Roaring 40s
THINKING ENERGY

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Dr John Tamblyn
Chairman
Australian Energy Market Commission
Level 16
1 Margaret Street
SYDNEY NSW 2001

Dear Dr Tamblyn

REQUEST TO MAKE A RULE (PARTICIPANT DEROGATION) STUDLAND BAY WIND FARM TECHNICAL STANDARDS – FREQUENCY DISTURBANCE RIDE THROUGH

Please find enclosed a request by Woolnorth Studland Bay Pty Ltd initiated under section 91(5) of the National Electricity Law (NEL), for a participant derogation to be made as a "non-controversial Rule" under section 96(1)(b) of the NEL.

The participant derogation is intended to amend the National Electricity Rules (the Rules) so as to treat Studland Bay Wind Farm Pty Ltd as a 'scheduled generator' for the purpose of clause S5.2.5.8(a)(2) of the Rules.

It is noted that this section of the Rules is currently under consideration by the Australian Energy Market Commission (AEMC) as part of the 'Technical Standards for Wind Generation and Review of Existing Provisions' Rule request.

This Rule request is intended as a bridging mechanism pending final determination of the 'Technical Standards for Wind Generation and Review of Existing Provisions' Rule request.

This request to make a Rule is submitted by me on behalf of Woolnorth Studland Wind Farm Pty Ltd in my capacity as a Director of Woolnorth Studland Wind Farm Pty Ltd.

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Please contact Andrew Jones on 0400 537 944 if you require any further information.

Yours Sincerely

Mark Kelleher
Managing Director

Studland Bay Wind Farm Technical Standards
Frequency Disturbance ride through
Rule request

1. Background

Clause S5.2.5.8(a)(2) of the National Electricity Rules (NER) contains an obligation for scheduled generators to have in place facilities to rapidly and automatically reduce output for occurrence of frequencies above a level nominated by NEMMCO (not less than the upper limit of the operational frequency band). In short, this creates a provision for co-ordinated generator shedding to manage high frequency disturbances that would not otherwise be managed by FCAS.

In the drafting of this rule, it would seem that the term 'scheduled' has been used as a proxy for larger generation. As with a number of provisions in the Rules, the advent of large scale, non scheduled generation in the form of wind farms has resulted in a class of large generators that are not subject these obligations under the Rules.

The AEMC is currently consulting on proposed changes to the Rules which include a proposed clause S5.2.5.8, which would amongst other things, address the issue detailed above.

Roaring 40s (through its subsidiary company, Woolnorth Studland Bay Wind Farm Pty Ltd) is currently in the advanced stages of constructing the 75MW Studland Bay wind farm in North West Tasmania. While registration of Studland Bay wind farm as a scheduled generator would result in application of clause S5.2.5.8(a)(2) to Studland Bay wind farm, it would also result in other non-related ongoing costs associated with operating scheduled generation in the NEM. For this reason it is considered desirable to apply clause S5.2.5.8(a)(2) to Studland Bay wind farm despite its status as a non-scheduled generator.

2. Name and Address of person making request

Refer Regulation 8(1)(a) of the National Electricity (South Australia) Regulations.

The person making the request is Woolnorth Studland Bay Wind Farm Pty Ltd (ABN 63 11 996 377). For the purpose of section 91(5)(a) of National Electricity Law (NEL), Woolnorth Studland Bay Wind Farm Pty Ltd has applied to NEMMCO to be registered as a Registered participant (as defined in Part 1 of the NEL). As such Woolnorth Studland Bay Wind Farm Pty Ltd is subject to the obligations imposed under the Rules on an applicant for registration as a participant. This Rule making request is in respect of these obligations.

The address of the person making the request is:-

Woolnorth Studland Bay Wind Farm Pty Ltd

Level 7, 86 Collins Street, HOBART TAS 7000
GPO Box 1484, HOBART TAS 7001

3. Description of the proposed Rule

Refer Regulation 8(1)(b) of the National Electricity (South Australia) Regulations.

Proposed Participant Derogation

The following is the drafting of Studland Bay proposed participant derogation.

