickshank  
Head of Energy Regulations