



Australian Energy Market Commission

RULE DETERMINATION

National Electricity Amendment (Changes to normal voltage) Rule 2013

Rule Proponent

GDF Suez (formerly International Power)

28 February 2013

**RULE
CHANGE**

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About the AEMC

The Council of Australian Governments (COAG), through its then Ministerial Council on Energy (MCE), established the Australian Energy Market Commission (AEMC) in July 2005. In June 2011, COAG established the Standing Council on Energy and Resources (SCER) to replace the MCE. The AEMC has two main functions. We make and amend the national electricity, gas and energy retail rules, and we conduct independent reviews of the energy markets for the SCER.

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Summary

On 10 April 2012, GDF Suez submitted a rule change request to the Australian Energy Market Commission (AEMC or Commission) to improve transparency around requests to change normal voltage.¹ GDF Suez's proposed rule was intended to ensure that Network Service Providers (NSPs) follow the process set out in rule 5.3 of the National Electricity Rules (NER) for establishing or modifying a connection when dealing with a request to change the normal voltage level.

The Commission broadly agrees with the intent behind GDF Suez's proposed rule. However, the Commission has determined to make a more preferable final rule to better address the concerns identified by GDF Suez. The final rule made by the Commission largely reflects the more preferable draft rule which was published in November 2012. However, a small drafting change has been made to further improve the transparency around the process for requests to change the normal voltage level.

The final rule inserts a new clause into chapter five of the NER which:

- requires the Australian Energy Market Operator (AEMO) to notify registered participants that a request to change the normal voltage level at a connection point has been received. This provides an opportunity for all registered participants to be informed of a proposed change and allows them to raise any concerns with AEMO before any change is approved;
- requires AEMO to notify registered participants of whether the normal voltage level will be changed and the nature and reasons for any such change. This is likely to improve market transparency and allow all potentially affected parties to make informed investment decisions. It is also likely to improve efficiency in the investment of generation services and the operation of generation and network services; and
- provides a proportionate solution to the problem identified by GDF Suez, which should minimise any potential time delays for new connections and compliance costs that may arise from the final rule. The final rule is also likely to involve minimal implementation costs for AEMO, as it is consistent with AEMO's current market notification role.

The Commission considers that the final rule will, or is likely to, better contribute to the achievement of the National Electricity Objective (NEO) than the rule proposed by GDF Suez, as it would promote efficient investment in generation services and in the operation of generation and network services. The *National Electricity Amendment (Changes to normal voltage) rule 2013 No.2* will commence on 7 March 2013.

¹ GDF Suez was formerly known as International Power and changed its name in late 2012.

The Commission's reasons

GDF Suez submitted its 'Changes to normal voltage' rule change proposal as it was concerned that under the current NER it appears that the normal voltage level can be varied through an agreement with AEMO and the relevant NSP, without a requirement to comply with the consultation processes set out in rule 5.3 of the NER.

GDF Suez's proposed rule sought to remedy this concern by providing a reference to rule 5.3 of the NER in the definition of 'normal voltage' in the NER glossary. GDF Suez considered that this would ensure that the processes in rule 5.3 of the NER would be followed if a request to change the normal voltage level was made.

The Commission considers that a change to the NER should be made to improve transparency in the way changes to normal voltage are managed, as changes to normal voltage, while rare, have the potential to lead to significant physical and commercial risks for registered participants.

However, GDF Suez's proposed rule would create a process where only connected or connecting parties would have the opportunity to be informed of and raise concerns about a proposed change to normal voltage. This is because rule 5.3 of the NER focuses primarily on the individual relationship between a connected party or connection applicant and a local NSP. In contrast, the final rule provides an opportunity for all registered participants to be informed of a request to change normal voltage and raise any issues with AEMO before any changes are made.

The final rule would also require AEMO to notify registered participants of the outcome and reasons for the outcome of a request to change normal voltage. This would allow registered participants to factor this information into their investment decisions, leading to increased efficiency in investment in generation services and the operation of generation and network services. Alternatively, under GDF Suez's proposed rule only connected or connecting parties would be informed of the outcome of a request to change normal voltage.

Finally, the Commission considers that the final rule provides a more efficient and effective avenue for NSPs, registered participants and AEMO to deal with a proposed change to normal voltage than the proposed rule. GDF Suez's proposed rule of requiring NSPs to follow the requirements in rule 5.3 of the NER could be time consuming and complex, as rule 5.3 of the NER is extensive and not tailored to addressing requests to change normal voltage.

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1 GDF Suez's rule change request

1.1 The rule change request

On 10 April 2012, GDF Suez submitted a rule change request to the Australian Energy Market Commission (AEMC) to improve transparency around requests to change the normal voltage level.² The aim of the rule change request is to ensure that network service providers (NSPs) consult with potentially affected parties prior to changing the normal voltage level at a connection point.

Normal voltage is the voltage level at which a transmission or distribution line normally operates. Connected parties must ensure their equipment is able to meet the normal voltage level specified at their connection point.³

1.2 Rationale for the rule change request

GDF Suez is concerned that the definition of 'normal voltage' in the glossary of the National Electricity Rules (NER) allows the normal voltage level to be varied through an agreement with the Australian Energy Market Operator (AEMO) and a NSP, without a requirement to comply with rule 5.3 of the NER. Rule 5.3 of the NER sets out the processes and procedures to be followed by connection applicants and NSPs in establishing a new connection or modifying an existing connection.

The rule change request seeks to ensure that a NSP would be required to comply with the existing provisions within rule 5.3 of the NER if there is a proposed change to the normal voltage level at a connection point.

1.3 Solution proposed in the rule change request

GDF Suez has proposed to require NSPs to comply with the provisions within rule 5.3 of the NER by providing a reference to this rule in the definition of 'normal voltage' in the NER glossary. The current glossary sets out the following definition for 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.”

GDF Suez seeks to modify the above definition as follows:

² GDF Suez was formerly known as International Power and changed its name in late 2012.

³ A worked example of normal voltage is set out in section 2.1 of the AEMC consultation paper for this rule change request.

“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.”