(a) Until the expiry date, clause S5.2.5.8(a)(2) of the *Rules* applies to the *non-scheduled generating units* registered to Woolnorth Studland Bay Wind Farm Pty Ltd as if these *generating units* where *scheduled generating units.*

Proposed expiry date

We propose that the derogation apply from the date of determination of this application through to a date 180 days after the final determination of the 'Technical Standards for Wind Generation' Rule change request. This would cover the period until the AEMC makes a final determination on the 'Technical Standards for Wind Generation' Rule change proposal currently under consideration. In addition, the further period is requested to allow re-registration as scheduled generator in the event that the revised clause S5.2.5.8(a)(2) is not adopted.

Preferred drafting for the expiry date is:

> This *derogation* expires on the day 180 days after the date when the *AEMC* publishes a final determination on the Rule request submitted by *NEMMCO* on the 10th of February 2006 entitled "National Electricity Rules – Request for Rule - Technical Standards for Wind Generation and Review of Existing Provisions".

Alternative drafting for expiry date (should an absolute date be considered necessary) is:

> This *derogation* expires on 01 August 2007.

Issue with existing Rules that is to be addressed by proposed Rule.

Refer Regulation 8(1)(c) of the National Electricity (South Australia) Regulations.

The reference in clause S5.2.5.8(a)(2) to *scheduled generating units* has a number of impacts.

Firstly, it precludes wind generation from being utilised to achieve co-ordinated generator over frequency response. This is likely to reduce the robustness of the NEM to high frequency disturbance, in that thermal and hydro plant would be shed prior to wind generation. This is despite the fact the thermal and hydro plant are better placed to stabilise a post-disturbance system due to their inertial contribution and governor systems.

Secondly, the absence of co-ordinated wind farm shedding in response to frequency events beyond the operational frequency tolerance band effectively creates a requirement for wind farms to maintain continuous, un-interrupted operation at frequencies within the multiple contingency and islanding bands of the relevant frequency operating standard. The wider bands of the Tasmanian Frequency operating standard would appear to make it impossible for commercially available wind turbine technology to comply with this requirement in the Tasmanian region.

In order to overcome these issues, it would be necessary for Studland Bay wind farm to be registered as a scheduled generator. This would involve additional costs, complexity and ongoing administrative overheads, with little or no corresponding benefits.

It is recognised that the provisions of the Rules to which this request pertains is currently under consultation in response to the NEMMCO 'Technical Standards for Wind Generation and Review of Existing Provisions' Rule request. As such, this Rule request does not seek to initiate a parallel review, or indeed pre-empt the outcome of the ongoing process. Rather it is intended as a bridging mechanism, pending determination on the NEMMCO rule request.

4. How the proposed Rule would contribute to the market objective

Refer Regulation 8(1)(d) of the National Electricity (South Australia) Regulations.

This participant derogation furthers the market objective by promoting efficient investment in electricity services for the long-term interests of consumers without compromising the security of the national electricity system.

The Rule as requested allows co-ordination of Studland Bay wind farm with other generator over frequency protection, so enhancing system security during frequency disturbance events.

It also provides a practical mechanism for integrating a broader range of commercially available wind generators into the Tasmanian system, so reducing the cost of such generators.

While the benefits listed above could be captured by registering Studland Bay wind farm as a scheduled generator, this would impose the ongoing administrative overheads associated with scheduled operation.

This Rule would avoid these overheads and as such reduce the cost of delivering electricity services.

5. Non-controversial Rule change

We request that the AEMC treat this application as 'non-controversial' in accordance with section 96 of the National Electricity Law on the basis that:

- it is an interim measure pending determination on the 'Technical Standards for Wind Generation' rule change proposal.
- it is consistent with the market objective in that it reduces the cost of electricity supply with no associated material detriment to electricity end users.
- it does not impose additional costs, or have any material adverse impacts on other market participants.
- it does not impose any barriers to NEMMCO or Transend in meeting their respective power system security and reliability responsibilities.
- it will reduce the cost of operating Studland Bay wind farm (compared with operation as a scheduled generator).