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20 September 2012

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Dear Mr Graham

ERC0148 – AEMC’s Consultation Paper – National Electricity Amendment (Changes to normal voltage) Rule 2012

Ergon Energy Corporation Limited (Ergon Energy) appreciates the opportunity provided by the Australian Energy Market Commission (AEMC) to provide comments on the *Consultation Paper National Electricity Amendment (Changes to normal voltage) Rule 2012*. This submission is provided by Ergon Energy in its capacity as a Distribution Network Service Provider (DNSP) in Queensland.

Ergon Energy looks forward to providing continued assistance to the AEMC in its consultation on the Rule change in relation to the consultation process for changes to normal voltage. Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact me on (07) 4092 9813.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jenny Doyle', with a long horizontal flourish extending to the right.

Jenny Doyle
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Ergon Energy Corporation Limited

Submission on the *Changes to Normal
Voltage*

Consultation Paper

Australian Energy Market Commission

20 September 2012





**Submission on the *Changes to Normal Voltage*
Consultation Paper
Australian Energy Market Commission
20 September 2012**

This submission, which is available for publication, is made by:

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1. INTRODUCTION

Ergon Energy Corporation Limited (Ergon Energy), in its capacity as a Distribution Network Service Provider (DNSP) in Queensland, welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) on its *Changes to Normal Voltage* Consultation Paper.

Ergon Energy does not consider the proposed rule change to be a necessary or appropriate amendment. It is unlikely that Ergon Energy will have a need to vary the normal voltage from nominal voltage levels. Furthermore, clause 5.3 of the National Electricity Rules (Rules) provides little guidance as to the type of consultation obligations which the proponent seeks to implement.

Ergon Energy is available to discuss this submission or provide further detail regarding the issues raised, should the AEMC require.



2. TABLE OF DETAILED COMMENTS

Question(s)	Ergon Energy Response
Scope of the problem	
<p>1. What are some of the potential triggers that give rise to a change in the normal voltage level?</p>	<p>Ergon Energy is not aware of any incidents which have given rise to changes in normal voltage levels in Queensland. However, potential triggers could include:</p> <ul style="list-style-type: none"> • Load transfer constraints on large inter-connectors; • Customer load level or specific customer equipment tolerances; or • To accommodate the reactive power capability of generating systems.
<p>2. In the absence of consultation:</p> <p>(a) Could a change to the normal voltage level impose significant administrative, capital, and operational costs on generators?</p> <p>(b) Could a change to the normal voltage level cause existing market participants to exit the market? Could it create barriers to entry for new entrants?</p> <p>(c) Are there likely to be impacts to system reliability and security if the normal voltage level is changed?</p>	<p>Ergon Energy believes that changes to normal voltage will impact on existing generators, market participants and system reliability and security. However, Ergon Energy does not believe that such changes would be implemented in the absence of consultation, despite there being no mandatory requirement to consult. Ergon Energy also believes that such changes would also not be made where they were likely to significantly impact existing market participants or system reliability and security.</p>
<p>3. How often is the normal voltage level likely to be changed?</p>	<p>Ergon Energy is unlikely to change the normal voltage level.</p>
<p>4. How would a change to the normal voltage level impact the following parties:</p> <p>(a) Generators</p> <p>(b) New entrants</p> <p>(c) AEMO</p> <p>(d) Large users</p> <p>(e) NSPs</p> <p>(f) Broader market?</p>	<p>Ergon Energy believes that changes to normal voltage levels are likely to impact on all of the listed parties. In particular, generators could be affected with respect to meeting many of the access standards in the Rules. Customers could also be affected if they have equipment that cannot withstand a higher normal voltage and NSPs could have network power transfer constraints affected.</p>



5. Do connected parties/connection applicants have provisions in their connection agreements that obligate NSPs to notify them of any planned changes to the normal voltage level? If not, is this likely to require changes to connection agreements?	Nil comment.
6. Do NSPs consult informally with affected parties in the event that the normal voltage level needs to be changed? If so, how widely do they consult? Do NSPs use the provisions contained within clause 5.3 of the NER as a guide?	Ergon Energy has not been required to consult with affected parties due to an absence of changes to normal voltage levels. However, if this did occur, affected parties would be consulted, and provisions contained in clause 5.3 of the Rules would be utilised.
7. Do generators take into account potential changes to normal voltage within 10% higher or lower of the nominal voltage level in connecting to a network?	Nil comment.
8. Would consultation requirements: (a) provide benefits to connected parties, and if so, what would be the nature and value of these benefits? (b) create material time delays to process new connections? (c) improve system reliability and security relative to the current arrangements?	Ergon Energy does not believe that the proposed Rule change would provide for more consultation than is likely to take place currently. Further, if formal public consultation periods were imposed, this could add unnecessary delays to the process.
9. How does AEMO currently approve changes to normal voltage?	Nil comment.
Assessment of proposed solution	
11. Given the current industry practice, is there a need for a formal consultation process within the rules?	Ergon Energy does not believe there is a need for a formal consultation process within the Rules.
12. Is the Proponent's proposed solution likely to provide a timely and efficient consultation process?	Ergon Energy suggests that the Proponent's proposed solution is unlikely to provide a timely and efficient consultation process.
13. If additional consultation is required, who should NSPs have to consult with and what should be the timeframe for this consultation?	Nil comment.
14. If additional consultation is required, do NSPs and AEMO need additional guidance on what factors they should consider in deciding whether changes to normal voltage should be made and the timing for the approval of changes to normal voltage?	Ergon Energy does not believe that additional guidance is required.



15. Do stakeholders have views on any alternative solutions which could be used instead of clause 5.3 of the NER?

Ergon Energy suggests that setting firm limits for transient over-voltages in the NER clause S5.1a.4 as a percentage of nominal voltage is a preferable approach to addressing the issues highlighted in the proposal.