

10 February 2023

Mr Daniel Westerman  
Chief Executive Officer  
Australian Energy Market Operator  
Via email: [ssiag@aemo.com.au](mailto:ssiag@aemo.com.au)

Dear Mr Westerman

## **RE Draft System Strength Impact Assessment Guidelines**

TasNetworks welcomes the opportunity to respond to the Australian Energy Market Operator's (**AEMO's**) draft System Strength Impact Assessment Guidelines (**Guidelines**).

TasNetworks is the Transmission Network Service Provider (**TNSP**), Distribution Network Service Provider, Jurisdictional Planner and System Strength Service Provider (**SSSP**) in Tasmania. Our focus in all of these roles is to deliver safe and reliable electricity network services to Tasmanian and National Electricity Market (**NEM**) customers at the lowest sustainable prices.

As Tasmania's SSSP, TasNetworks is required to apply the Guidelines when conducting system strength impact assessments and calculating system strength locational factors (**SSLF**).

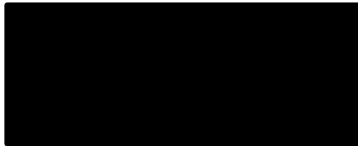
TasNetworks is conscious that the Guidelines appear to be inconsistent with the final rule on the *efficient management of system strength on the power system* (**Final Rule**). In particular, AEMO have departed from the formulation of system strength quantity (**SSQ**) as adopted by the Australian Energy Market Commission (**AEMC**) in the Final Rule. There is also variation between the AEMC's final determination and AEMO's draft Guidelines with respect to SSLFs and available fault level (**AFL**). Although, these amendments are necessary to practically implement the new system strength framework, TasNetworks is concerned about the discrepancy between the draft Guidelines and the Final Rule.

The effect of this inconsistency can flow through to work already underway. For example, TasNetworks' approved pricing methodology defines the SSQ as the product of the short circuit ratio (**SCR**) and the rated active power. However, the final rule and the draft Guidelines adopt different definitions of SCR. Given the SCR is a component of both the AFL and SSQ, the system strength charge and cost of self-remediation can vary depending on the definition that is applied. Given the national electricity rules take precedent over the

Guidelines, TasNetworks seeks clarification that SSSPs are permitted to apply the definitions adopted in the draft Guidelines and are not bound by the Final Rule. TasNetworks recommends AEMO work with the AEMC to address the inconsistencies.

For more information or to discuss this submission, please contact Matthew Clarke, Senior Economic Policy Analyst at [matthew.clarke@tasnetworks.com.au](mailto:matthew.clarke@tasnetworks.com.au).

Yours sincerely



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Head of Regulation