

8 August 2008

Mr John Tamblyn
Chairman
Australian Energy Market Commission
Level 5, 201 Elizabeth Street
Sydney NSW 2000

By email: submissions@aemc.gov.au

Dear John,

**AEMC Draft Rule Determination on National Generators Forum Performance Standard
Compliance of Generators Rule Change Proposal**

Grid Australia would like to thank the Australian Energy Market Commission (Commission) for the opportunity to comment on abovementioned National Generators Forum (NGF) Rule Change proposal and the Commission's associated draft Rule determination (published on 26 June 2008). Grid Australia would also like to take this opportunity to acknowledge the Commission's receptiveness to the comments made by Grid Australia as part of the first round of the Commission's consultation process.

After reviewing the first round submissions, Grid Australia supports VENCORP's earlier recommendation to allow for the inclusion of "localised performance standards". Furthermore, Grid Australia believes that the generator compliance program guidelines should involve compliance with the technical requirements of clause S5.2.5 and the relevant connection agreement (National Electricity Rules, Clause 5.7.3) (extract below).

Clause 5.7.3 Tests to demonstrate compliance with connection requirements for generators

- (a) Each *Generator* must, prior to implementing a compliance program in accordance with rule 4.15(b), provide evidence to any relevant *Network Service Provider* with which that *Generator* has a *connection agreement* and to *NEMMCO*, that its *generating system* complies with:
- (1) the applicable technical requirements of clause S5.2.5; and
 - (2) the relevant *connection agreement* including the *performance standards*.

- (b) Each *Generator* must negotiate in good faith with the relevant *Network Service Provider* and *NEMMCO* to agree on a compliance monitoring program, including an agreed method for its *generating system* to confirm ongoing compliance consistent with the evidence provided in paragraph (a).

Grid Australia recommends the proposed AEMC Reliability Panel guidelines be extended to include explicit guidance as to the level of evidence required by NER clause 5.7.3 (a), since this is the reference level for such compliance programs.

Grid Australia trusts that the Commission finds these views helpful. Should you wish to discuss this matter further, please feel free to contact Phil Gall on (02) 9284 3434 in the first instance, or via email at phil.gall@transgrid.com.au.

Yours sincerely,



Rainer Korte
Chairman
Regulatory Managers Group