

17 February 2009

The Reliability Panel
Australian Energy Market Commission
PO Box A2449
Sydney South
NSW 1235
Email: panel@aemc.gov.au

Dear Mr Woodard,

Re: Submission to the AEMC Reliability Panel Technical Standards Review

Pacific Hydro welcomes the opportunity to submit to the Reliability Panel Technical Standards Review draft report. As Australia's leading renewable energy developer we support the need for strong and transparent technical standards which maintain the integrity of the National Electricity Market (NEM) while allowing generators fair and safe connection to transmission and distribution networks.

Pacific Hydro has invested approximately \$500 million in renewable energy generation capacity in the NEM since its commencement in 1999 and currently has plans to invest a further \$500 million under the expanded Renewable Energy Target (RET) in the coming decade. Pacific Hydro wind farms are robust and comprehensive in their control considerations and deliver reliable performance. We understand that each location is different and requires special attention to ensure an integrated technical generator / network solution is reached.

While we strongly support the review of reactive power in the NEM being proposed in this draft report, we would like to take this opportunity however to raise with you our concern about other aspects of this review. The rule change in 2007 significantly revised the technical standards for all future generator connections and was done so in accordance with principles which were approved and accepted by the Ministerial Council on Energy's Standing Committee of Officials. Due to the time lag in planning, approval and construction of new generation projects, very few generators have yet been built to the 2007 standards. Pacific Hydro has however recently negotiated a connection under these standards and considers them both thorough and adequate for maintaining system security and we believe the NSP and NEMMCO share this view.

Given the adequacy of the existing standards and that very few generators have yet been built under them, we question whether the standards require broad revision or significant change at this point in time. Implementing unnecessary change to the standards creates a significant cost impost on the industry due to the time taken to interpret, negotiate and implement the standards. It also has the potential to create barriers to the delivery of the expanded RET through industry uncertainty and, at least in the early stages of implementing new standards, increasing the time taken to negotiate a connection.

It is vital that, rather than considering broad change to all aspects of the standards, the review focuses on ensuring the technical standards are maintaining the reliability and system security along with promoting timely and efficient connection of generators to facilitate delivery of the RET and CPRS.

With this in mind, please find attached Pacific Hydro's submission to the Reliability Panel Technical Standards Review. Please do not hesitate to contact Kate Summers, Regulatory Compliance Manager (ksummers@pacifichydro.com.au, 03 8621 6442) should you require any further information.

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Yours sincerely

This letter has been prepared for electronic publication
and hence bears no signature

Mr Lane Crockett
General Manager, Australia/Pacific