GDF Suez has stated that the proposed rule change would:

- remove the potential for unexpected changes to normal voltage impacting negatively on other participants;
- reduce the chances of errors in connection agreements due to unexpected changes to the defined normal voltage level; and
- reduce the chance of current access standards becoming incorrect or invalid by unexpected changes to normal voltage.⁴

1.4 Relevant background

This rule change request was submitted following a rule change request from Hydro Tasmania that was submitted to the Commission on 5 May 2011. The purpose of Hydro Tasmania’s rule change request was to change the definition of the limit allowed for temporary over voltage (TOV) at a connection point. The TOV limit caps the level and timing for voltage surges, which can for up to 0.9 seconds. The limit is set at 30 per cent above the normal voltage level.

The Commission decided not to make a rule in relation to this rule change request as it was not satisfied that the proposed rule was likely to contribute to the achievement of the National Electricity Objective (NEO).⁵

During consultation on the Commission's final determination, GDF Suez raised a concern about the potential lack of transparency in the current NER in relation to making changes to the normal voltage level, and indicated it would submit a rule change request to address this issue.⁶

GDF Suez's rule change request also relates to the 'Connecting embedded generators' rule change request which was submitted by Climate Works, Seed Advisory and the Property Council. A draft rule determination on this rule change request is currently being prepared by the Commission.

Climate Works, Seed Advisory and the Property Council consider that the current provisions under the connection process of chapter five of the NER are not clear and do not provide sufficient certainty to connection applicants.

⁴ GDF Suez, Rule change proposal - Changes to normal voltage, 10 April 2012, p.4.

⁵ AEMC, 2012, Definition of Temporary Over-Voltage Limits, Rule determination, 19 January 2012, Sydney.

This interacts with the rule change request submitted by GDF Suez as both rule change requests seek modifications to the connection process under chapter five of the NER.

Further detail on the above two rule changes can be found on the AEMC website.

1.5 Commencement of rule making process

On 23 August 2012, the Commission published a notice under section 95 of the National Electricity Law (NEL) advising of its intention to commence the rule making process and the first round of consultation in respect of the rule change request. A consultation paper prepared by AEMC staff identifying specific issues and questions for comment was also published with the rule change request. Submissions closed on 20 September 2012.

The Commission received eight submissions on the rule change request as part of the first round of consultation. They are available on the AEMC website.⁷ A summary of the issues raised in submissions and the Commission's response to each issue is contained in Appendix A.1.

1.6 Publication of draft rule determination and draft rule

On 29 November 2012, the Commission published a notice under section 99 of the NEL and a draft rule determination in relation to the rule change request. The draft rule determination included a more preferable draft rule.

Submissions on the draft rule determination closed on 18 January 2013. The Commission received four submissions on the draft rule determination. They are available on the AEMC website.⁸ A summary of the issues raised in submissions, and the Commission's response to each issue, is contained in Appendix A.2.

⁶ GDF Suez, 2011, Submission to AEMC Draft determination on 'Definition of Temporary Over Voltage', December 2011.

⁷ www.aemc.gov.au

⁸ www.aemc.gov.au

2 Final Rule Determination

2.1 Commission's determination

In accordance with section 102 of the NEL the Commission makes this final rule determination in relation to the 'Changes to normal voltage' rule change proposal submitted by GDF Suez.

The Commission has determined to make a more preferable final rule under sections 91A and 103 of the NEL as it considers that this final rule will, or is likely to, better contribute to the NEO than the rule proposed by GDF Suez.⁹ The Commission's reasons for making the final rule determination are set out in section 3.1.

The more preferable final rule is attached to and published with this final determination and its key features are described in section 3.2. The *National Electricity Amendment (Changes to normal voltage) rule 2013 No.2* will commence on 7 March 2013.

2.2 Commission's considerations

In assessing the rule change request the Commission considered:

- the Commission's powers under the NEL to make the rule;
- the rule change request;
- the fact that there is no relevant Standing Council on Energy and Resources (SCER) Statement of Policy Principles;¹⁰
- submissions received during the first and second round of consultation;
- the Commission's analysis as to the ways in which the proposed rule will or is likely to contribute to the NEO; and
- information received from AEMO regarding historical changes to normal voltage.

⁹ Under section 91A of the NEL, the AEMC may make a rule that is different (including materially different) from a market initiated proposed rule (a more preferable rule) if the AEMC is satisfied that having regard to the issue or issues that were raised by the market initiated proposed rule (to which the more preferable rule relates), the more preferable rule will or is likely to better contribute to the achievement of the NEO.

¹⁰ Under section 33 of the NEL the AEMC must have regard to any relevant SCER statement of policy principles in making a rule.

2.3 Commission's power to make the rule

The Commission is satisfied that the final rule falls within the subject matter about which the Commission may make rules. The final rule falls within section 34(1)(a)(ii) and (iii) of the NEL which relates to:

“(ii) the operation of the national electricity system for the purposes of the safety, security and reliability of that system; and

(iii) the activities of persons (including Registered participants) participating in the national electricity market or involved in the operation of the national electricity system.”

Further, the final rule falls within the matters set out in schedule 1, item 11 of the NEL because it pertains to the operation of generating, transmission and distribution systems.

2.4 Rule making test

Under section 88(1) of the NEL, the Commission may only make a rule if it is satisfied that the rule will, or is likely to, contribute to the achievement of the NEO. This is the decision making framework that the Commission must apply.

The NEO is set out in section 7 of the NEL as follows:

“The objective of this Law is to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to:

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of the national electricity system.”

The Commission considers that the relevant aspects of the NEO for this rule change request are efficient investment in, and the efficient operation of, generation and network services.¹¹

The Commission considers that the final rule is likely to promote efficient investment in, and operation of, generation services because it would allow all registered participants to be notified of a request to change the normal voltage level. It does this by creating an obligation on AEMO to notify registered participants that it has received a request from a NSP about changing normal voltage. This would provide registered participants with an opportunity to raise any concerns with AEMO before any changes to normal voltage are made.

¹¹ Under section 88(2), for the purposes of section 88(1) the AEMC may give such weight to any aspect of the NEO as it considers appropriate in all the circumstances, having regard to any relevant SCER statement of policy principles.

Allowing registered participants to raise concerns prior to any changes being made to the normal voltage level could also mean that any potential risks to system security and reliability can be identified and considered by AEMO before a proposed change is approved.

The obligation on AEMO to publish a further notice to registered participants advising whether the normal voltage at a connection point will change and the reasons for the change would allow registered participants to factor the outcome of the request into their decisions, leading to greater efficiency in investment and the operation of generation and network services. This notification of any changes in normal voltage could also reduce the potential for unexpected costs for connected parties and limit the potential of network and generation capacity being constrained.

