

17 November 2017

**Sent via email:** Daniel.Kurz@SSCPower.com.au

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Dear Daniel

### **2017 Margin Peak and Margin Off-Peak Review Assumptions**

Thank you for providing NewGen Power Kwinana Partnership's (**NewGen**) submission to the 2017 Margin Peak and Margin Off-Peak Review Assumptions (**Review Assumptions**).

NewGen's submission raises the following points:

- NewGen does not believe the Review Assumptions correctly reflect the capability of the NewGen Kwinana CCGT facility to provide primary frequency response.
- The technical rule exemption referred to in the Review Assumptions granted on 20 January 2014 expired on 30 June 2014 and NewGen Kwinana CCGT has been providing primary frequency response and Load Following Ancillary Service (LFAS) raise since.

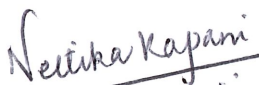
AEMO met with NewGen on 8 November 2017 to discuss its interest in providing Spinning Reserve Ancillary Service. This meeting clarified some technical aspects of the NewGen Kwinana CCGT facility. AEMO has reviewed the comments in relation to NewGen Kwinana CCGT's primary frequency response and updated the Review Assumptions report accordingly.

AEMO has reviewed the suitability of the Review Assumptions in relation to Spinning Reserve provided by LFAS enablement. In order to ensure consistency, AEMO proposes to only reduce the Spinning Reserve requirement by the amount of LFAS that is being provided by Synergy Facilities, with the exception of Cockburn CCGT, and non-Synergy facilities that currently have a Spinning Reserve contract.

As NewGen Kwinana CCGT does not currently have a Spinning Reserve contract, LFAS enablement of this facility will not be modelled as providing Spinning Reserve as part of the Review Assumptions.

If you wish to discuss further, please do not hesitate to contact Kang Chew on 9469 9929.

Yours sincerely



Neetika Kapani  
**A/Group Manager, WA Markets**