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Liza Carver  
Acting Chairperson  
Australian Energy Markets Commission

By email: [submissions@aemc.gov.au](mailto:submissions@aemc.gov.au)

Dear Ms Carver,

**TRUenergy comments on the AER Technical parameter rule change request**

Thank you for this opportunity to comment upon the Australian Energy Regulator (AER) rule request relating to ramp rates, market ancillary service offers and dispatch inflexibility.

In general TRUenergy is supportive of the objectives of the rule change. However we have identified several points of detail that we believe should be addressed to ensure the implementation of these objectives is practical.

***Application of ramp rate limit to scheduled generating units***

As currently drafted, the rule change would apply the 3MW/min minimum to all *scheduled generating units*.

The definition of *scheduled generating units* in the Rules covers both individual physical units, as well as aggregated units.

The intent of this part of the rule change is to ensure that sufficient ramping capability is available to the system to ensure security can be maintained. The AER has recognized that commercial incentives can at times drive participants to seek to limit their ramping ability. Under the AER's change, these commercial drivers will remain, and in some situations – they could create incentives for participants to seek aggregation of units in order to diminish their aggregate ramping capability. Such an outcome would be undesirable.

In order to minimize this incentive, we suggest that the rule wording is changed to apply the limit to individual physical units. This would remove incentives on participants to prefer aggregation, and therefore better achieve the objective of the rule change.

***Flexibility of proposed market ancillary service rules***

Drafting of the proposal in relation to market ancillary service parameters, currently proposes that all bids and rebids must represent the technical capability of the ancillary service providers plant.

While the principle being proposed here is acceptable, we believe that the practicality of ensuring that offers represent the technical capability of a plant at all times is impractical.

This requirement does not appear to recognise that precise plant capabilities vary with time and operating conditions. To ensure that bids are completely aligned with actual capability at all times would not be possible.

In order to remedy this problem, we suggest a level of flexibility is inserted into the rule change. Under such an approach, parameters would be consistent with actual technical characteristics within a reasonable operating tolerance; while also ensuring that the parameters are not being offered on purely commercial grounds. A requirement that limits needed to be within a percentage range of measurable physical parameters could be explored as an implementation option in this regard.

This approach would be consistent with the objective of the rule change – to ensure parameters support system security, while also representing a realistic compliance burdens on ancillary service providers.

We understand that considerations of this nature played a part in the AER opting for a minimum ramp rate limit of 3MW/min, rather than imposing a requirement to offer actual physical ramp rates.

To further discuss this submission, please contact me via (03) 8618 1000.

Yours Sincerely,



Mark Frewin  
Regulatory Manager