Overall, the final rule promotes market transparency which is likely to improve the overall efficiency in the operation of generation and network services.

The Commission considers that the final rule is likely to limit compliance costs for NSPs and other registered participants and also limit potential time delays to the connections process. This is because it does not impose prescriptive requirements for NSPs and AEMO to follow in responding to a request to change normal voltage. This provides AEMO with the discretion and flexibility to assess requests.

Further, the Commission considers that the final rule is proportionate to the problem identified by GDF Suez. The limited nature of the final rule reflects that changes to normal voltage are rare, which means that any related risks faced by registered participants are likely to be infrequent.

Finally, the obligation on AEMO to notify the market is consistent with AEMO's role in providing market notifications to registered participants, which should limit the implementation costs of the final rule.

Under section 91(8) of the NEL, the Commission may only make a rule that has effect with respect to an adoptive jurisdiction if satisfied that the proposed rule is compatible with the proper performance of the declared network functions of AEMO. The final rule does not impact AEMO's performance of its declared network functions, and consequently this requirement is not applicable.

2.5 More preferable rule

Under section 91A of the NEL, the AEMC may make a rule that is different (including materially different) from a market initiated proposed rule if the AEMC is satisfied that, having regard to the issues or issue that were raised by the market initiated proposed rule, the more preferable rule will or is likely to better contribute to the achievement of the NEO.

The final rule provides an opportunity for all registered participants to be notified of a request to change normal voltage and raise any issues with AEMO before any change is made. Further, notifying the broader market of a request means that AEMO is more

likely to be made aware of any wider security or reliability issues that could affect the operation of the national electricity system as a result of a proposed change to normal voltage.

In comparison, GDF Suez's proposed rule would mean that only connected or connecting parties would have an opportunity to be notified and raise concerns about a proposed change. This is because under GDF Suez's proposed rule, NSPs would be required to follow the requirements under rule 5.3 of the NER after receiving a request and this rule focuses primarily on the individual relationship between a connected party or connection applicant and a local NSP.

Similarly, GDF Suez's proposed rule would also mean that only connected or connecting parties would be informed of the outcome of a proposed change to normal voltage. In contrast, the final rule would ensure that all registered participants are notified of the outcome of a request. This means potentially affected registered participants would be able to factor this information into their investment decisions, leading to increased efficiency in investment in generation services and in the operation of generation and network services.

Finally, the Commission considers that the final rule provides a more efficient and effective avenue for NSPs, registered participants and AEMO to deal with a proposed change to normal voltage than the proposed rule. The Commission considers that the final rule will limit compliance costs and time delays for new connections as it does not impose prescriptive requirements on AEMO or NSPs. In comparison, GDF Suez's proposed rule of requiring NSPs to comply with rule 5.3 of the NER could be time consuming and complex, as rule 5.3 is extensive and not tailored to addressing requests to change normal voltage.

3 The Commission's reasons

In assessing the rule change request, the Commission has considered the requirements set out in the NEL. For the reasons set out below, the Commission has determined that a more preferable rule should be made. Its analysis of the proposed rule is also set out below.

3.1 Assessment of issues

As discussed earlier, GDF Suez is concerned that the definition of 'normal voltage' in the glossary of the NEL suggests that the normal voltage level can be varied through an agreement with AEMO and the relevant NSP, without a requirement to comply with rule 5.3 of the NEL. It seeks to remedy this by providing a reference to rule 5.3 in the definition of 'normal voltage' in the NEL glossary.

Under the current NEL, normal voltage may be changed by up to 10 per cent higher or lower than the nominal voltage level, if approved by AEMO. There have only been two instances since the commencement of the National Electricity Market (NEM) when the normal voltage has been changed, which indicates that such requests are rare. Both instances occurred in George Town, Tasmania on Transend's network.

The first instance in November 2006 involved an increase in the normal voltage level at George Town from 220 kV to 231 kV. This increase in the normal voltage removed a potential constraint on Basslink, but it meant that participants who wished to connect to George Town at 220 kV faced additional obligations to ensure that they could comply with the higher voltage level.

The second instance of a change in normal voltage occurred in June 2009 when the voltage was changed back from 231kV to 220kV in George Town. This change was made as the Aurora Energy's Tamar Valley combined cycle gas turbine could not cope with a normal voltage of 231 kV.

The Commission considers that while rare, changes to normal voltage could have a significant impact on registered participants. Therefore, it considers that a change to the NEL should be made to improve transparency around requesting a change to normal voltage. While rule 5.3 of the NEL sets out broad consultation obligations for establishing and modifying a connection, it does not explicitly set out a process that deals with requests for changing the normal voltage level. Further, it focuses on consultation between connected parties or connecting applicants and NSPs rather than the broader market.

3.2 Key features of the final rule

The Commission broadly agrees with GDF Suez's views on the need for a change to the NEL. However, as discussed earlier, the Commission considers that GDF Suez's proposed solution is unlikely to fully address the issues it has identified with the current NEL. Therefore, the Commission has developed a more preferable rule that is

more likely to provide an opportunity for potentially affected parties to raise issues relating to requests to change normal voltage, and ensure they are informed of the outcome of any requests.

The final rule involves inserting a new clause, clause 5.3.11, into chapter five of the NER. The key elements of the final rule are as follows:

- it requires AEMO to notify registered participants of a request to change the normal voltage level at a connection point, which provides all registered participants with an opportunity to raise any potential issues before such a change is approved; and
- it includes a requirement on AEMO to notify registered participants of whether the normal voltage level at the relevant connection point will change and the nature and reasons of any such change.

3.2.1 Benefits to market participants

The Commission considers that the requirement on AEMO to notify the market of a proposed change to the normal voltage level will provide an opportunity for all potentially affected registered participants to raise any concerns. This would improve transparency for registered participants and also provides them with an opportunity to prepare for any potential physical and commercial risks they might face as a result of a change to the normal voltage level.

It would also improve the ability of AEMO to be informed of any potential security or reliability impacts of the proposed change and take them into account in considering the request for approval.

A requirement on AEMO to notify registered participants of the result of a request would allow registered participants to make informed investment decisions, which is likely to improve efficiency in investment decisions and the efficiency of generation and network operations.

3.2.2 Potential costs

The Commission acknowledges that the final rule has the potential to increase administrative costs for AEMO. Registered participants and NSPs may also face some administrative costs associated with approaching AEMO after being informed of a request to change normal voltage.

