

Trevor St Baker  
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22<sup>nd</sup> December, 2006

Dear Trevor,

Below is our response to questions raised from Snowy Hydro regarding the export of 600MW from the proposed Uranquinty Power Station.

- Does Uranquinty add aggregate MW capacity to the State of NSW during times of peak system demand;

Uranquinty does add MW capacity to the state of NSW at time of peak demand. From ROAM Consulting's generation scheduling studies Uranquinty bidding at \$50 would have a capacity factor of approximately 5%. A sensitivity study changing the transfer limit north from Snowy from 3000MW to 3500MW has negligible effect on output of Uranquinty thus indicating that on a probability basis Uranquinty availability is not significantly affected by the Snowy NSW transfer limit.

- Does Uranquinty adds to the reliability of power supplies in the State of NSW;

In simple terms Uranquinty would add to the reliability of power supply in NSW as indicated by the relative insensitivity of its availability to the Snowy - NSW transfer limit. Further, Uranquinty could be a valuable back up if Snowy runs short of water in a drought year. The constraints on water supply may make this more valuable than historical analysis may suggest.

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- The circumstances, if any, under which the northward flow to Sydney West node of the combined output of Uranquinty Power Station and Snowy generation would be constrained;

Under system normal conditions there will be minimal constraints. Obviously under significant network contingencies there will be constraints. Our studies indicate there is a very small probability of a network contingency in the NSW and Snowy region around Wagga causing a requirement for reduction in generation at Uranquinty. Any contingency would have more impact on generation restriction than northward flows to Sydney West.

However in the very rare occasions when maximum output is required from both Uranquinty and Snowy there would be restrictions during a transmission contingency.

- The extent and probability of any such constraints and whether these constraints would apply to Snowy generation in the absence of Uranquinty Power Station (and any associated works);

From our studies any restraints would be very rare. It is unknown if Snowy generation has any pre-existing constraints in the NSW network. This information would have to be obtained from Snowy Hydro.

- The extent to which peak generation from Uranquinty Power Station would displace energy transfers to Sydney West from Snowy and/or southern imports;

The extent to which peak generation from Uranquinty Power Station would displace energy transfers to Sydney West from Snowy and/or southern imports would be determined by the market and not related to system capacity. This is therefore outside the scope of studies we performed. Our studies focused on Uranquinty and did not evaluate effects on Snowy output or southern imports. However we would expect that the effects would be largely due to market forces and not due to transmission restrictions.

Yours sincerely,

Chris Knightly

Peer Reviewed by Max Michael