



This is a project update on the Victorian System Strength Requirement Regulatory Investment Test for Transmission (RIT-T) process. It provides an overview of the project, an update on the regulatory process, and consultation opportunities.

Background

The National Electricity Market (NEM) is changing rapidly. The integration of renewable generation continues to shift the geographical and technical characteristics of supply, while an ageing fleet of coal-fired generators progressively withdraws from the market over the coming decades. This has resulted in challenges managing system strength in the network.

In response to these challenges, the Australian Energy Market Commission (AEMC) in October 2021 made its final rule determination on Efficient Management of System Strength on the Power System¹. This new framework is intended to ensure power system security and enable a more rapid connection of inverter-based resources such as solar and wind.

Under this framework, which comes into effect on 2 December 2025, AEMO Victorian Planning (AVP), as the System Strength Service Provider for Victoria, is responsible for the proactive provision of services that address system strength requirements.

The *Victorian System Strength Requirement RIT-T Project Specification Consultation Report* (PSCR) was

published in July 2023. The PSCR details the identified need, potential network and non-network credible options to address the identified needs and discusses specific categories of market benefits in the long-term interest of consumers.

Project Assessment Draft Report timeline extension

The *Project Assessment Draft Report* (PADR) was to be due by 6 October 2024. This publication date has been deferred to allow AVP to further refine PADR inputs and ensure that the RIT-T modelling considers updates from recent and upcoming publications:

- 2024 *Integrated System Plan*²,
- 2024 NEM *Electricity Statement of Opportunities*³,
- 2024 *System Strength Report* scheduled for release⁴ in December 2024.

The Australian Energy Regulator has granted AVP's request to extend the PADR publication date from 6 October 2024 to 30 April 2025 to accommodate these developments. The extended timeframe will allow AVP to consider updated information.

Next steps

AVP values stakeholder feedback and advice on this RIT-T. The next formal consultation period will take place following the PADR publication.

For enquires on this update or to discuss the Victorian System Strength RIT-T, please contact AVP by email at SystemStrengthVIC@aemo.com.au.

¹ AEMC, Efficient management of system strength on the power system, at <https://www.aemc.gov.au/rule-changes/efficient-management-system-strength-power-system>.

² At <https://aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2024-integrated-system-plan-isp>.

³ At <https://aemo.com.au/en/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-reliability/nem-electricity-statement-of-opportunities-esoo>.

⁴ Including considering AEMC's improving security frameworks for the energy transition, at <https://www.aemc.gov.au/rule-changes/improving-security-frameworks-energy-transition>.