28 April 2008

The Chairman Australian Energy Market Commission Level 5, 201 Elizabeth Street Sydney NSW 2000 SILENT O

POWER SYSTEM ENGINEERING AND SOFTWARE

Attention Dr Tamblyn

Proposed Rule Change to Modify the Confidentiality Arrangements in Respect of Information Required for Power System Studies

We refer to proposed rule change as submitted by the National Generators Forum of which a copy is available on the AEMC website.

Our Company Background

DIGSILENT Pacific is a consulting engineering company and part of the DIGSILENT international group of companies specialising in power system studies. DIGSILENT also develops and markets PowerFactory software for the modelling and simulation of electrical power systems. Australian utility users of our software include NEMMCO, Powerlink, TransGrid, Western Power, Transend, Citipower, Powercor, Integral Energy and Verve Energy. A number of large power system consultants, generators and industrial clients also use our software. These include SKM, Maunsell, Beca, BHP Billiton, Rio Tinto and many other smaller companies.

Impact of the Proposed Rule Change

The proposed rule change still does not solve the current problem about data confidentiality. (This problem would apply to all generators and their consultants and is not limited to the users of our PowerFactory software.) Data related to generator transformer parameters as well as dynamic settings data is specifically excluded from the proposed rule change. Therefore if this rule change is accepted in the proposed format it would not allow the release of all required network data to generators and their consultants for the purpose of power system studies.

The proposed rule change also makes it worse for all companies (including NSP's) that may wish to use PowerFactory software for simulations. This is because the proposed rule change refers to "object code" and other terms that are terminology used by Siemens PSS/E software only. If encrypted data is only made available in one software format, users of other software tools would be excluded from the use of the data. Unless the entire system data is made available in all software formats in use in the NEM, the release of encrypted data format cannot work. That is because the entire NEM model is often required to be modelled for the purpose of network analysis undertaken by generators and their consultants. There are several other software products in use in the NEM so that this would also inhibit work by NEMMCO (using Mudpack software) and TransGrid (using their in-house developed software) for instance.

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There are anecdotal indications that the proposed rule change would also not entirely address the reason for the existing data confidentiality problem. That is because the dynamic behaviour of component models could still be observed and therefore deductions can be made about the model data that the current rules are attempting to keep confidential.

It is therefore clear that the proposed rule:

- 1. Will not solve the current problem with data confidentiality;
- 2. Will in practical terms limit the market to use one software tool only and thereby eliminate all competing products from the NEM.

Our Proposal

DIGSILENT proposes that all data be made available as was done in the past subject to signing a confidentiality agreement. (The proposal to also maintain a register of holders of confidential data is also acceptable.) The problem with data confidentiality has been created by manufacturers that do not want to make their dynamic models available – not even if the intended recipient of data signs a confidentiality agreement. Clearly this is unreasonable and the problem lies with such manufacturers and not with those trying to serve the industry.

The delayed introduction of an acceptable rule change that would satisfy all players is an indication that no rule preventing the reasonable release of information is going to solve the problem. It is time to be pragmatic so that competition is encouraged to those that want to take part in the Australian market place.

Yours truly,

Koos Theron Director