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25 January 2016

Con Carellas  
Principal Adviser  
Essential Services Commission  
GPO Box 2605  
ADELAIDE, SA 5001

Dear Con,

**Meridian Energy Australia Submission – Issues paper ‘Inquiry into licensing arrangements under the Electricity Act 1996 for inverter-connected generators’**

Meridian Energy Australia (*Meridian Energy*) thanks the ESCOSA for the opportunity to provide comments in response to the issues paper ‘Inquiry into licensing arrangements under the Electricity Act 1996 for inverter-connected generators’ (the *Issues Paper*). Set out below are Meridian Energy’s comments and feedback regarding the specific matters on which stakeholders’ views are sought.

**Q1 Should the Commission continue to require the existing special conditions?**

Yes. Meridian Energy believes the existing licence conditions for fault ride through and reactive power capabilities should continue to be applied. The existing conditions, as is proposed in a number of other jurisdictions, should be applied to all inverter-connected generation plant. Inverter technology can provide additional benefits, in respect of system security, that synchronous machines cannot.

**Q2 Should those licence conditions be varied?**

The existing licence conditions, in respect of fault ride through and reactive power capabilities, generally meet the requirements of the NEM. However, minor amendments to the existing licence conditions could be considered and Meridian Energy would be willing to discuss any specific changes with ESCOSA.

In addition, Meridian Energy believes there would be merit in a discussion with ECOSA regarding new conditions pertaining to frequency control, the rate of change of frequency and system strength. Such new conditions would provide all participants with clarity and ensure current and future technologies align with the regulatory environment of today.



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**Q3 Should licence conditions be made to apply both to prospective and existing licensees?**

It is important for all participants in the NEM to have certainty over the regulatory environment in which they operate noting the long-term investment cycle associated with plant and equipment installed across the NEM. On that basis, and noting the current systems' strength and security, Meridian Energy believes that any changes to licence conditions should only apply to prospective licensees.

**Q4 Should generation licence holders be required to upgrade or refurbish plant and equipment to meet the licence conditions of the day?**

No. As stated in the response to Question 3 above, Meridian Energy does not believe there is a need for such a change to the licence conditions of existing licensees. Any changes to licence conditions should only apply to prospective licenses.

**Q5 Do you have any comments or views on AEMO's preliminary report?**

No. Meridian Energy was comfortable with the content of AEMO's preliminary report and does not have any further comments.

**Q6 Are there any other matters relevant to the Inquiry that the Commission should consider?**

Meridian Energy has no further matters it wishes to raise regarding the Issues Paper.

Meridian Energy once again thanks ESCOSA for the opportunity to provide feedback on the Issues Paper and would be willing to discuss in further detail any of the responses provided above.

Yours sincerely

Angus Holcombe  
Meridian Energy Australia – Asset Manager