However, these cost increases are likely to be significantly outweighed by the potential benefits of the rule change. Administrative costs for AEMO are also likely to be minor as the draft rule is consistent with other similar obligations on AEMO to inform registered participants of issues affecting the operation of the NEM.

3.3 Civil Penalties

The final rule does not amend any clauses that are currently classified as civil penalty provisions under the NEL or National Electricity (South Australia) Regulations. The Commission does not propose to recommend to the SCER that the additional clause in the final rule be classified as a civil penalty provision.

4 The Commission's assessment approach

This chapter describes the analytical framework that the Commission has applied to assess the rule change request in accordance with the requirements set out in the NEL (and explained in chapter 2). To assess this rule change, the Commission has considered:

- the scope and magnitude of potential changes to the normal voltage level in the absence of consultation; including:
 - the number of times the normal voltage level has been changed since the NEM commenced and the likelihood of a change in the future; and
 - in the absence of greater transparency regarding requests to change normal voltage, the potential impact on registered participants and the extent to which system safety may be compromised.
- GDF Suez's proposed solution to the issues identified, including:
 - the effect of the rule change request on the efficiency of investments and the efficient provision of services in the NEM; and
 - whether the proposed solution should be modified to achieve the same intent but better contribute to the achievement of the NEO.

5 Scope and magnitude of the problem

5.1 Rule proponent's view

GDF Suez is concerned that the definition of 'normal voltage' in the glossary of the NER suggests that the normal voltage level can be varied through an agreement with AEMO and the relevant NSP, without a requirement to comply with rule 5.3 of the NER.

GDF Suez considers that normal voltage is of "critical importance to connected parties" because it:

- establishes the limits at which voltage can be varied;
- establishes generator automatic access standards and minimum access standards for voltage disturbances; and
- guides requirements for generator protection settings.¹²

Therefore, GDF Suez considers that NSPs should consult with potentially impacted parties prior to making a change to the normal voltage level.¹³

5.2 Stakeholder views

5.2.1 First round of consultation

Most of the submissions received from generation businesses supported the intent of the rule change proposal, while NSPs were of the view that a rule change was not required.

Generation businesses argued that a change to the normal voltage level, while rare, could have a significant and potentially adverse impact on their physical and commercial positions. For instance, Origin Energy considered that "a change to normal voltage could have a significant impact on generator performance standards and protection systems of the generator at the connection point". Further, it stated that "substantial changes in normal voltage could result in damage to the existing plant or require unexpected upgrades to the generator's connection assets to comply with new voltage levels".¹⁴

Similarly, Alinta Energy argued that "the impact of future changes to normal voltage potentially represents a significant outcome".¹⁵ AGL Energy supported a rule change

¹² GDF Suez, Rule change proposal - Changes to normal voltage, 10 April 2012.

¹³ Ibid.

¹⁴ Origin Energy, First round consultation submission, p.1.

¹⁵ Alinta Energy, First round consultation submission, p.1.

that "provides regulatory certainty for the generators to minimise risks associated with a change of normal voltage by a NSP".¹⁶ AGL also stated that generators are "contracted to operate at an agreed line voltage rating", which means that there is a risk that they will be adversely impacted by an unexpected change in normal voltage.¹⁷

In contrast, Hydro Tasmania considered that the current process is efficient, timely and cost effective. As such, Hydro Tasmania suggested that increased consultation requirements would result in unnecessary time delays and increased costs for connection applicants and existing connected parties. Hydro Tasmania also noted that transmission network service providers already consult with connected parties during instances when there are proposed changes to the normal voltage level.¹⁸

Similarly, network businesses, including Grid Australia, United Energy Distribution and Ergon Energy, stated that they are likely to informally consult with any market participants that they consider to be affected by a change to the normal voltage level.¹⁹ They also argued that changes to normal voltage are extremely rare and imposing a rule would impose unnecessary costs and time delays for new connections.²⁰

Grid Australia noted that AEMO has a role in approving a request for a change to the normal voltage level, which means that a change to normal voltage would not be made if there is likely to be an adverse impact on system reliability and security. Grid Australia also stated that transmission businesses do not process connection applicants with a view to having non-standard normal voltage.²¹ This appears to suggest that any changes to normal voltage may be rare.

5.2.2 Second round of consultation

Submissions on the draft determination were received from AGL, Grid Australia, GDF Suez, and Alinta Energy. All of the submissions agreed that a request to change the normal voltage level could have potentially significant consequences for registered participants and that it is therefore appropriate to amend the NER to address this issue.²²

¹⁶ AGL Energy, First round consultation submission, p.1.

¹⁷ Ibid.

¹⁸ Hydro Tasmania, First round consultation submission, pp.1-2.

¹⁹ Grid Australia, First round consultation submission, p.4; United Energy Distribution, First round consultation submission, p.1; Ergon Energy, First round consultation submission, p.5.

²⁰ Grid Australia, First round consultation submission, p.3; United Energy Distribution, First round consultation submission, p.1; Ergon Energy, First round consultation submission, p.4.

²¹ Grid Australia submission, p.4.

²² AGL, Second round consultation submission, p.1; Grid Australia, Second round consultation submission, p.1; GDF Suez, Second round consultation submission, p.1; and Alinta Energy, Second round consultation submission, p.1.

AGL also noted that any changes to normal voltage for any plant that has already connected would require separate re-negotiation of the connection agreement and performance standards with the connected entities.²³

5.3 Conclusion

The Commission considers that while rare, changes to the normal voltage level could have significant impact on registered participants. In particular, if generators have not factored in potential changes to normal voltage when purchasing equipment, this could result in unexpected costs to upgrade equipment to meet the new normal voltage level. Alternatively, if generator equipment is damaged by the change in normal voltage, this could result in unexpected costs to repair any damage.

The current version of the NER does not set out any specific arrangements to provide registered participants with an opportunity to raise concerns with AEMO about requests to change the normal voltage level.

The Commission notes that NSPs are likely to have an obligation to consult with existing connected parties, as the normal voltage level is likely to be specified in connection agreements. In these cases, a change to the normal voltage level may require changes to these agreements. This was also acknowledged by AGL in its submission to the draft determination.²⁴ However, NSPs do not have any formal obligations to consult more broadly with registered participants who may potentially be affected by the change but are not connected at that specific connection point.

The Commission considers that all registered participants should be given an opportunity to raise any issues before any change is made to the normal voltage level. This is because changes to normal voltage may result in commercial and physical risks for parties beyond those connected at the relevant connection point.

