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Mr Chris Pattas
General Manager, Networks
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

Dear Mr Pattas,

I am writing to you on behalf of the Government of South Australia to support the AER decision to grant SA Power Networks a waiver of its obligations under clause 5.2 of the Electricity ring-fencing guideline 2016 (the Guideline).

On 14 March 2017, the Government of South Australia announced its \$550 million energy plan. As part of this plan, the State Government will build its own gas-fired electricity generator to provide up to 250 megawatts of generation, which can be switched on in times of emergency.

In the intervening period, SA Power Networks has been asked to provide up to 200 megawatts of temporary generation as backup to avoid load shedding in South Australia. SA Power Networks has submitted that the waiver is required in order to deliver this project by the proposed operational date without breaching the Guideline.

We support the AER view that granting the waiver is likely to advance the National Electricity Objective by providing greater reliability and security of electricity supply for South Australian electricity customers, until the permanent generation becomes operational.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dr Don Russell'.

Dr Don Russell
Chief Executive

08 / 06 / 2017