

19 August 2022

Ms Samantha Christie
Manager Network Planning
Australian Energy Market Operator (AEMO)

Via email (planning@aemo.com.au)

Dear Ms Christie

Response to Draft Report on amendments to AEMO's System Strength Instruments

AusNet welcomes the opportunity to make this submission in response to the AEMO's Draft Report on amendments to its system strength instruments to implement the Australian Energy Market Commission's (AEMC's) 2021 *Efficient management of system strength on the power system* final rule.

AusNet is the largest diversified energy network business in Victoria and owns and operates over \$11 billion of regulated and contracted assets. It owns and operates three core regulated networks: electricity distribution, gas distribution and the state-wide electricity transmission network, as well as a significant portfolio of contracted energy infrastructure. It also owns and operates energy and technical services businesses (which trade under the name "Mondo").

Our submission comments on Section 4.5 of the Draft System Strength Requirements Methodology (SSRM), which requires AEMO to take critical planned outages into account as part of its minimum fault levels requirement assessment process.

AusNet is supportive of the critical planned outages criteria proposed in its SSRM and thanks AEMO for incorporating our feedback. We also support the requirement for AEMO to publish a list of critical planned outages, which System Strength Service Providers (SSSPs) are expected to incorporate into their planning decisions to ensure fault level is maintained at each impacted system strength node (SSN).

AusNet suggests that there are strong benefits to Victorian consumers from the Victorian SSSP (AEMO) consulting with the Principal Declared Transmission System Operator (AusNet) when incorporating the impact of critical planned outages into their planning decisions (e.g. the provision of system strength services). This recognises that:

- **As Victoria's principal transmission asset owner, AusNet offers the unique insights that would typically contribute towards the SSSP's planning decisions in other jurisdictions.**

Under Victoria's unique transmission arrangements, AusNet undertakes planned outages required to conduct essential capital replacement, maintenance, connections, and augmentation works rather than the SSSP (AEMO). This asset management role brings with it practical knowledge about the Victorian transmission network – including details of the current condition of all network assets, planned outage schedule and any associated risks.

TNSPs in other jurisdictions would typically incorporate this information into their planning decisions. This ensures critical planned outages are being planned for in a way that best reduces the risk of asset failure and unplanned outages. AEMO consulting with AusNet would ensure critical planned outages are being planned for with equivalent confidence in Victoria.

- **The energy transition is making the operation and maintenance of the transmission network increasingly complex, and is expected to expand the need for planned outages.**

Renewable energy projects are changing Victoria's existing network characteristics, increasing the complexity of operating the network and undertaking planned outages. At the same time, we are seeing an influx in new transmission augmentations and connections required to facilitate renewable projects which increase the need for planned outages.

SSSPs that explore these challenges and how they are playing out within their region are more likely to deliver solutions that are efficient and timely. This reinforces the need for AEMO to consult with AusNet as it considers how to incorporate planned outages into its planned decisions.

This could be implemented by adding a sentence to Section 4.5 of the SSRM to the effect of:

"AEMO, in its capacity as the Victorian SSSP, is required to consult with AusNet when considering what services or other mechanisms are required to ensure minimum fault levels can be maintained at each impacted Victorian system strength node for the duration of each relevant outage."

If you have any questions regarding this submission, please contact Jason Jina, Energy Policy Lead by email at jason.jina@ausnetservices.com.au.

Sincerely,



Rod Jones
General Manager Network Strategy & Planning
AusNet