

Request for standard rule

April 2024

Improving the NEM access standards





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Introduction

This rule request is Attachment B to AEMO's *Overview of rule change proposals to improve NEM access standards (the Overview)*.

AEMO requests the Australian Energy Market Commission (AEMC) to consider making a rule under its standard consultation process in the National Electricity Law (NEL) to improve the National Electricity Rules (NER or rules) access standards for the connection of plant to the National Electricity Market (NEM).

In December 2023 AEMO published the final report on its review of the technical requirements for connection under NER schedules 5.2, 5.3 and 5.3a (the Review).¹ To give effect to the recommendations from this Review AEMO is submitting rule change proposals under two rule requests: a request for a fast track rule and this request for consideration under the AEMC's standard rule change process.

Based on AEMO's public consultation during the Review, most of the rule changes recommended in the Review are proposed as part of the fast track request. This standard request covers issues, solutions or related matters that may not have been fully canvassed in the Review and are likely to benefit from an additional stage of consultation by the AEMC.

The rule change proposals covered by both requests are best understood as a package. They share the same objectives and address similar issues. Taken together, they deliver on AEMO's final recommendations from the Review. However, a number of the proposed standard rule changes rely on, and build on, changes put forward under the fast track request.

The rule change proposals include suggested rule drafting, marked up in Attachment C to the Overview (with further explanation provided in drafting notes). The proposed standard rule changes are marked up in blue.

¹ AEMO, [Final Report – AEMO review of technical requirements for connection - National Electricity Rules Schedules 5.2, 5.3 and 5.3a](#), December 2023.



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1 Supporting information

This section sets out the prescribed information for a rule request, or indicates where AEMO has provided that information.

1.1 Rule change proponent

The rule change proponent is Australian Energy Market Operator Limited:

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1.2 Explanation and justification

The Overview provides the top-down explanation and justification for the rule change proposals covered by this request, by reference to the objectives of the Review and the issues covered by it. Due to the number of changes proposed, it is not practical for the Overview to provide an explanation of each individual drafting change proposed to the NER.

The individual proposed amendments are therefore also presented in the context of marked up rule drafting. The marked up rules in Attachment C to the Overview include each of the proposed rule changes, together with further explanation and justification for the specific amendments as appropriate.

Together the Overview and marked up rule extracts (Attachment C) set out:

- The nature and scope of the issues that the rule change seeks to address.
- How the rule change proposals address the issues.
- How the amendment contributes to the achievement of the national electricity objective.
- The expected costs and benefits of the amendments.
- The precise NER amendments that AEMO is proposing.

1.3 Summary of consultation

Section 2.3 of the Overview describes the consultation undertaken in the Review on the issues and solutions covered by the rule change proposals.

2 Proposed amendments

The rule change proposals identified in the Overview for the standard request, and marked in blue in Attachment C, are relatively limited in comparison with those in the fast track request. They are summarised below. Items 1 to 3 were included in the Review final report, but AEMO considers they would benefit from additional consultation. Items 4 and 5 were identified by AEMO in the course of developing the rule change proposals as additional changes that would support the Review objectives or promote consistency.

1. Clarify what constitutes a credible contingency event for disturbance ride-through capability requirements (clause S5.2.5.5).
2. Apply additional light-handed requirements in the schedule 5.3 access standards to manage the risks created by prospective large load connections (with a particular focus on the risks created by large inverter-based loads). These are:
 - At the Network Service Provider's discretion, requiring applicants to provide information about the capability of connecting plant to ride-through frequency or voltage disturbances, and for this to be recorded in a connection agreement.
 - Requiring protection systems and settings to be designed for continued operation under more conditions in accordance with the system standards, where reasonable to do so.
 - Permitting interruptible load to be provided by way of fast ramp-down in addition to disconnection, with the performance standards to record the load shedding capability (with consequential changes in NER 4.3.5 and associated definitions of 'interruptible load' and 'load shedding').
 - Limiting the application of the short circuit ratio standard to loads that are large inverter based resources, and allowing the Network Service Provider and AEMO to agree a reasonable higher value than 3.0, having regard to expected fault levels at the connection point.
 - Adding a new stability monitoring and protection standard for inverter based load components, if the Network Service Provider or AEMO considers they could reasonably contribute to instability (with consequential amendment to the definition of an 'AEMO advisory matter').
3. Allow AEMO to extend the timeframe for future access standard reviews under NER 5.2.6A if considered necessary due to complexity or a material change in circumstances, on publication of a notice with reasons.
4. Modify NER S5.3a.7 to allow high-voltage direct current links to procure system strength under a third party arrangement if they are otherwise unable to operate stably and remain connected at a short circuit ratio of 3.0 or lower.
5. Extending some testing and commissioning provisions to apply to non-registered participants whose plant may have a material impact on other power system equipment, and are therefore 'Schedule 5 Participants'. These provisions include:
 - NER 5.7.2 - mutual rights and obligations in relation to testing of plant to demonstrate compliance with connection agreement requirements.

- NER 5.7.3 – to allow AEMO to request testing in relation to performance standards that are AEMO advisory matters, and respond to a demonstrated non-compliance.
- NER 5.8.2, 5.8.4 and 5.8.5 – commissioning tests (applied by a new clause 5.8.1A).