



9 April 2009

Mr Steven Graham
Chief Executive
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Steven

PARTICIPANT DEROGATION – TAMAR VALLEY POWER STATION

Thank you for your letter of 7 April 2009.

Aurora Energy (Tamar Valley) Pty Ltd is conscious of the requirement for a participant derogation to have an expiry date.

If the Commission would prefer that the participant derogation have a 'hard' expiry date, AETV suggests that the appropriate date would be 31 December 2009. As the Commission is aware, this is the date by which the Reliability Panel advised that the new frequency operating standard should be able to be implemented in Tasmania.

We attach for the Commission's consideration a revised draft Rule, incorporating this date as the latest date by which the participant derogation would expire.

We look forward to learning the outcome of the Commission's deliberations on our submission next week.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michael Brewster", is written over a faint circular stamp.

Michael Brewster
Chief Executive Officer

Encl.

AURORA ENERGY (TAMAR VALLEY) PTY LTD
DRAFT PARTICIPANT DEROGATION

National Electricity Amendment (Aurora Energy (Tamar Valley) Pty Ltd)

Participant Derogation (Modification of Clause S5.2.5.3(c) Minimum Access Standard) Rule 2009 No. [x]

1. Title of Rule

This Rule is the *National Electricity Amendment (Aurora Energy (Tamar Valley) Pty Ltd) Participant Derogation (Modification of Clause S5.2.5.3(c) Minimum Access Standard) Rule 2009 No. [x]*.

2. Commencement

This Rule commences operation on [the date the notice making this Rule is published under clause 103 of the *National Electricity Law*] [insert date which must be after the date the notice making the Rule is published in the *South Australian Government Gazette*].

3. Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

Schedule 1 Amendment of National Electricity Rules

Chapter 8A Participant Derogations

Insert the following new Part at the end of Chapter 8A:

Part 13 Derogations granted to Aurora Energy (Tamar Valley) Pty Ltd

8A.13 Derogation from clause S5.2.5.3(c) *minimum access standard*

8A.13.1 Definitions

For the purposes of this rule 8A.13:

AETV means Aurora Energy (Tamar Valley) Pty Ltd.

AETV generating system means the *generating system* that will be comprised within AETV's Tamar Valley *power station*.

commencement date means the date on which this Rule 8A.13 commences operation.

expiry date means the earlier of:

- (a) the date on which the New Tasmanian *frequency operating standards* commence to apply in the Tasmanian *region*; and
- (b) 31 December 2009.

New Tasmanian frequency operating standards means the new Tasmanian *frequency operating standards* set out in the recommendations of the *Reliability Panel* dated 18 December 2008.

Transend means Transend Networks Pty Limited (ABN 57 082 586 892).

8A.13.2 Clause S5.2.5.3 *minimum access standard* applying to AETV *generating system* before expiry date

- (a) Subject to clause 8A.13.2(b), the *minimum access standard* which will apply under clause S5.2.5.3(c) during the period from the commencement date to the expiry date for the purposes of determining the *negotiated access standard* for the AETV *generating system* in relation to the technical requirements set out in clause S5.2.5.3 will be determined by reference to the New Tasmanian *frequency operating standards*.
- (b) Without limiting AETV's, Transend's and NEMMCO's other rights and obligations under clause 5.3.4A and clause S5.2.5.3(c), any arrangements (including:
 - (1) the details of the *protection system* which will trip the AETV *generating system* in accordance with the

requirements of clause S5.2.5.3(c)(6) if the *frequency* exceeds the level agreed with *NEMMCO* for the purposes of that clause;

- (2) the *frequency* level referred to in clause 8A.13.2(b)(1) above; and

which are required to be established in order to satisfy the requirements of clause 5.2.4A(b) and clause S5.2.5.3(c) during the period from the commencement date to the expiry date must be negotiated and agreed between AETV, Transend and *NEMMCO* before the AETV *generating system* is *connected* to Transend's *transmission system*.