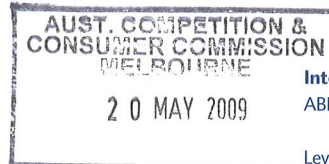




International Power



International Power (Australia) Pty Ltd
ABN 59 092 560 793

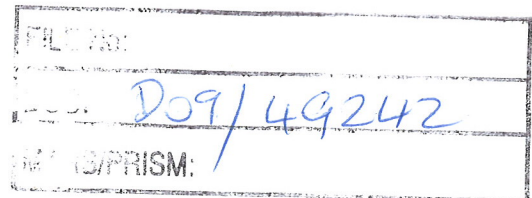
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Mr Tom Leuner
General Manager
AER Markets Branch
GPO Box 520
MELBOURNE
VIC 3001

12 May 2009

Dear Mr Leuner



Rebidding and Technical Parameters Guideline

I write in reference to the Australian Energy Regulator's (AER) consultation document dated 7 April 2009 with regard to draft Rebidding and Technical Parameter Guidelines.

International Power (IPRA) is aware of, and supports, a submission by the National Generators Forum in relation to these guidelines. In addition to supporting this submission, we wish to emphasise the following issues that have specific relevance to plant operated by IPRA.

Ramp Rates

The guidelines outline that in the event that a participant has registered a maximum ramp rate that is less than 3MW/min and has provided a written justification to NEMMCO, whilst the participant would not be required to submit a verifiable and specific reason every time there are variations to the maximum capability that are in accordance with earlier justifications provided to NEMMCO, it would nevertheless recommend a standard rebid reason such as "maximum ramp rate in accordance with clause 3.13.3" be submitted.

IPRA considers that having formally justified to NEMMCO the reasons for a unit not being able to meet the 3MW/min ramp rate provision there should be no further requirement to outline these reasons within the rebid where the ramp rates enclosed are reflective of these circumstances. To require this is both impractical and inefficient. For example the rebid reason submitted to NEMMCO is limited to 64 characters in length and at the time the rebid is made there is almost certainly likely to be a separate trigger event independent to that limiting the ramp rate.

Minimum safe operating level

In section 2.1.2, it is noted that it is appropriate for a generator to offer a zero ramp rate for downward variations, where a plant is in a condition where it is unsafe to reduce output.

In the case of some plant operated by IPRA, a condition may be reached where it is not permissible to reduce output because of a statutory obligation, specifically, in this example, in relation to emissions to the atmosphere (this obligation allows exceptions in the cases of units starting or stopping, but not otherwise).

We believe that the offer of a zero ramp rate for reductions is likewise appropriate in this circumstance.

However, we are uncertain as to whether the reference in section 2.1.2 of the guideline to a plant condition where it “can not safely follow a dispatch instruction to vary its output downward” adequately describes this case.

We propose that the AER modify the current drafting of the guideline to ensure that this case is specifically included.

We also suggest that it would be desirable, in the longer term, for the relevant Rule to be modified to remove any doubt about the legitimacy of participants using their market offers to ensure compliance with statutory requirements affecting their plant.

Should you require any more information please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Stephen Orr", written in a cursive style.

Stephen Orr

Commercial Director