

Connections Reform Initiative Webinar



NER 5.3.4A Fact Sheet Access Standard Negotiation Principles

Industry Webinar
31 August 2026

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We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.

'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan

AEMO Group is proud to have delivered its first Reconciliation Action Plan in May 2024. 'Journey of unity: AEMO's Reconciliation Path' was created by Wiradjuri artist Lani Balzan to visually narrate our ongoing journey towards reconciliation - a collaborative endeavour that honours First Nations cultures, fosters mutual understanding, and paves the way for a brighter, more inclusive future.

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RAP



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Agenda

NER 5.3.4A
Background

1

Fact Sheet
Development

2

Negotiation
Principles

3

Common
Questions

4

Audience
Q&A

5

Today's Presenters



James Tyrrell
Team Lead
Connections Reform



Vinodini Dissanayake
Principal Engineer
Technical Solutions

Introduction

James Tyrrell

Team Lead Connections Reform

What is NER 5.3.4A?

The clause in the Rules that sets the conditions and requirements for Connection Applicants to **propose negotiated access standards (NAS)** and the process for NSPs and AEMO to accept or reject them.

This could be for an:

- Initial application to connect, or
- Alteration to a plant where performance standards have previously been accepted.

Purpose of NER 5.3.4A



Provides a framework to negotiate access standards that do not meet the automatic access standard.



Allows access standards to be set appropriately considering project specific factors.



Ensures system security and quality of supply are not adversely impacted.

Background

Growing volumes in the connection pipeline requires an access standard negotiation process that supports applications to be approved more efficiently.

Industry feedback highlighted the following key challenges with the current process:



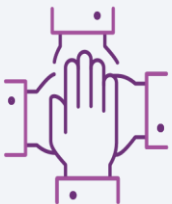
Process inefficiencies impacting project delivery



Poor quality of evidence and reasoning



Lack of consistency and clarity

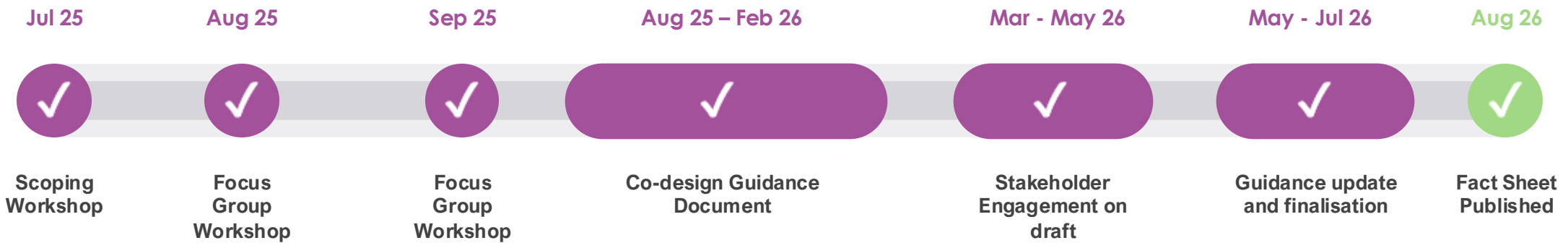


This workstream was established under the **Connections Reform Initiative (CRI)** to co-design a resource to:

- address industry concerns regarding the requirement for a proposed standard to be as close as practicable to the automatic access standard (AAS)
- provide clarity and improve the efficiency of the NER 5.3.4A process.

Developing the guidance

A collaborative approach was taken to improve the efficiency of the NER 5.3.4A process and provide clarity and transparency.



Thank you to our Focus Group members:



NER 5.3.4A Fact Sheet

Guidance Objectives

01

Principles

Establish a set of principles to support more efficient, evidence-based and collaborative negotiations between Connection Applicants, NSPs and AEMO.

