



27 October 2005

Mr John Tamblyn
Chairman
Australian Energy Market Commission
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Australia Square NSW 1215

Emailed: submissions@aemc.gov.au

Draft National Electricity Amendment (Revision of Dispatch Pricing due to Manifestly Incorrect Inputs)

Hydro Tasmania thanks AEMC for the opportunity to comment on this draft rule determination.

Hydro Tasmania supports the proposed amendment in general, and seeks only a minor amendment to deal with circumstances that are particularly relevant to Tasmania.

In general, a disturbance to dispatch due to incorrect inputs may affect all market regions, either directly or indirectly. Therefore, it is appropriate to replace dispatch prices and market ancillary prices for all regions.

However, we believe that this justification does not extend to regions that are, at the time, not physically connected to the market regions impacted by the incorrect input.

Tasmania, prior the operation of Basslink, will in general not be impacted by incorrect inputs affecting other market regions. Nor will incorrect inputs affecting Tasmania have effects in other market regions. The same conditions will apply at times in future when Basslink is unavailable.

While the likelihood of physical separation between other market regions is lower than applies for the connection between Victorian and Tasmanian regions, the case of physical separation may apply at times elsewhere.

We therefore propose that if NEMMCO is satisfied that one or more regions, because of the absence of an electrical connection to regions that are impacted, have not been impacted by the relevant manifestly incorrect input, then the replacement of prices should not occur in relation to such regions.

If you have any queries please contact me on 6230 5775 or via email at david.bowker@hydro.com.au.

Yours sincerely

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