

From: [REDACTED]
To: [ESB Info](#)
Subject: Submission on NEG Draft Design Consultation Paper
Date: Thursday, 8 March 2018 5:54:53 PM

Energy Security Board
Dr Kerry Schott, Independent Chair

Dear Dr Schott,

Thankyou for the opportunity to participate in the consultation. I offer this submission as a professional engineer and in this case presenting my opinion on behalf of the broader community.

The basic premise of the NEG is that it will ensure a suitable mix of dispatchable and intermittent generation, that will in turn offer reliability. It is my opinion that it will not provide the reliability that is sought.

Lets consider the *system black* in South Australia and whether the NEG would have made any difference.

For the purpose of this exercise consider South Australia to be a single retailer under the NEG and test whether it would conform to the NEG objectives.

There was at the time of the system black sufficient dispatchable generation in South Australia to meet consumer and system need (reliability requirement)

and there was sufficient low emissions generation to (easily) meet Australia's international emissions reduction commitments (emissions requirement).

The system black occurred even though the NEG requirements have been met. It should be clear that reliability will not be guaranteed under the NEG. It is the role of AEMO to ensure system security and reliability and it was partly due to its failure that the system black occurred (for example a constraint on the interconnector, or different ride through settings on wind farms would likely have prevented the system black) and it has since changed its operational paradigms and settings of wind farms to prevent such an occurrence again. Indeed there are examples of greater loss of generation since the system black, and concurrent with high wind production, where the system has operated reliably. This has not been because of any change in the basic mix of dispatchable and variable generation capacity but in changes to the operating paradigms used by AEMO.

If we delve deeper into the unreliability of power in South Australia it is worth noting that load shedding that occurred in February 2017 could have been avoided had Pelican Point second generator been operating. The very next day it was operational due to AEMO commanding it to operate under powers it already has. It was not a technical issue that prevented it from operating but a market issue related to day ahead ordering of gas, making it financial risky for the plant to be bid into the market. This issue occurred even though the capacity was available.

The NEG may ensure the capacity continues to remain available, but clearly such availability is no guarantee that it will be bid into the market when its needed.

It is my view that the NEG is intrinsically flawed and no amount of consideration of details will correct the basic flawed premise that providing capacity will provide generation when

its needed.

This is such a foundational issue that I question whether any amount of rules and details can overcome such a deep insufficiency...

We need to be careful that we don't go so deeply into this that we can't see the forest for the trees.

Yours sincerely

Chris Baker