Notification that a request has been received by AEMO would help to limit risks for registered participants and keep them informed of any changes that could potentially affect their physical and commercial positions in the market. The Commission also considers that the opportunity for comments from the broader market would allow any impacts on system reliability and security that may result from the proposed change to be considered by AEMO.

For these reasons, the Commission has determined that a change to the NER is required to improve the transparency around requests to change normal voltage.

²³ AGL, Second round consultation submission, p.2.

²⁴ Ibid.

6 Proposed solution

6.1 Rule proponent's view

GDF Suez seeks to address the problem it has identified by providing a reference to rule 5.3 of the NER in the definition of 'normal voltage' in the NER glossary. This means that the definition of normal voltage in Chapter 10 of the NER would be modified 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, in accordance with clause 5.3.”

As noted in chapter 1, rule 5.3 of the NER sets out the processes to be followed in establishing and modifying a connection. GDF Suez considers that this rule change request would reduce the:

- potential for network and generation capacity being constrained due to unplanned changes to the normal voltage level;
- likelihood that connected parties have to undergo unexpected costs to upgrade plant and equipment; and
- potential that a severely impacted participant could be required to exit the market if it cannot comply with the new normal voltage level.²⁵

6.2 Stakeholder views

6.2.1 First round of consultation

Stakeholders had mixed views about the solution proposed by GDF Suez. Some market participants, including Origin Energy and Alinta Energy considered that GDF Suez's proposed rule change is an appropriate solution to the problem given the rarity of a potential change to the normal voltage level.²⁶

For instance, Origin Energy noted that rule 5.3 of the NER covers the establishment and modification of a connection and considers that changes to normal voltage would fall under the 'modification of a network connection agreement'. It therefore considered that GDF Suez's proposed solution is sufficient to ensure that NSPs consult

²⁵ GDF Suez, Rule change proposal - Changes to normal voltage, 10 April 2012.

²⁶ Origin Energy, First round consultation submission, p.1; Alinta Energy, First round consultation submission, p.1.

with affected parties.²⁷ Similarly, Alinta Energy stated that a reference to rule 5.3 of the NER is a proportionate response to the nature of the problem.²⁸

In contrast, AGL argued that the rule proposed by GDF Suez would not provide a timely, efficient and effective solution. AGL considered that the proposed rule does not provide guidance for NSPs initiating a change in the normal voltage level and that there is no obligation for NSPs to consult and agree with affected generators on a change.²⁹

GDF Suez's submission on the AEMC consultation paper acknowledged that its proposed rule may not provide for the most effective solution given the convoluted nature of rule 5.3 of the NER. However, given the rarity of a change to the normal voltage level, GDF Suez considered its solution to be appropriate. It considered that if a specific rule were to be drafted, the rule should also include similar requirements for changes to other technical parameters (such as fault levels) at a connection point.³⁰

Ergon Energy considered that the proposed rule is unlikely to provide a timely and efficient consultation process. Grid Australia and United Energy Distribution did not comment on the appropriateness of GDF Suez's proposed rule as they did not consider that a change to the NER was necessary, given the rarity of changes to normal voltage.³¹ Grid Australia, United Energy Distribution and Ergon Energy also stated that they are likely to consult informally if there was a request to change the normal voltage level.³²

6.2.2 Second round of consultation

Stakeholders were broadly supportive of the Commission's more preferable draft rule. Alinta Energy and GDF Suez supported the draft rule and considered that it provides an appropriate mechanism to deal with a request to change the normal voltage level.³³ GDF Suez noted that although the draft rule does not oblige AEMO to respond to any issues raised by participants, it expects that good industry practice would require AEMO to respond appropriately to any legitimate issues raised.³⁴ Alinta Energy considered that the draft rule alleviated its concerns about the potentially significant consequences of a change in the normal voltage level.³⁵ Similarly, Grid Australia

²⁷ Origin Energy, First round consultation submission, p.1.

²⁸ Alinta Energy, First round consultation submission, p.1.

²⁹ AGL Energy, First round consultation submission, p.2.

³⁰ GDF Suez, First round consultation submission, pp.2-3.

³¹ Grid Australia, First round consultation submission, p.1; United Energy Distribution, First round consultation submission, p.1.

³² Grid Australia, First round consultation submission, p.4; United Energy Distribution, First round consultation submission, p.1; Ergon Energy, First round consultation submission, p.5.

³³ Alinta Energy, Second round consultation submission, p. 1; GDF Suez, Second round consultation submission, p. 1.

³⁴ GDF Suez, Second round consultation submission, p. 1

³⁵ Alinta Energy, Second round consultation submission, p. 1.

supported the draft rule and stated that it is commensurate with the scale of the problem it seeks to address.³⁶

However, AGL raised concern that the draft rule would not provide adequate safeguards that any issues raised by the registered participants would be taken into account adequately and satisfactorily by AEMO.³⁷ AGL is also concerned that registered participants would not have any avenue to appeal when AEMO's decisions have not resolved any issues raised satisfactorily.³⁸

To address its concerns, AGL suggested amendments to the Commission's draft rule, which included:

- a process to appeal the outcome of a request to change the normal voltage level;
- requiring AEMO to publish a notice "consulting" with registered participants on a request to change the normal voltage level, rather than "advising" them; and
- requiring AEMO to specify "the reasons" for any changes to the normal voltage level, in addition to the "nature" of any changes.³⁹

6.3 Conclusion

As discussed in chapter 5, the Commission considers that a change to the NER is required to ensure that all potentially affected parties have an opportunity to raise issues on a proposed change to the normal voltage level.

The Commission has decided to make a more preferable final rule as it considers that GDF Suez's proposed rule would not provide an opportunity for potentially affected parties to raise issues with AEMO before any change is made to the normal voltage level. This is because under rule 5.3 of the NER, NSPs would only be required to consult with connected or connecting parties rather than the broader market.

The Commission also considers that GDF Suez's proposed rule is unlikely to promote efficient investment, as it does not ensure that all registered participants would be informed of the outcome of a request to change the normal voltage level. This could mean that under GDF Suez's proposed rule, some registered participants may be unable to factor this change into their investment decisions and prepare for any potential costs or impacts associated with the change.

Further, GDF Suez's proposed rule could impose increased compliance costs on NSPs and add time delays to new connections, because the processes in rule 5.3 are lengthy and relatively prescriptive.

