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18 August 2022

Ms Merryn York
Executive General Manager System Design
Australian Energy Market Operator
GPO Box 2008
MELBOURNE VIC 3001

Via email: planning@aemo.com.au

Dear Merryn

SUBMISSION ON DRAFT SYSTEM STRENGTH REQUIREMENTS METHODOLOGY

Powerlink Queensland (Powerlink) welcomes the opportunity to provide input on the Australian Energy Market Operator's (AEMO's) Draft System Strength Requirements Methodology (SSRM) and proposed consequential changes to the Power System Stability Guidelines. Our submission reflects Powerlink's commitment to work collaboratively with AEMO and continue to provide safe, secure, reliable and cost-effective transmission services to our five million Queensland customers.

As highlighted in our response to the Issues Paper, we recommend that fault level requirements associated with the stable operation of Distributed Energy Resources (DER) be included as a potential material change that could affect the required minimum three-phase fault level in Step 1 of the minimum fault level methodology (Section 4.1). Our experience in the North Queensland region suggests that increases in DER uptake reduce the hosting capacity of large-scale Inverter Based Resources (IBR), such that additional system strength services are required to refill the IBR hosting capacity to its nominated level. We consider the minimum fault level needs to account for DER penetration to ensure existing network users can comply with their performance standards.

Powerlink supports AEMO's consideration of critical outages when planning for system strength. Powerlink considers any additional procurement of system strength services to account for critical outages should only be made if:

- constraints on IBR plant due to system strength limitations pose a risk to power system security or jurisdictional reliability obligations; and/or
- it provides net market benefits from the procurement of additional system strength services.

We request these additional considerations are reflected in Step 5 of the methodology (Section 4.5).

Powerlink appreciates AEMO's willingness to discuss the matters raised in our submission on the Issues Paper and the opportunity for the bilateral discussion on 12 August 2022.

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If you, or your team, have any questions in relation to this submission or require further clarification, please contact Sachin Goyal.

Yours sincerely,



Stewart Bell
EXECUTIVE GENERAL MANAGER, NETWORK AND BUSINESS DEVELOPMENT

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