AGL Energy Limited

ABN: 74 115 061 375

T: 03 8633 6000 F: 03 8633 6002 www.agl.com.au

The Reliability Panel **Australian Energy Market Commission** PO Box A2449 Sydney South NSW 1235

Online lodgement: REL0047

7 February 2012

Re: Issues Paper - Template for Generator Compliance **Programs**

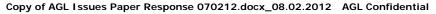
Dear Sir/Madam,

AGL Energy (AGL) welcomes the opportunity to comment to the Australian Energy Market Commission's (AEMC) Issues Paper on the Template for Generator Compliance Programs. More specifically, this response will cover the aspect regarding the experiences of stakeholders in applying the template.

A. Comments on the Current Template

Synchronous and Asynchronous - Whilst AGL's Generator Compliance Program and current testing methodologies are aligned with the template developed by the Reliability Panel, the majority of the testing methods suggested in the template mainly applies to synchronous generators and is therefore not relevant to asynchronous generators such as wind generators. Where the standard is not applicable, we provide an alternative test as follows:

| Reactive Power Capability (as required under S5.2.5.1 in versions 1-30 of the Rules, the initial Code, and all amended versions of the Code) | Method 1: (of 5) At rated power output, adjust the reactive power at the connection point capability to specified levels | Every 3 years and after plant change | Directly Measurable. Applies to synchronous and conventional plant, and entire windfarms. | Achieve reactive power requirements of the performance standard |
|--|--|---|---|--|
| Frequency Control / Frequency Responsiveness and/or Governor Stability and Governor System (as required under: S5.2.5.11 in versions 1-30 of the Rules; S5.2.5.11 and S5.2.6.4 in the initial Code, and all amended versions of the Code before 27 March 2003; and S5.2.5.11 of all amended versions of the Code from 27 March 2003 onwards) | Method 1: (of 4) Monitor in-service performance using high speed frequency data | After every major frequency excursion | Appropriate to use where high speed monitors are available and models have been used in establishing compliance or when plant has no capability of responding to frequency deviations ie asynchronous machines. | Consistency of operation with plant models used to establish initial compliance if the models are available; OR consistency with past performance only if the models are not available |



AGL is taking action toward creating a sustainable energy future for our investors, communities and customers. Key actions are:

- Being selected as a member of the Dow Jones Sustainability Index 2006/07
 Gaining accreditation under the National GreenPower Accreditation Program for AGL Green Energy®, AGL Green Living® and AGL Green Spirit
- Being selected as a constituent of the FTSE4Good Index Series





Frequency of Tests - Where testing is required, some consideration should be included in the relevant technologies of the control and protection devices. This should include the ability to test full digital protection relays, AVRs and governors up to a period of every five (5) years. This period should be decreased as best practice for lower technology devices, ie three (3) years for electro-mechanical relays and electronic AVR's.

B. Some Suggestions for Improving the Template

As mentioned in the above section, the template should identify the technical requirements applicable only to synchronous generators or create a separate section that focuses mainly on asynchronous generators. This way, the template will provide more clarity to wind generators and support the design and development of an appropriate compliance program for such generators.

Should you wish to discuss the submission further, please contact David Bartolo on (03) 8633 6165 dbartolo@agl.com.au.

Yours sincerely,

Dale Blampied

General Manager Merchant Operations