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Essential Services Commission of South Australia
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Licensing arrangements for generators in South Australia

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group) thanks the Essential Services Commission of South Australia (ESCOSA) for the opportunity to provide comments in response to the Licensing arrangements for generators in South Australia consultation paper (the Paper).

Background on the MEA Group

MEA Group is a vertically integrated generator and retailer focused on renewable generation. We opened our portfolio of generation assets with the Mt Millar Wind Farm in South Australia, followed by the Mt Mercer Wind Farm in Victoria. In early 2018 we acquired the Hume, Burrinjuck and Keepit hydroelectric power stations, further expanding our modes of generation. We have supplemented our asset portfolio by entering into a number of power purchase agreements with other renewable generators, and through this investment in new generation we have continued to support Australia's transition to renewable energy.

Powershop is an innovative retailer committed to providing lower prices for customers and which recognises the benefits to customers in transitioning to a more distributed and renewable-based energy system. Over the last five years, Powershop has introduced a number of significant, innovative and customer-centric initiatives into the Victorian market, including the first mobile app that allows customers to monitor their usage, a peer-to-peer solar trading trial and a successful customer-led demand response program. Powershop has also been active in supporting community energy initiatives, including providing operational and market services for the community-owned Hepburn Wind Farm, supporting the Warburton hydro project, and funding a large range of community and social enterprise energy projects through our Your Community Energy program.

MEA Group supports the alignment of the licence conditions for new generators in South Australia with those that apply across the rest of the National Electricity Market (NEM) to the fullest extent possible. We believe this will reduce complexity for generators and market customers seeking to operate plant across multi-jurisdictional geographies. We also expect the alignment of ESCOSA's licensing arrangements with the Australian Energy Market Operator's (AEMO) NEM wide generator performance standards, to result in a consistent market framework with clear assessment outcomes for both AEMO and connecting parties.

MEA Group also supports the retention of the three license conditions below:

1. Disturbance ride-through Voltage phase angle shift;
2. System strength; and
3. System restoration.

However, we would encourage AEMO to undertake a review of the existing generator performance standards and determine whether a rule change request should be submitted to incorporate those requirements into AEMO's NEM wide generator performance standards.

Notwithstanding these license conditions pertain to issues which are currently relevant to South Australia, MEA Group believes the potential exists for some of these issues such as system strength to manifest in other regions of the NEM. Should a number of scenarios manifest over the medium to long term horizon, being prepared for these issues and having a framework to deal with them in a proactive and orderly manner will ensure we do not see a repeat of the issues experienced in South Australia since the closure of Northern Power Station in May 2016.

If you would like to discuss any aspect of this submission please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ed McManus'.

Ed McManus
Chief Executive Officer
Meridian Energy Australia
Powershop Australia Pty Ltd