

7 August 2017

Mr Neville Henderson  
Chairman  
Reliability Panel  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Dear Mr Henderson

**Review of the Frequency Operating Standard – Issues Paper (REL0065)**

Hydro Tasmania welcomes the opportunity to provide comment on Reliability Panel’s Review of the Frequency Operating Standard (FOS) Issues Paper.

Hydro Tasmania notes that the Reliability Panel’s review is being conducted at a time where the Australian electricity market is undergoing significant transition. There are also a number of separate reviews and rule changes currently underway that will have implications for frequency management. Important among these processes are: AEMO’s ancillary services technical advisory group, the AEMC’s Frequency Control Frameworks Review and the rate of change of frequency rule change. Hydro Tasmania therefore support’s the Reliability Panel’s two-staged approach to enable it to fully consider the issues raised in these review and then to consider the implications for the FOS.

As part of the Panel’s first stage of this review, Hydro Tasmania provides the following recommendations for the Panel’s consideration:

- The current FOS is embedded into a variety of protection schemes and control settings. Given the embedded nature of the FOS, any change would require significant work to ensure the market continues to operate effectively. Any proposed change to the FOS needs to therefore adequately address the costs and benefits of changing the standard and should only be varied if clear net benefits can be demonstrated.
- The current definition of a viable electrical island is imprecise. Hydro Tasmania believes that it would be valuable for the FOS to contain further guidance on the characteristics of a viable electrical island and consideration of any appropriately configured controllable generation. In developing this guidance, it is important to consider the definition of sub-network for SRAS (Hydro Tasmania supports 2 SRAS electrical sub-networks in Tasmania) and the proposed sub-network for inertia and to account for any relationships that may exist between these.
- Hydro Tasmania believes that the purpose of the accumulated time error should be reviewed. It may be worth considering moving away from using the accumulated time error for ‘compliance’ purposes and instead use it as a measure of performance.

Please contact Prajit Parameswar ([prajit.parameswar@hydro.com.au](mailto:prajit.parameswar@hydro.com.au) or (03) 6230 5612) if you have any further questions.

Yours sincerely



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