02

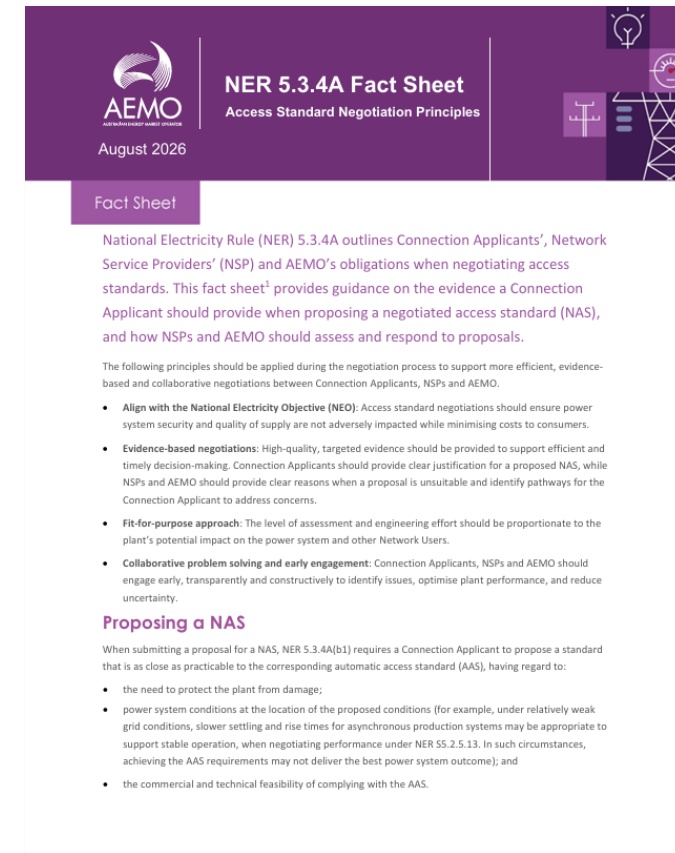
Evidence

Clarify the evidence required to support NAS proposals and demonstrate they are as close as practicable to the automatic access standard (AAS).

03

Assessment and reasoning

Outline the assessment approach and information the NSP/AEMO should provide when a proposed NAS is unsuitable.



The thumbnail image shows the cover of the 'NER 5.3.4A Fact Sheet: Access Standard Negotiation Principles' dated August 2026. It features the AEMO logo and a grid of icons representing various aspects of the document. The main content area of the thumbnail is a white box with a purple header and footer. The header contains the AEMO logo, the title 'NER 5.3.4A Fact Sheet', the subtitle 'Access Standard Negotiation Principles', and the date 'August 2026'. The main content area is titled 'Fact Sheet' and contains an introduction, a list of principles, and a section on 'Proposing a NAS'.

NER 5.3.4A Fact Sheet
Access Standard Negotiation Principles
August 2026

Fact Sheet

National Electricity Rule (NER) 5.3.4A outlines Connection Applicants', Network Service Providers' (NSP) and AEMO's obligations when negotiating access standards. This fact sheet¹ provides guidance on the evidence a Connection Applicant should provide when proposing a negotiated access standard (NAS), and how NSPs and AEMO should assess and respond to proposals.

The following principles should be applied during the negotiation process to support more efficient, evidence-based and collaborative negotiations between Connection Applicants, NSPs and AEMO.

- **Align with the National Electricity Objective (NEO):** Access standard negotiations should ensure power system security and quality of supply are not adversely impacted while minimising costs to consumers.
- **Evidence-based negotiations:** High-quality, targeted evidence should be provided to support efficient and timely decision-making. Connection Applicants should provide clear justification for a proposed NAS, while NSPs and AEMO should provide clear reasons when a proposal is unsuitable and identify pathways for the Connection Applicant to address concerns.
- **Fit-for-purpose approach:** The level of assessment and engineering effort should be proportionate to the plant's potential impact on the power system and other Network Users.
- **Collaborative problem solving and early engagement:** Connection Applicants, NSPs and AEMO should engage early, transparently and constructively to identify issues, optimise plant performance, and reduce uncertainty.

