

24 July 2009

Essential Services Commission of South Australia
Margaret Cross
Executive Director Regulatory Development and Implementation
Essential Services Commission of SA
GPO Box 2605
Adelaide SA 5001

By email: escosa@escosa.sa.gov.au

Dear Ms Cross

Re: Licence conditions for Wind Generators - Draft Decisions

The Clean Energy Council (CEC) is the peak body representing Australia's clean energy and energy efficiency industries.

Its priorities are to:

- create the optimal conditions in Australia to stimulate investment in the development and deployment of world's best clean energy technologies;
- develop effective legislation and regulation to reduce energy demand and improve its efficient use; and
- work to reduce costs and remove all other barriers to accessing clean energy.

The CEC works with members and the government to identify and address the barriers to efficient industry development.

The clean energy industry and its members contribute to the generation of electricity using wind, hydro, solar, biomass, geothermal and ocean energy as well as the emerging technologies and service providers in the energy efficiency sector including solar hot water and cogeneration.

The CEC welcomes the opportunity to provide comments on the Licence conditions for Wind Generators - Draft Decisions for wind generation connecting to the South Australian grid system.

In June this year, the South Australian Premier Mike Rann announced a new policy to take the amount of renewable energy generation in the state to 33 per cent by 2020. South Australia is rich in numerous renewable energy sources; in particular wind, solar and geothermal. Further expansion in wind energy generation will play a big part in meeting this target.

The CEC remains concerned with the existence of additional generation licence conditions that are applicable only to specific technologies or fuel sources (in this case wind). Particularly in areas such as fault ride through and the capability to provide reactive support, there seems no technical justification for singling out a single generation technology. Such discrimination seems to be contrary to both the intent of the NER and inconsistent with the Act empowering the ESCOSA.

The ESCOSA draft decision makes reference to a piece of work done by the consulting firm SKM and uses this report to justify some of its conclusions. Unfortunately, this report has not been made public making an objective discussion on its assumptions and findings impossible. The CEC requests the release of this report to enable a more comprehensive review of the draft decision to be made.

In considering the performance of the electricity system, it is important to consider the characteristics of all the elements that make up the system, and not just a single element (in this case wind generation). It is only by considering the combination of all of these, both in terms of predictability and performance, can the security as a whole be judged. In South Australia you have, highly variable demand, large inflexible coal fired generation, gas fired generation and variable wind generation. To suggest that imposing special requirements on one component of this mix manage the system in an economic fashion does not seem logical.

The proposed licence conditions will impose a deadweight loss onto South Australian consumers as the imposition of technical requirements beyond those actually needed at a particular location will incur additional unnecessary costs.

The CEC is however pleased to see that ESCOSA is proposing to remove or reduce a number of the current licence conditions and supports these changes; specifically those relating to:

- central dispatch;
- wind forecasting; and
- ancillary services.

The CEC is concerned that significant licence conditions still remain for fault ride through and reactive power capability.

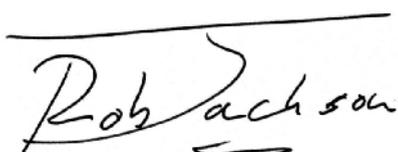
With respect to fault ride through the CEC is pleased to see the Statement of Clarification and looks forward to seeing the details of this reflected in the final decision.

With respect to reactive power does not see the need to require Automatic Standards for all installations regardless of the actual location of the generator. The CEC is further concerned that the requirements for control modes for reactive power go beyond the Automatic Standards set out in the NER.

A number of CEC members are drafting more detailed submissions highlighting a number of technical and engineering issues that they have with the drafting of these licence conditions and the CEC supports the thrust of those submissions.

We would be pleased to meet with you or your staff to discuss the issues raised in this letter. If you are seeking clarification or answers to any questions that arise, please do not hesitate to contact me (03) 9929 4105 or email rjackson@cleanenergycouncil.org.au

Yours sincerely

A handwritten signature in black ink that reads "Rob Jackson". The signature is written in a cursive style with a horizontal line above the name and a small flourish below the "son" part.

Rob Jackson
GM Policy