

Expedited 2025 Power System Stability Guidelines Consultation

Dear Mr Blake,

This submission constitutes a formal objection to AEMO's proposed amendments to the Power System Stability Guidelines and, critically, to the decision to classify this proposal as "non-material" and subject it to expedited consultation.

From an evidence-based perspective, this process reflects a systemic regulatory failure across the national energy governance framework, including AEMO and the Australian Energy Regulator (AER), to act consistently with the National Electricity Objective (NEO) in section 7 of the National Electricity Law (NEL).

1. Failure to Act Consistently with the NEL and NEO.

Section 7 of the NEL requires that all regulatory action promote the long-term interests of electricity consumers with respect to:

- price
- quality
- safety
- reliability
- security of supply

The lived reality for consumers—particularly regional and rural communities—demonstrates that this obligation is not being met.

The accelerated dismantling of Australia's historically reliable, affordable, dispatchable electricity system has preceded the establishment of any proven replacement capable of delivering a 24/7 electricity service.

The result has been:

- declining system stability,
- increasing costs,
- heightened safety risks, and
- a material erosion of energy security.

These outcomes are not theoretical. They are observable, cumulative, and increasingly severe.

2. Mischaracterisation of the Proposal as "Non-Material"

AEMO's assertion that the proposed Guideline amendments are "non-material" is not credible.

The Guidelines are not peripheral documents. Under NER 4.3.4(g) they directly govern how Network Service Providers plan and operate the power system.

Any change that:

- expands the classes of plant subject to the Guidelines,
- alters accepted analytical methods (e.g. reinstating Prony analysis),

embeds new assumptions about system strength, oscillatory stability, and voltage behaviour, or normalises reliance on emerging mitigation technologies necessarily has material consequences for system security, consumer risk, and cost allocation. That these changes are described as “terminology alignment” does not diminish their real-world impact.

This alone warrants standard consultation, not an expedited process.

3. Regulatory Capture and Circular Consultation

It is deeply concerning that AEMO relies on the absence of objection from Transmission Network Service Providers—entities whose capital programs and revenue depend on these frameworks—as evidence that the proposal is benign.

This is a textbook example of circular consultation:

those who benefit from the framework are consulted, their lack of objection is then cited as proof of neutrality, while affected consumers and communities bear the consequences.

This approach undermines confidence in regulatory independence and directly conflicts with the consumer-centric intent of the NEL.

4. System Stability Risks Are Being Normalised, Not Addressed

The Guidelines increasingly assume that instability created by large-scale, weather-dependent generation can be “managed” through:

experimental synchronous condensers costing hundreds of millions of dollars, increasingly complex control systems, and operational workarounds that shift risk from asset owners to consumers.

Recent events—including major regional outages and acknowledged compliance failures currently under investigation—demonstrate that these measures are not proven substitutes for inherent system strength.

The continued reliance on unproven or immature solutions, while dismissing dispatchable generation as expendable, contradicts basic engineering principles and exposes consumers to escalating risk.

5. Cost, Safety, and Environmental Risks Are Excluded from Consideration

The regulatory framework continues to treat industrial-scale wind, solar, battery energy storage systems (BESS), and associated transmission as inherently benign, while excluding their full cost and incapability, energy deprivation, extreme fire hazard and poisonous risk profile from decision-making.

Communities are experiencing:

poisonous land and water impacts from large-scale developments, inadequate safety regulation of energy storage facilities, loss of productive agricultural land, and cumulative environmental degradation without informed consent or social licence.

None of these impacts are meaningfully addressed in the Guidelines, despite their clear relevance to the price, safety, reliability, and security limbs of the NEO.

6. Transmission Investment, Governance Risk, and Consumer Exposure

Publicly available AER material confirms that:

financial stress within transmission businesses is driven by project scale, sequencing, and early-stage debt concentration, not technical return-on-debt mechanics;
multiple compliance and governance concerns are under active investigation; and
consumers are increasingly being asked to underwrite risks arising from these structural choices. Allowing cost recovery mechanisms that smooth or socialise these risks—without first establishing prudence, necessity, and efficiency—conflicts directly with section 7 of the NEL. Regulation must discipline risk, not accommodate it.

7. National Interest and Security Considerations Cannot Be Ignored

Electricity is not merely a commodity; it is critical national infrastructure.

A system that becomes increasingly dependent on:

imported technologies,

opaque global supply chains, and

external manufacturing and processing capacity by our most hostile enemy

raises legitimate national interest and resilience concerns.

These issues are not addressed in the Guidelines, yet they are inseparable from long-term system security.

8. Required Actions

Accordingly, this submission calls for:

Immediate reclassification of this proposal as material, triggering the standard consultation process under the NER.

A pause on further normalisation of system instability through Guideline amendments.

Genuine engagement with affected consumers and regional communities.

A regulatory reset that places engineering reality, system resilience, and consumer protection ahead of policy momentum.

A comprehensive, independent inquiry of whether current regulatory practice is in fact delivering the NEO.

Conclusion

The Power System Stability Guidelines are not administrative housekeeping.

They sit at the core of how Australia's power system is engineered, operated, and paid for.

Proceeding under expedited consultation, while dismissing mounting evidence of instability, cost escalation, and governance failure, represents a serious departure from the spirit and letter of the National Electricity Law.

Australia's electricity consumers—urban and regional alike—deserve a regulator that protects

them, not one that continually adjusts the rules to accommodate systemic failure.
This submission should be read as a clear and unequivocal objection.

Yours Sincerely,

'Save Our Surroundings Riverina'