Proposing a NAS

When submitting a proposal for a NAS, NER 5.3.4A(b1) requires a Connection Applicant to propose a standard that is as close as practicable to the corresponding automatic access standard (AAS), having regard to:

- the need to protect the plant from damage;
- power system conditions at the location of the proposed conditions (for example, under relatively weak grid conditions, slower settling and rise times for asynchronous production systems may be appropriate to support stable operation, when negotiating performance under NER S5.2.5.13. In such circumstances, achieving the AAS requirements may not deliver the best power system outcome); and
- the commercial and technical feasibility of complying with the AAS.



Fact Sheet and Common Questions

Vinodini Dissanayake

Principal Engineer, Technical Solutions

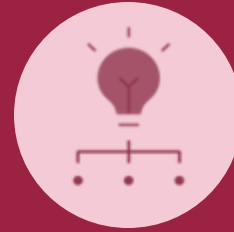
Principles for negotiating access standards



**Align with the
National
Electricity
Objective (NEO)**



**Evidence-based
negotiations**



**Fit-for-purpose
approach**



**Collaborative
problem solving
and early
engagement**

How can early engagement help the negotiation process?

Engaging with NSPs and AEMO



Early engagement through pre-application support services or NER 5.3.9 scoping for alterations can:

-  Identify key issues
-  Reduce uncertainty and investor risk
-  Supports a more efficient negotiation and connection process

Engaging with OEMs



Early engagement can expedite the negotiation process by enabling a better understanding of:

-  Tuning options
-  Equipment limitations
-  Performance impact and trade-offs associated with different plant parameters

How should the requirement to be as close as practicable to AAS be considered?



NER 5.3.4A (b1) requires a NAS proposal to be as close as practicable to the AAS.

This is an obligation on the Connection Applicant and must be supported by **reasons and evidence** for why the Connection Applicant considers the proposal is appropriate.

(b1) When submitting a proposal for a *negotiated access standard* under [clauses 5.3.4\(e\)](#), [5.3A.9\(f\)](#), [5.3.9\(b\)\(3\)](#) or subparagraph (h)(3), and where there is a corresponding *automatic access standard* for the relevant technical requirement, a *Connection Applicant* must propose a standard that is as close as practicable to the corresponding *automatic access standard*, having regard to:

- (1) the need to protect the *plant* from damage;
- (2) *power system* conditions at the location of the proposed *connection*; and
- (3) the commercial and technical feasibility of complying with the *automatic access standard* with respect to the relevant technical requirement.

The obligation on NSPs and AEMO is to:

- assess the proposed NAS, using the evidence provided,
- ensure that a NAS is set at a level that will not adversely affect

✓ *achievement of the system standards* ✓ *power system security* ✓ *quality of supply for other network users*

How do AEMO and NSPs consider commercial feasibility?

AEMO and the NSP undertake a holistic assessment when considering evidence:



Factors considered:



Delivery risk



Engineering complexity



Timing implications



Cost (CAPEX/OPEX)

Will AEMO and NSPs consider proposals for headroom?

AEMO and the NSP will consider reasonable proposals for headroom to accommodate minor design changes that may occur during detailed design of the Plant. A proposal for headroom should:

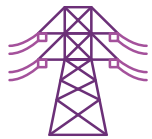


For example, headroom may be included to account for:

- small manufacturing differences and refinements that may occur during detailed design
- limitations in model accuracy when assessing performance

What is the appropriate time horizon for considering power system requirements?

When AEMO and NSPs assess a proposed NAS their assessment will consider:



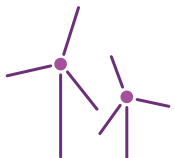
1 Existing power system conditions



2 Considered projects



3 Projects with an existing connection agreement



4 Projects that are reasonably expected to connect

- Focused on a near-term time horizon consistent with operational planning practices
- For example, projects that have received their 5.3.4A letter and are expected to connect in the next 2 years

Next steps

This presentation has been a high-level summary of the **NER 5.3.4A Fact Sheet and process.**



AEMO encourages you to review the NER 5.3.4A Fact Sheet in more detail.



An email will be sent following this webinar with a link to the Fact Sheet, presentation and webinar recording.



If you have any further questions, or would like to engage with AEMO, please reach out at contact.connections@aemo.com.au

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