³⁶ Grid Australia, Second round consultation submission, p. 1.

³⁷ AGL, Second round consultation submission, p.1.

³⁸ AGL, Second round consultation submission, pp.1-2.

³⁹ AGL, Second round consultation submission, p.2.

The Commission also considers that GDF Suez's proposed rule would not provide a proportionate solution to a problem that is likely to be very rare. This is because rule 5.3 of the NER is relatively complex and is not tailored to addressing requests to change normal voltage.

For these reasons, the Commission has determined to make a more preferable final rule. This final rule is broadly similar to the draft rule published by the Commission. However, the Commission has determined to require AEMO to also specify the reasons for any change in the normal voltage level when publishing a notice to registered participants to advise them of the outcome of a request. The Commission considers that this amendment would further improve the transparency of the process around requests to change normal voltage set out in the draft rule.

Under the Commission's final rule, AEMO would have an obligation to notify registered participants of a request to change normal voltage after receiving a request from a NSP. This would provide registered participants with an opportunity to be informed of a proposed change and raise any potential concerns with AEMO. This would promote market transparency, which is likely to improve market efficiency.

The final rule also includes an obligation on AEMO to notify registered participants of the nature and reasons of any change to the normal voltage level. This provides regulatory certainty for the market and allows registered participants to factor this information into their investment decisions. This has the potential to lead to greater efficiency in investment in generation services and the operation of generation and network services.

The Commission considers that the final rule would not impose a significant regulatory burden on registered participants, AEMO or NSPs. The Commission also notes that the final rule is consistent with AEMO's current market notification role. As a result, the implementation costs of this final rule should be minor.

In making this final determination, the Commission notes concerns raised by AGL that the Commission's draft rule does not provide adequate safeguards that any issues raised by registered participants with AEMO would be adequately taken into account. The Commission considers that requiring AEMO to specify the reasons for any change in normal voltage should assist in alleviating this concern.

The Commission has determined to not adopt AGL's additional drafting changes to include an appeals process to allow registered participants to appeal AEMO's decision on a request or to require AEMO to "consult" with rather than "advise" registered participants that it has received a request to change the normal voltage.

The Commission considers that "advising" registered participants of a change would provide a sufficient opportunity for registered participants to raise any issues with AEMO prior to AEMO determining the outcome of a request. The Commission also notes that it has not received any indication during the rule change process that AEMO would not sufficiently address any issues raised by registered participants. Further, in the previous two instances when the normal voltage level was changed, registered

participants did not raise any concerns about the process taken by AEMO in considering these requests.

The final rule also provides greater transparency around the process used to manage requests to change normal voltage. In recognition of this, and the rarity of these changes, the Commission has sought to minimise the level of prescription in the rule.

For these reasons, the Commission has also determined that it would not be appropriate to include a process of appeal in the final rule.

Abbreviations

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
NEL	National Electricity Law
NEM	National Electricity Market
NEO	National Electricity Objective
NER	National Electricity Rules
NSPs	network service providers
SCER	Standing Council on Energy and Resources
TOV	temporary over voltage

A Summary of issues raised in submissions

A.1 First round of consultation

Stakeholder	Issue	AEMC response
Origin Energy	<p>Origin supported the proposed rule to clarify the process for changing normal voltage, particularly so that NSPs have an explicit obligation to consult prior to making any changes. It considered that a change to normal voltage could have a significant impact on generator performance standards and protection systems of the generator at the connection point.⁴⁰</p> <p>It was of the view that substantial changes in normal voltage could result in damage to equipment or require unexpected upgrades to connection assets. This can impact the quality, safety, reliability and secure supply of electricity. It noted that rule 5.3 of the NER covers the establishment and modification of a connection and considered the issues raised in this rule change proposal to fall under the 'modification of a network connection agreement'. It therefore considered that GDF Suez's proposed solution is sufficient to ensure that NSPs consult with affected parties.⁴¹</p>	<p>The Commission noted Origin's support for the rule proposed by GDF Suez. However, it considered that GDF Suez's proposed rule does not provide an effective opportunity for potentially affected parties to be informed of a request to change the normal voltage level.</p> <p>Rule 5.3 of the NER outlines the process for modifying existing connections and establishing new connections. This means that it only deals with existing connected parties seeking to modify a connection and new connecting parties only. Therefore, GDF Suez's proposed rule change would not require NSPs to consult more broadly with potentially affected parties.</p> <p>The Commission considered that its more preferable draft rule addresses GDF Suez's concerns about consultation by providing an opportunity for all registered participants to raise any issues about a proposed change to the normal voltage level prior to any changes being made.</p>

⁴⁰ Origin Energy, First round consultation submission, p.1.

⁴¹ Origin Energy, First round consultation submission, p.1.

Stakeholder	Issue	AEMC response
	<p>It also noted that the AEMC's Transmission Frameworks Review is likely to result in an overhaul of the connections process. However, as this will take time to implement, rule 5.3, while 'convoluted', is an appropriate solution in the interim.⁴²</p>	
<p>United Energy Distribution (UED)</p>	<p>UED did not support this rule change and considered that an obligation in the NER to require NSPs to consult could result in a potential delay to new connections. It suggested that if this rule change were to proceed, that it be limited to connections on the transmission system.⁴³</p> <p>It also noted that it normally consults with any large customers who may be impacted by a change in normal voltage levels, rather than consulting with a large number of small, low voltage customers.⁴⁴</p> <p>It considered that changes to the normal voltage level to be rare and did not recall any customer requests for normal voltage to be changed. UED noted that the proposed rule did not appear to capture the need to consult with all potentially impacted parties.⁴⁵</p>	<p>The Commission noted UED's views. It acknowledged that changes to the normal voltage level are rare. However, it considered that the consequences of a change in normal voltage could be significant on registered participants. For that reason, it considered that it is appropriate to make a change to the NER.</p> <p>The Commission also agreed that the proposed rule would not require consultation with all affected parties. As a result, it developed a more preferable draft rule which increases transparency by requiring AEMO to notify all registered participants of a request to change the normal voltage level. This would allow registered participants to raise any issues with AEMO before a change is made to the normal voltage level.</p>

⁴² Origin Energy, First round consultation submission, p.2.

⁴³ United Energy Distribution, First round consultation submission, p.1.

⁴⁴ United Energy Distribution, First round consultation submission, p.3.

⁴⁵ United Energy Distribution, First round consultation submission, p.1.

