



Kevin Small
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Dear Darryl

Development of Automatic Under Frequency Load Shedding

I refer to Electricity Commission's letter dated 24 July 2009 and subsequent discussions between the System Operator and the Electricity Commission ("Commission") regarding the need to undertake a substantive review of automatic under frequency load shedding ("AUFLS") arrangements. We are pleased to note that the Commission supports the System Operator's observations that the arrangements for AUFLS need to be reviewed.

Accordingly, the issue to be determined is the appropriate way/mechanism for this review to be undertaken. The Commission's letter indicates that the development required for AUFLS be addressed in conjunction with the evaluation of credible events defined in the policy statement's security policy. We disagree that this is the appropriate place to undertake the substantive review for the following reasons:

- The policy statement sets out the policies and means that are considered appropriate for the System Operator to observe in complying with the PPOs. In setting these policies the System Operator necessarily relies upon the technical obligations on asset owners that are set out in Part C and the technical codes. In relation to AUFLS, the policy statement (and therefore the credible events policy) relies on the obligations imposed on distributors/grid owner to provide 2 x 16% load shedding blocks. The review of credible event policy is unable to change these obligations or create additional obligations on distributors/grid owner.
- The credible event review is nearing completion and the System Operator is planning to consult with industry on its findings within the next six weeks. To undertake a substantive review of AUFLS as part of the credible event review would mean a significant delay to this project.

We do however believe that a review of the AUFLS arrangements is a natural progression from credible event review and indeed the skills of the personnel currently undertaking the credible event review are the same resources that would be utilised in a review of AUFLS arrangements. Accordingly, the System Operator is intending to undertake this review following completion and would ideally like to do this as a joint Commission System Operator project with agreed scope and funding.



We are currently working on a draft outline of a project scope (which will contain further detail than the scope set out in our letter of 29 June 2009) and this is expected to be completed by the end of August. We therefore suggest that the System Operator and the Commission meet in the first week of September to discuss the review's scope and how best to proceed.

Yours sincerely

Kevin Small
Investigations and Planning Manager