

21st October 2011

Mr Sebastien Henry
Advisor
Australian Energy Market Commission
Level 5, 201 Elizabeth Street
Sydney NSW 2000

Dear Sebastien,

**Request for additional information related to proposed National Electricity Rule change:
Definition of Temporary Over-Voltage Limits**

Thank you for the opportunity to respond to your queries of 13 September 2011 detailed in the document, "Definition of Temporary Over-Voltage Limits Rule Change Proposal – Request for additional information". Grid Australia's responses are as follows:

Q1. *"...while unlikely, the potential application of the proposed Rule at other connection points in the NEM cannot be disproved. Therefore, the AEMC is interested in understanding if the additional flexibility provided by the proposed Rule change has the potential to add value to the efficient operation of the NEM."*

Grid Australia TNSPs agree with the AEMC's statement that the future application of this proposed Rule at other locations cannot be disproved. By implication, we cannot state unequivocally that there are no future scenarios in which the proposed Rule would add value. At this point in time, however, we are unable to conceive of a situation where the proposed Rule would add value. This is because, other than at George Town, we are not aware of TOV issues giving rise to dispatch constraints.

We consider that, if enacted, the more likely application of this proposed Rule would be at the request of new connection applicants wishing to minimise the cost of their own equipment. As stated in our submission, we consider the danger of altered TOV limits acting as a barrier to entry for subsequent participants to be a major unintended consequence of this proposed Rule. We consider the probability of the Rule's application effecting a barrier to entry is greater than the probability of the Rule adding value to the efficient operation of the NEM.

Q2. *Can the determination of TOV limits be separated from the determination of continuous limits from a technical perspective without adverse consequences on connected participants and system security?*

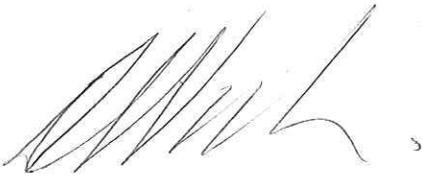
From a technical perspective, the ability of particular equipment to withstand a given temporary over-voltage is a function of the equipment under consideration. For example, many wind turbines have very limited ability to withstand TOVs, whereas synchronous generating units can withstand far higher TOVs. The decoupling of over-voltage limits from continuous limits is conceptually acceptable, providing (i) the TNSP has the ability to assess impacts and vary the

TOV limit on a case-by-case basis, and (ii) the option of keeping the TOV limits at their existing limits is maintained (i.e. there is a default "no change" option).

As previously stated in our submission, we consider the more prevalent technical issue in the application of the proposed Rule is the fact that TOV events propagate throughout a network, and it is impossible to alter the TOV limits at one point in the network unless limits are correspondingly increased at other points in the network also.

If you require any further information, please do not hesitate to contact Paul Rayner on (03) 6274 3689 or me on (07) 3860 2173.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D Woodrow', with a stylized flourish at the end.

Don Woodrow
Acting Chairman
Grid Australia Regulatory Managers Group