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Melbourne Office

20 February 2007

Via Email: john.tamblyn@aemc.gov.au

Dr John Tamblyn, Australian Energy Market Commission, PO Box H166, AUSTRALIA SQUARE NSW 1215

Dear Dr Tamblyn

Further Submission on Draft National Electricity Amendment (Technical Standards for Wind and Other Generator Connections) Rule 2006

We note that a final determination is still pending on this matter, and wish to take the opportunity to raise a matter that has recently arisen through the application of Rules 4.16 and 4.17 that have only recently come into operation.

That process has set a very tight timeframe for the finalisation of performance standards and we are making all efforts to meet that timeframe, however, NEMMCO and the NGF have discussed at the regular meetings with the Commission and the AER that there is a need to conduct tests on some hydro generating units, but the drought across the NEM means that there is insufficient water to conduct the tests. There are also other cases where tests will not be able to be conducted within the remaining time.

NEMMCO and the NGF agree that there is a need for more flexibility to allow tests to be conducted when water becomes available, and the relevant performance standards could then be amended to reflect actual plant capability as intended under clause 4.16.5(c)(4).

Accordingly, NEMMCO respectfully requests that the Commission reconsider the following clause that NEMMCO proposed, but the Commission's draft determination excluded because it was thought to be overtaken by the establishment of Rules 4.16 and 4.17:

"A performance standard may be amended at any time by agreement between NEMMCO, the relevant Registered Participant and Network Service Provider provided it does not adversely affect power system security."

NEMMCO suggests this is could become the new clause 4.14(p), at least until the long-term need for Rules 4.13 to 4.17 is reviewed.

In order to address the situation where a test cannot be conducted in the time now available under Rules 4.16 and 4.17, this clause would require amendment to the condition by which a proposed standard would need to be assessed. In this regard, and based on the Commission's draft determination, NEMMCO proposes:

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"A performance standard may be amended at any time by agreement between NEMMCO, the relevant Registered Participant and Network Service Provider provided that:

- (1) where the *performance standard* was established under a transitional arrangement in clause 4.14 or 4.15, the amendment is consistent with the actual *plant* capability agreed between *NEMMCO*, the relevant *Registered Participant* and *Network Service Provider*, notwithstanding that it may be less than the relevant *minimum access standard* that applies to *applications to connect* at the time of agreement; or
- (2) the amendment satisfies all requirements for *negotiated access standards* under clause 5.3.4A(b)."

As this proposed Rule change would apply to a performance standard already registered, the definition of "performance standard" currently in the Glossary would not need to be amended.

To satisfy any Network Service Provider concerns that NEMMCO might withhold agreement on a matter that would not usually concern NEMMCO, the Commission may also wish to include the following clause:

"NEMMCO must not withhold agreement under clause [4.16(p)] on a matter that is not a NEMMCO advisory matter under clause 5.3.4A(a), unless the proposed amendment would adversely affect power system security."

Please do not hesitate to contact Mark Miller on 02 8884 5020 should you wish to discuss this.

Yours sincerely

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