

ESCOSA calls for measured approach to wind licensing

In a draft decision paper setting out its conclusions on wind generation licence conditions, the Essential Services Commission of South Australia says a measured and cautious approach to licensing wind generators remains warranted. The paper discusses the conditions the Commission believes will ensure South Australia can continue to reap the benefits of increased wind generation capacity while at the same time ensuring that electricity system reliability issues are appropriately addressed. The Commission says that national developments to better incorporate wind generation into the NEM, together with the scale of further wind generation currently considering connecting in South Australia and the high level of wind generation already operating, under construction or committed, have led it to reassess whether its licensing approach developed in 2005 remains appropriate or requires modification. "Having assessed the national changes, considered submissions from interested stakeholders and further advice... the Commission has concluded that while some conditions can be removed for plant which is classified in the new category of "semi-scheduled", it is appropriate to retain the technical standards licence conditions for reactive power and fault ride through," says the report. "The Commission has reached this conclusion taking into account its primary objective, which is to protect the long term interests of South Australian consumers with respect to the price, quality and reliability of essential services." The Commission remains concerned about the long-term safety and reliability of the electricity system in South Australia with 867 MW of wind generation licensed and either operating, under construction or considered committed and a further 193 MW of wind generation currently at the licence application stage. The Commission says that if this plant is constructed as planned, South Australia will have over 1,000 MW wind generation by the end of 2010 and could have 2,400-2,700MW of wind generation by the end of 2020. "Given that South Australia has the highest installed capacity of wind generation in Australia, the highest contribution by wind energy to state electricity demand in Australia and in world terms, only Denmark has a higher relative contribution from wind generation to customer sales, the Commission considers a measured and cautious approach to licensing wind generators remains warranted," the Commission concludes in its report.

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