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LIGHT THE WAY

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**Amendments to the System Strength Impact Assessment  
Guidelines: Draft Report and Determination - January 2023**

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EnergyAustralia is one of Australia's largest energy companies with around 2.4 million electricity and gas accounts across eastern Australia. We also own, operate and contract a diversified energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets, with control of over 4,500MW of generation capacity.

EA welcomes the opportunity to provide comments on the Draft Report which seeks to amend the System Strength Impact Assessment Guidelines in line with the Efficient Management of System Strength on the Power System Rule (the Rule), which was finalised in 2021. We are broadly supportive of the proposed changes seeking to develop workable methodologies for the assessment of system strength impact and associated metrics under the incoming System Strength Framework.

Specifically, EA supports AEMOs revised methodology for assessing the short circuit ratio (SCR) of connecting projects as  $SCR_{withstand}$  and agrees with their position that the metric derived by the Rule to calculate System Strength Quantity (which is a product of SCR and rated active power of a project's connection) could result in excessive and impractical System Strength Charges (SSC), particularly for inverter-based resources in stronger areas of the network. The lack of visibility across the development of SSCs (including indicative and final values) will impact the investability of projects because the calculation of this charge will have a large bearing on financial investment decisions. Improving forecasting of the SSC by revising input methodologies to reflect actual metrics at the point of connection, including SCR would be beneficial to project operators and likely AEMO's own connection engineers.

In addition, we understand that there may be an ability for project operators to negotiate SSQ and potentially reduce the actual SSC applicable (taking into account real time ALF values) with the transmission network service provider (in consultation with AEMO) through the connection's framework. EA fully supports this pragmatic approach and further reforms that may be necessary to improve the new connections experience, including approaches that recognise and address the lack of clear pricing and signals for System Strength at present.

EnergyAustralia is also mindful that some interpretations of the SSIAG and the Rule suggest there will be very significant charges applicable to IBR in the near term, even though only a handful of system strength gaps have been identified out to December 2025 and the observation that at most nodes there is currently an abundance of system strength above the minimum requirements. We believe this points to a potential disconnect in how system strength is valued and how and when charges are set. We encourage AEMO to consider how to best address this concern.

If you would like to discuss this submission, please contact me on 0422 399 181 or Dan.Mascarenhas@ energyaustralia.com.au.

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