

Mr John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235  
By: Online Rule Change lodgement at [www.aemc.gov.au](http://www.aemc.gov.au)

10 April 2012

Dear Mr Pierce,

**Proposed Rule Change – Changes to Normal Voltage**

International Power-GDF Suez Australia (IPRA) requests that the Australian Energy Market Commission (AEMC) consider making the enclosed proposed Rule under section 91 of the National Electricity Law.

The proposed Rule would require that when seeking to modify the normal voltage at a connection point, the existing arrangements for establishing or modifying a connection in clause 5.3 of the Rules would apply. This would prevent a change to normal voltage at a connection point without adequate consideration of the implications on other connected parties.

Should you have any enquiries regarding this matter please do not hesitate to contact Chris Deague on 03 9617 8331.

Yours sincerely,



Stephen Orr  
Director Strategy and Regulation  
IPRA



Proposed Rule Change:  
Changes to Normal Voltage

10 April 2012

IPR - GDF SUEZ Australia  
Level 37, Rialto North Tower, 525 Collins Street  
Melbourne, Victoria 3000, Australia  
Tel. +61 3 9617 8400 Fax +61 3 9617 8401  
[www.iprplc-gdfsuez-au.com](http://www.iprplc-gdfsuez-au.com)  
INTERNATIONAL POWER (AUSTRALIA) PTY LTD  
ABN 59 092 560 793

## Table of Contents

1	Introduction.....	3
2	Description of the proposed Rule.....	3
3	Issues in relation to the current Rule .....	3
4	Impact on Others.....	4
5	Description of the proposed solution for each issue.....	4
6	Costs and Benefits .....	4
7	Contribution of proposed Rule change to the National Electricity Objective.....	4
8	Draft of proposed Rule .....	5

## 1 Introduction

International Power entered the Australian energy industry in 1996 and has grown to become one of the country's largest private energy generators, with assets in Victoria, South Australia and Western Australia. The International Power portfolio also includes Simply Energy, a significant second-tier gas and electricity retail business.

In February 2011, International Power combined with GDF SUEZ's energy assets to form a world leader in independent power generation, with more than 72,360 MW of power generation worldwide and further 15,503 GW under construction.

Together with power generation, GDF SUEZ is also active in closely-linked businesses including LNG terminals, gas distribution, retail and desalination.

## 2 Description of the proposed Rule

This Rule change proposal would ensure that where a proponent seeks a change to the normal voltage at a connection point, the existing provisions within clause 5.3 of the Rules for establishing or modifying a connection would apply.

## 3 Issues in relation to the current Rule

The normal voltage at a connection point is of critical importance to connected parties as it:

- Establishes the limits of voltage variation at a connection point for both system normal and contingency events (cl S5.1a.4)
- Establishes the generator automatic access standard and the minimum access standard for voltage disturbances (cl S5.2.5.4)
- Establishes automatic access standard for generating system excitation control systems (S5.2.5.13(b)(3)(iv) & S5.2.5.13(b)(4)(iii))
- Guides requirements for generator protection settings (cl 4.4.3)

The Rules set out in clause 5.3 the process and procedures to be followed to establish a new connection or to modify an existing connection. These procedures recognise the importance of the normal voltage by requiring Network Service Providers to provide an applicant with various technical details including the normal voltage level in response to an enquiry regarding a new connection or modification to an existing connection (cl 5.3.3(b1)(7)).

However the Rules glossary defines normal voltage as follows:

In respect of a connection point, its nominal voltage or such other voltage up to 10% higher or lower than nominal voltage, as approved by AEMO, for that connection point at the request of the Network Service Provider who provides connection to the power system.

This definition suggests that the normal voltage can be varied by agreement between AEMO and the relevant Network Service Provider, without any requirement to follow the process and procedures set out in clause 5.3.

It is not clear that the intention of the glossary definition for normal voltage was to circumvent the processes for modifying connection as set out in clause 5.3, but it is now apparent that it has had this effect<sup>1</sup>.

## 4 Impact on Others

The impact of the proposed Rule change would be that when a party requests a change to the normal voltage at a connection point, the process and procedures in clause 5.3 of the Rules would need to be followed. In summary this would require the applicant and the Network Service Provider to consider the implications of the proposed change and to ensure that AEMO and other potentially impacted parties are consulted, and the impact on other parties is taken into account.

## 5 Description of the proposed solution for each issue

The proposed solution is to amend the glossary definition for normal voltage to make it clear that when seeking a change to a normal voltage, the applicant and the Network Service Providers must adhere to the processes and procedures described in clause 5.3.

## 6 Costs and Benefits

The expected costs resulting from this Rule change are:

- Additional time required for consideration by AEMO and the Network Service Provider of the potential impact of the change,
- Potential cost associated with changes to connection agreements for the applicant,
- Potential costs associated with changes to connection agreements for impacted parties.

The expected benefits resulting from the Rule change are:

- Removes the potential for unexpected changes to normal voltage impacting negatively on other participants,
- Reduced chance of connection agreements becoming in error due to unexpected changes to the defined normal voltage,
- Reduced chance of current access standards becoming incorrect or invalid by unexpected change to normal voltage.

## 7 Contribution of proposed Rule change to the National Electricity Objective

The proposed Rule change would result in an improvement to the National Electricity Objective as it would:

---

<sup>1</sup> The normal voltage level at George Town in Tasmania has been varied on request from Hydro Tasmania without the processes of clause 5.3 being followed.

- Reduce the potential for network capacity being constrained due to unplanned changes to the normal voltage level
- Reduce the potential for generation capacity being constrained due to unplanned changes to the normal voltage level
- Reduce the likelihood that connected parties have to undergo unexpected costs to upgrade plant and equipment
- Reduce the potential that a severely impacted participant could be required to disconnect if it is unable to comply with the new normal voltage level

## 8 Draft of proposed Rule

Change existing glossary definition for normal voltage as follows:

### *normal voltage*

In respect of a connection point, its nominal voltage or such other voltage up to 10% higher or lower than nominal voltage, as approved by AEMO, for that connection point at the request of the Network Service Provider who provides connection to the power system, in accordance with clause 5.3

## 9 Comment on clause 5.3

IPRA has recommended this Rule change to ensure that any proposed change to the normal voltage at a connection point be managed by the processes outlined in clause 5.3 of the Rules. In preparing this Rule change, IPRA also considered recommending new Rule clauses specifically to deal with changes to normal voltage at a connection point, which would:

- ensure that network service providers consult with potentially affected parties
- require network service providers and AEMO to consider the potential impact and costs on affected parties
- require that affected parties be compensated for any costs that they incur as a result of the change to normal voltage

IPRA considered recommending these new clauses because we believe that the existing clause 5.3 is somewhat convoluted and confusing in terms of its application to modifications to existing connections. However IPRA decided rather than seek new Rule clauses to deal with the specific case of changes to normal voltage, we would accept that Rule clause 5.3 is the current process within the Rules for dealing with new or modified connection point details.

IPRA is of the view that clause 5.3 could be substantially improved, and will give consideration to submitting a further Rule change recommendation at a later time to improve the processes for new or modified connection.