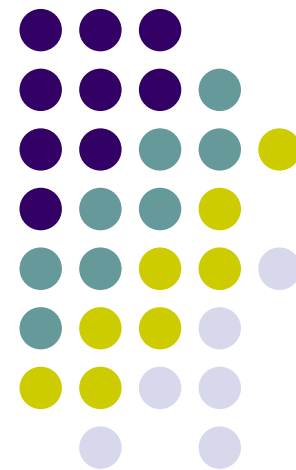


Frequency Standard Review

Response to AEMC Queries on Cost
Implications

Hydro Tasmania

4 August 2008





Information has been removed due to its confidential nature

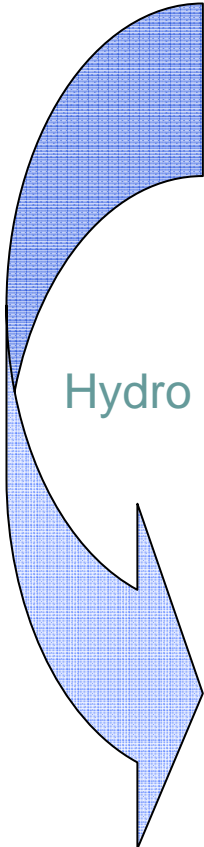


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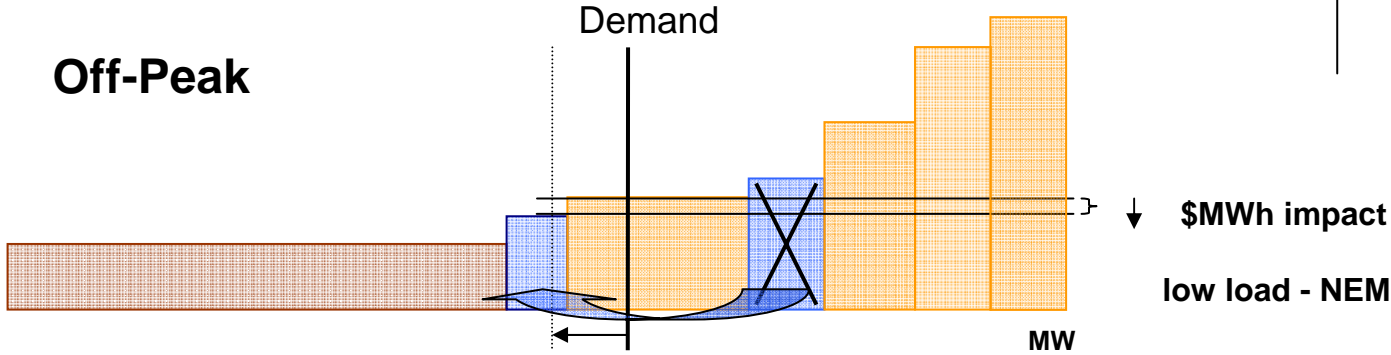


Information has been removed due to its confidential nature

NEM Impact – Significantly Greater



Off-Peak

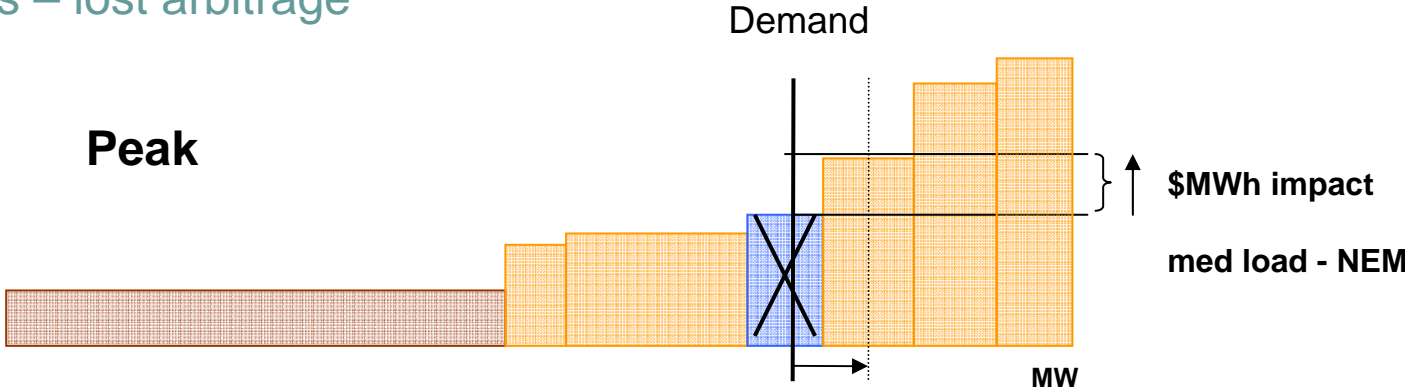


Mainland Prices Low
 ⇒

Increase HT gen
 Lower NEM price

Hydro Tas – lost arbitrage

Peak



Mainland Prices Med
 ⇒

Reduced HT gen
 Higher NEM price

Cost Incursion Mechanisms for R6



- Machines dispatched away from efficient point
- HT optimises by using specific machines at low load (Gordon, John Butters)
- Additional wear and tear from vibration, cavitation, etc.
- Increase in machine start/stops (replace displaced energy)
- Uses higher value water