



10 August 2010

Mr John Pierce
Chairman
Australian Energy Market Commission
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By online submission

Dear Mr Pierce

Aggregation of Ancillary Service Loads – ERC0104

AEMO supports the AEMC's draft Rule determination subject to a clarification and suggestion regarding the draft Rule which is detailed in the attached submission.

AEMO also welcomes the opportunity to participate in an informal workshop to consider broader issues regarding separation of energy and ancillary services markets.

If you would like to discuss any matters raised in this submission, please contact Ross Gillett on 02 9239 9114.

Yours sincerely

Terry Grimwade
Executive General Manager, Market Performance

AEMO Submission to Draft National Electricity Amendment (Aggregation of Ancillary Service Loads) Rule 2010

Referencing to clause 2.3.5(e)(2)

AEMO considers that the draft clause 3.8.3(a)(3) of the National Electricity Rules (**NER**) is deficient in referring only to existing clause 2.3.5(e)(2), whereas it should refer to existing clauses 2.3.5(e)(1) and 2.3.5(e)(2).

AEMO also notes that this is different from AEMO's proposed Rule and the AEMC has not discussed this variation in its draft determination.

For the Avoidance of Doubt

AEMO suggests removing the draft clause 3.8.3(j). The basis of this clause is to avoid confusion with the provisions in clause 2.3.1 relating to classification of loads. However, there is a similar provision in clause 2.2.1 relating to classification of generating units, which is not addressed, as we understand this would be out of scope for this Rule change. As a result, AEMO considers the draft clause 3.8.3(j) is likely to create doubt in its own right by creating a different set of rules for classification and aggregation of loads and generating units.

If there is an issue with the drafting of Chapter 2, a separate review of those provisions would be preferred.