

17 January 2019



Dr Brian Spalding
Chair
Reliability Panel
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Dr Spalding,

REL0065 – Review of the Frequency Operating Standard – Draft Report

Ergon Energy Corporation Limited (Ergon Energy) and Energex Limited (Energex) welcome the opportunity to provide comment to the Reliability Panel, on its consultation on the *Review of the Frequency Operating Standard – Draft Report*.

Ergon Energy and Energex note that the Reliability Panel has made a determination to maintain the settings in the frequency operating standard (FOS) in relation to the management of credible contingency events in the national electricity market (NEM), and support this decision. Further, we agree that broadening of the generation and load change band in the FOS for the mainland in the NEM may lead to a reduction in the requirement for contingency frequency control ancillary services (FCAS) and acknowledge there may be some cost savings from reduced FCAS requirements. However, consideration must also be given to the economic loss of unsupplied load to maintain system frequency. We therefore suggest that any change to the settings in the FOS must include the value of lost load arising from increased system frequency band excursions.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact Barbara Neil on (07) 4432 8464.

Yours Sincerely

A handwritten signature in black ink that reads 'C. G. Martin'.

Charmain Martin
Acting Manager Policy and Regulatory Reform

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