Stakeholder	Issue	AEMC response
Ergon Energy	<p>Ergon Energy did not support the rule change because it considered it unlikely that it will have to vary the normal voltage from a nominal voltage level. It also stated that rule 5.3 of the NER provides little guidance as to how consultation should be undertaken.⁴⁶</p> <p>Ergon also considered that changes to normal voltage will impact existing generators, registered participants, connected parties, system reliability and security. However, it did not believe that a change to normal voltage levels would be implemented in the absence of consultation.</p> <p>It stated that it does not consider the proposed rule change would provide for more consultation than is currently in place. It considered that formal consultation can add unnecessary delays to the connections process.⁴⁷</p>	<p>The Commission noted Ergon Energy's views. However, it was of the view that all registered participants should have an opportunity to raise any concerns before a change is made to the normal voltage level. It agreed that a reference to rule 5.3 of the NER provides little guidance for a consultation process. Therefore, the Commission created a more preferable draft rule to provide an opportunity for all registered participants to be aware of a request for change.</p> <p>The more preferable draft rule would require AEMO to publish a notice of a request to change the normal voltage level, and then notify the market of the outcome of the request. The Commission considered that the draft rule would be unlikely to add delays to the connection process.</p>
Grid Australia	<p>Grid Australia considered that normal voltage changes are very rare.⁴⁸</p> <p>It also stated that before any changes are made to generator access standards, a TSNP would undertake extensive investigations to assess the impact of any proposed change. This would also involve AEMO which means that a change to</p>	<p>The Commission considered that while changes to the normal voltage level are rare, they have the potential to significantly and adversely impact registered participants. Therefore, the Commission considered that a rule was necessary to improve the transparency around changing the normal voltage level.</p>

⁴⁶ Ergon Energy, First round consultation submission, p.3.

⁴⁷ Ergon Energy, First round consultation submission, pp.4-5.

⁴⁸ Grid Australia, First round consultation submission, p.1.

Stakeholder	Issue	AEMC response
	<p>normal voltage would not be made if there was a resulting adverse impact on system reliability and security.</p> <p>It was also of the view that TNSPs do not process connection applicants with a view to having non-standard normal voltage. It noted that according to the NER, a change to normal voltage could only occur if it doesn't have adverse impacts on the market and that a market participant would not be forced to exit the market.⁴⁹</p> <p>Overall, Grid Australia considered that this rule change could result in greater costs to the market than benefits.⁵⁰</p>	<p>The Commission's more preferable draft rule provided an opportunity for all registered participants to raise any concerns with AEMO prior to any change to normal voltage. Further, the Commission considered it unlikely that the rule would impose time delays on the connection process. The Commission also noted that as the draft rule was consistent with AEMO's existing market notification role, compliance and implementation costs of this change were also likely to be low.</p>
Hydro Tasmania	<p>Hydro Tasmania did not support the rule change proposal and considered that it would result in unnecessary, material time delays and increased costs for connection applicants and existing connected parties. It also considered that the current process is efficient, timely and cost effective.⁵¹</p> <p>It was of the view that TNSPs do consult with connected parties in instances where there are proposed changes to the normal voltage level. For instance, during the change to the normal voltage</p>	<p>The Commission noted Hydro Tasmania's concerns. To address issues around the definition of "affected parties" the Commission developed a more preferable draft rule which provided an opportunity for all registered participants concerned about a change to the normal voltage level to express any concerns to AEMO.</p> <p>This would also limit potential time delays and costs associated with changing the normal voltage level while providing registered participants with an opportunity for comment.</p>

⁴⁹ Grid Australia, First round consultation submission, p.3.

⁵⁰ Grid Australia, First round consultation submission, p.5.

⁵¹ Hydro Tasmania, First round consultation submission, p.1.

Stakeholder	Issue	AEMC response
	<p>level in George Town, Tasmania, Hydro Tasmania stated that Transend did consult with connected parties when considering Hydro Tasmania's request to increase the normal voltage level. It confirmed that it was also consulted by Transend when Aurora Energy requested to reduce the normal voltage level.⁵²</p> <p>Hydro Tasmania considered that an issue with the proposed rule arises through a lack of a clear definition of the term "affected parties" For instance, it considered that the proposed rule would allow a competitor to engage in tactics (through the consultation process) that could be detrimental to the party that requested the change to the normal voltage level, which could cause delays to the delivery of low cost energy to consumers to the detriment of the NEO.⁵³</p> <p>It also noted that changes to the normal voltage level are very rare and that there have only been two instances of changes to the normal voltage level over a 14 year period.⁵⁴</p>	
AGL Energy	AGL supported the need for a rule change in this space. It considered that there is a risk for	The Commission agreed that changes to the normal voltage level, while rare, could have

⁵² Hydro Tasmania, First round consultation submission, p.1.

⁵³ Hydro Tasmania, First round consultation submission, p. 2.

⁵⁴ Ibid.

Stakeholder	Issue	AEMC response
	<p>generators to be adversely impacted by a change in the normal voltage level.⁵⁵ AGL stated that generators are "contracted to operate at an agreed line voltage rating", which means that there is a risk that they will be adversely impacted by an unexpected change in normal voltage.⁵⁶ However, it acknowledged that a change to the normal voltage level "should not happen too often".⁵⁷</p> <p>It also considered that the rule change proposal would not achieve the intended outcome of the rule. It considered it critical to improve the clarity of rule 5.3 and suggested a new clause be drafted for this purpose.⁵⁸</p> <p>In particular, AGL did not believe rule 5.3 of the NER would provide a timely, efficient and effective solution, as it does not provide guidance for NSPs initiating a change in the normal voltage level. Further, there is no obligation for NSPs to consult and agree with affected generators. It is was the view that a new clause or a preferable rule must take into account the following:</p> <ul style="list-style-type: none"> • potential impact on connected generators in terms of costs and technical feasibility of a 	<p>significant impacts on registered participants. It also agreed that GDF Suez's proposed solution is not likely to achieve the intended outcome. Therefore, the Commission proposed a more preferable draft rule which provided an opportunity for registered participants to raise any issues with AEMO before any change to the normal voltage level is made.</p>

⁵⁵ AGL Energy, First round consultation submission, p.1.

⁵⁶ AGL Energy, First round consultation submission, p.1.

⁵⁷ AGL Energy, First round consultation submission, p.3.

⁵⁸ AGL Energy, First round consultation, p.2.

