

1 June 2022

Australian Energy Market Operator
Lodged via email: planning@aemo.com.au

Dear Sir/Madam,

Re: Amendments to System Strength Requirements Methodology, System Strength Impact Assessment Guidelines and Power System Stability Guidelines

I refer to the notice of consultation as issued by AEMO dated 26 April 2022, in which invitations to contribute to AEMO's consultation on amendments to the System Strength Requirements Methodology and System Strength Impact Assessment Guidelines was extended to all Registered Participants and interested parties, which includes ESCO Pacific.

ESCO Pacific Holdings Pty Ltd (ESCO) is a leading developer of utility scale solar power plants in Australia with advanced capabilities in system integration, network studies, construction management and asset management for renewable energy projects including BESS and synchronous condensers.

ESCO Pacific is broadly supportive of the transparent and forward-looking approach AEMO has presented for modelling of the future network's system strength needs. ESCO Pacific provides below its responses to the consultation questions.

Question 23: Is including only committed and anticipated network augmentation projects suitable for forecasting system strength requirements?

For the purpose of forecasting system strength requirements, network augmentation projects should include committed projects that have been identified by NSPs in their Annual Planning Reports, or proposed augmentations in the Regulatory Investment Test for Transmission (RIT T) process. These include network augmentations that are reasonably expected to be completed within the system strength forecasting period or forecasted to be operational within the specified period. The inclusion of such projects provides a realistic overview of the system strength profile of the network, avoiding risks associated with unwarranted costs to generators caused by underestimating likely future network augmentations and driving up investment and operational costs.

Question 33: What criteria should be applied to determine whether a project is classified as a committed project for Full Assessment purposes? Why?

ESCO Pacific broadly support AEMO's initiative to review the criteria for determining committed projects for Full Assessment purposes, noting the inefficiencies and inconsistencies in the criteria NSPs currently use to determine projects that should be included in any FIA, resulting in unnecessary costs, iterations and delays.

As such, ESCO Pacific proposes that projects in the final stages of access standards acceptance should be considered committed for system strength impact assessment purposes. These are projects of which performance standards have been materially agreed but without an issued

connection offer. The classification of such projects as committed for system strength impact assessment purposes should be limited to a defined time window, for example, within a time period of 6 weeks such that if a connection offer is not issued within the specified time period, the project would revert to an uncommitted status.

Furthermore, in instances where a committed project makes material changes to its agreed performance access standards and undergoes a 5.3.9 process such that the model becomes materially inconsistent with the agreed performance standards, the status of the project would be reverted to uncommitted if the project is unable to complete the 5.3.9 process within a defined period of time for example within a period of 12 weeks.

Question 34: How and when is it appropriate to include future network augmentations (new transmission upgrades, configuration changes, considered projects, system strength remediation upgrades etc.) into the Full Assessment? Why?

Future network augmentations as identified in sources such as jurisdictional REZ planning frameworks, the Integrated System Plan (ISP), Electricity Statement of Opportunities (ESOO) and NSPs Annual Planning Reports should be included in the Full Assessment. The inclusions of such future network augmentations adopt a realistic, transparent and forward-looking approach to the modelling of the future network. It avoids high investment and operational costs to connecting generators and prevents underestimation of likely future network augmentations.

Should you require any clarification or further information, please contact us.

Kind Regards,

Steven Rademaker,
Managing Director

