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Mr John Pierce  
Chairman  
Australian Energy Markets Commission  
PO Box A2449  
Sydney South NSW 1235

Dear Mr Pierce,

**RE: ERC0222 National Electricity Amendment (Generator technical performance standards) Rule 2018**

Millmerran Power Partners (**Millmerran Power**) own and through a subsidiary of the majority Partner, operate the Millmerran 850 MW coal-fired power plant in Queensland. The owner is managed from Brisbane, Australia. The operating company – Millmerran Operating Company Pty Ltd – is a subsidiary of InterGen.

We welcome the opportunity to provide this submission to the Australian Energy Market Commission (AEMC). As the penetration of renewables and energy storage increases in the NEM, we can appreciate the need to revise the National Electricity Rules related to grid connection of generators to ensure AEMO has adequate and up to date information to ensure power system security and reliability in the NEM.

Millmerran Power understands that the AEMC intends to revise the existing generator performance standards following the review and consultation of its proposed draft rule changes to NER S5.2. As an existing registered scheduled market generator, Millmerran Power is most concerned with the impact of the rule changes on plant upgrades for performance enhancements or due to age and condition of its plant assets.

The current agreed generator performance standards for Millmerran Power dated June 2017 include references to compliance with NER as far back to version 12 of the rules. The majority of the agreed performance standards meet the automatic standard levels at the relevant NER versions. However, there are several standards that have agreed negotiated levels of performance and it is unclear as to how the rule changes will apply to these standards. We understand from the AEMC run stakeholder workshops that it is the AEMC's intent for any existing negotiated standards to be treated as the minimum plant requirements in the future. Millmerran Power is concerned that future plant upgrades could lead to a requirement for additional and expensive modelling, and potentially a requirement for additional and significant plant modifications. It has also become evident during the consultation that some changes in minimum standards could not be met by a synchronous generator, of which Millmerran Power's plant is typical.

We request that the AEMC clarifies the operation of existing arrangements for the application of negotiated performance standards, or limits for re-negotiation of standards when existing equipment is replaced or upgraded. For existing registered participants, the current negotiated standard should be the default position, with AEMO and the NSP required to provide detailed technical reasons why any move away from the negotiated standard is absolutely required. There must be recognition of potential risk, cost and technical feasibility for registered participants being requested to move to a higher standard than the existing negotiated standard.

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\*Millmerran Power Partners, a general partnership comprised of Millmerran Investment Company I Pte Ltd ARBN 088 432 599, Millmerran Investment Company II Pte Ltd ARBN 088 432 615, Millmerran Investment Company III Pte Ltd ARBN 088 432 642, Millmerran Investment Company IV Pte Ltd ARBN 088 432 679, Millmerran Investment Company V Pte Ltd ARBN 088 432 722, Millmerran Investment Company VI Pte Ltd ARBN 088 432 795, Queensland Power (Australia) Pty Ltd ACN 087 293 409 & Queensland Power Company Pty Ltd ACN 087 295 583



A potential risk to all parties is that onerous or challenging changes in performance standards away from negotiated standards will stifle potential upgrades and enhancements to plant, equipment and reliability, which could benefit all parties. That is, there is a clear risk of advantageous upgrades not proceeding solely due to an inability to meet an onerous performance standard.

In conclusion, Millmerran Power considers that the application of the rule changes be clearly defined to existing plant arrangements for renegotiation of performance standards when equipment is altered. The rule changes should not impinge on the necessary plant upgrades due to uncertainties on how the new rules will affect the generator performance standard negotiations with AEMO and the relevant NSP.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael Winter".

Michael Winter

Director, Regional O&M

Millmerran Power Management Pty Ltd (manager of the Millmerran Power Partners)

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