Stakeholder	Issue	AEMC response
	<p>modified connection;</p> <ul style="list-style-type: none"> • implications on the terms and conditions of existing connection agreements; • the need for cost impacts on third party generators to remain neutral; • approval from AEMO on any changes with reference to NEM objectives; and • inclusion of other potential requests by NSPs to change network related technical parameters that could impact on existing generation connection points.⁵⁹ <p>AGL also noted that generators design and build their plant to comply with the agreed normal voltage, so do not factor into potential changes to the normal voltage level.⁶⁰</p>	
Alinta Energy	Alinta supported the rule change proposal and considered that the impact of future changes to normal voltage potentially represents a significant outcome. It therefore considered that clarification around rule 5.3 of the NER is an appropriate solution. ⁶¹	The Commission agreed that a change to the NER should be made to include an opportunity for registered participants to raise any concerns with AEMO regarding requests to change normal voltage.

⁵⁹ Ibid.

⁶⁰ AGL Energy, First round consultation submission, p. 4.

⁶¹ Alinta Energy, First round consultation submission, p.1.

Stakeholder	Issue	AEMC response
	<p>It considered that the NER should be explicit about the rights of impacted participants and clearly define the obligations on the NSP. It also suggested that the NSPs should bear all reasonable costs of a change to the normal voltage level on behalf of the participant.⁶²</p>	
GDF Suez	<p>GDF Suez acknowledged that a change to the normal voltage level is rare but considers that potential ramifications are potentially significant.</p> <p>It agreed with the AEMC's assessment framework and also agreed that rule 5.3 of the NER is somewhat convoluted. It noted that it gave consideration to drafting a new rule specifically to deal with consultation requirements for changes to normal voltage. However, because such a change is so rare, it considered that its original proposed solution would suffice.⁶³</p> <p>It added that if a specific rule were to be drafted, it might be considered appropriate to include requirements for changes to other technical parameters at a connection point, such as fault level and protection settings for generators.⁶⁴</p> <p>It considered that its proposed solution, while not perfect, reinforces the principle that network</p>	<p>The Commission agreed with GDF Suez that a rule should be made which provides registered participants with an opportunity to raise concerns prior to a change to the normal voltage level taking effect. However, rule 5.3 of the NER does not explicitly address the issues raised by GDF Suez. Further, the provisions in rule 5.3 are largely limited to consultation requirements on NSPs for connection enquiries and connected parties, rather than all potentially affected parties. Therefore, the Commission decided to make a more preferable draft rule.</p> <p>The Commission did not extend its draft rule to include changes to other technical parameters as it considered this to be outside the scope of the rule change request.</p>

⁶² Ibid.

⁶³ GDF Suez, First round consultation submission, p.1.

⁶⁴ Ibid.

Stakeholder	Issue	AEMC response
	businesses and AEMO should consult with affected parties when considering the impact of a change to the normal voltage level. It also noted the related rule change request for 'Connecting Embedded Generators' and considered that any broader changes to the effectiveness of rule 5.3 of the NER should be considered within this rule change. ⁶⁵	

A.2 Second round of consultation

Stakeholder	Issue	AEMC response
Alinta Energy	<p>Alinta Energy supports the Commission's draft rule and considers that it alleviates Alinta Energy's concerns about changes to normal voltage representing a potentially significant outcome in any one instance.⁶⁶</p> <p>Alinta Energy also considers that the rule change meets the NEO as it supports efficient investment in, and operation of, generation and network services.⁶⁷</p>	Noted.

⁶⁵ GDF Suez, First round consultation, p.2.

⁶⁶ Alinta Energy, Second round consultation submission, p. 1.

⁶⁷ Ibid.

Stakeholder	Issue	AEMC response
AGL Energy	<p>AGL generally supports the Commission's more preferable draft rule.⁶⁸</p> <p>However, AGL is concerned that the draft rule does not provide adequate safeguards that any issues raised by registered participants would be taken into account adequately and satisfactorily. AGL is also concerned that registered participants would not have any avenue to appeal when AEMO's decisions have not resolved any issues raised satisfactorily.⁶⁹</p> <p>To address these issues, AGL has proposed drafting changes to the draft rule to:</p> <ul style="list-style-type: none"> • require AEMO to publish a notice "consulting" on a request to change the normal voltage level, rather than "advising" of a request; • require AEMO to publish the "reasons" for whether the normal voltage level will change, in addition to the "nature" of the change; and • include a process of appeal for AEMO's decision on a request to change the normal voltage level.⁷⁰ <p>AGL notes that changes to normal voltage are</p>	<p>The Commission notes AGL's views. It considers that requiring AEMO to specify the reasons for any change to the normal voltage level would provide greater transparency for registered participants around the process for changes to normal voltage. As a result, this drafting change has been included in the final rule.</p> <p>However, the Commission notes that it has not received any indication during the rule change process that AEMO would not sufficiently address any issues raised by registered participants on a request to change the normal voltage.</p> <p>The final rule also provides greater transparency around the process used to manage requests to change normal voltage. In recognition of this, and the rarity of these changes, the Commission has sought to minimise the level of prescription in the rule.</p> <p>For these reasons, the Commission has not adopted AGL's additional drafting changes to include an appeals process and require AEMO to "consult" with rather than "advise" registered participants on requests it receives.</p>

⁶⁸ AGL, Second round consultation submission, p.1.

⁶⁹ AGL, Second round consultation submission, pp.1-2.

⁷⁰ AGL, Second round consultation submission, p.2.

Stakeholder	Issue	AEMC response
	<p>rare, but could lead to serious commercial and operational consequences. It also notes that its proposed amendments impose little or no incremental administrative or compliance costs but would provide an effective mitigation of risks.⁷¹</p> <p>AGL suggests that any proposal to change the normal voltage would also require separate re-negotiation of the connection agreement and performance standards with the connected entities.⁷²</p>	
GDF Suez	GDF Suez supports the more preferable draft rule made by the Commission. It notes that although it does not oblige AEMO to respond to any issues raised by participants, it expects that good industry practice would require AEMO to respond appropriately to any legitimate issues raised. ⁷³	Noted.
Grid Australia	Grid Australia supports the draft rule and considers it to be commensurate with the scale of the problem it is seeking to address ⁷⁴ .	Noted.

71 Ibid.

72 Ibid.

73 GDF Suez, Second round consultation submission, p.1.

74 Grid Australia, Second round consultation submission, p.1.