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13th December 2012

Tyson Self
Manager Projects, Access
Economic Regulation Authority
Level 4, Albert Facey House
469 Wellington Street
Perth, WA 6000

email submission: publicsubmissions@erawa.com.au

Dear Mr Self

RE: Western Power application for exemption from certain requirements of the Technical Rules in relation to the connection of the Nilgen Wind Farm

Carpenter Beef owns land in the North Country region that is well suited to accommodate wind generation for export to the SWIN and for sale into the WEM, and is currently working on a wind farm development on its land.

The North Country region offers a strong wind resource and Carpenter Beef believes that barriers preventing renewable energy from being brought to market should be removed wherever possible. Carpenter Beef supports the general principle of constrained access, particularly as it applies to wind farms, as a more efficient method of enabling connection of new renewable generation.

Recent changes to the Wholesale Electricity Market Rules seeks to assign capacity credits to Intermittent Generators based on their historical contribution to supply capacity during system peak times. Therefore, a network-constrained reduction in the assignment of capacity credits to a wind farm, if this occurred, is only really of consequence to the wind farm project's economics and not particularly to the market, as the IMO has means to secure additional capacity credits from other sources if required. Carpenter Beef does not see any disadvantage in granting the exemption from the perspective of the market securing sufficient generation capacity and would support Western Power making more offers of connection to wind farms on a constrained basis.

Western Power does not quantify the time that the Nilgen Wind Farm is expected to run back other than to describe the potential as "extremely low". Based on Western Power's descriptions of the constraints in this region, as given in its application, it would seem that the requirement to run back the Nilgen Wind Farm is driven primarily by potential coincident dispatch of other generators in the same region preventing the delivery of energy from the wind farm to the major load centres in Perth. The vast majority of generation currently just north of Perth is open cycle gas turbine generators (around 870MW in capacity credit terms), and the impact to energy

production from the Nilgen Wind Farm will be linked to the frequency of dispatch of these generators. Although the WEM does not operate as a gross pool and dispatch is not necessarily in merit order, the fundamental economics of electricity generation would suggest that the percentage of time of coincident dispatch of wind farms and open cycle gas turbines would be low, and therefore that the impact on production of energy from the wind farm caused by a potential need to run back would also be low. This rationale should apply to the connection of much more wind generation in the region.

Carpenter Beef does not see any disadvantage in granting the exemption from the perspective of the market accommodating more renewable energy generation and would support Western Power making more offers of connection to wind farms on a constrained basis.

Yours sincerely,

Graham Croot
Director