



Draft National Electricity Amendment (Calculation of system strength quantity) Rule 2024

The Australian Energy Market Commission makes the following Rule under the National Electricity Law to the extent applied by:

- (a) the *National Electricity (South Australia) Act 1996* of South Australia;
- (b) the *Electricity (National Scheme) Act 1997* of the Australian Capital Territory;
- (c) the *Electricity - National Scheme (Queensland) Act 1997* of Queensland;
- (d) the *National Electricity (New South Wales) Act 1997* of New South Wales;
- (e) the *Electricity - National Scheme (Tasmania) Act 1999* of Tasmania;
- (f) the *National Electricity (Victoria) Act 2005* of Victoria;
- (g) the *National Electricity (Northern Territory) (National Uniform Legislation) Act 2015* of the Northern Territory; and
- (h) the *Australian Energy Market Act 2004* of the Commonwealth.

Anna Collyer
Chairperson
Australian Energy Market Commission

Draft National Electricity Amendment (Calculation of system strength quantity) Rule 2024

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Calculation of system strength quantity) Rule 2024*.

2 Commencement

Schedule 1 of this Rule commences operation on 1 July 2024.

Schedule 2 of this Rule commences operation on 8 March 2024.

3 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

4 Savings and Transitional Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 2.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 4.6.6 System strength impact assessment guidelines

Omit clause 4.6.6(a)(1) and substitute:

- (1) in accordance with paragraphs (b) and (b1), set out the methodology to be used by *Network Service Providers* when:
 - (i) undertaking *system strength impact assessments* under clause 5.3.4B; and
 - (ii) calculating a *system strength locational factor* and *system strength quantity*;

[2] Clause 4.6.6 System strength impact assessment guidelines

In clause 4.6.6(b), omit "subparagraph (a)(1)" and substitute "subparagraph (a)(1)(i)".

[3] Clause 4.6.6 System strength impact assessment guidelines

Omit clauses 4.6.6(b)(1)(i) and (ii) and substitute:

- (i) a first stage in which:
 - (A) a preliminary assessment is undertaken to screen for the need for a full assessment; and
 - (B) the *system strength locational factor* and an indicative *system strength quantity* are calculated; and
- (ii) in the circumstances described in clause 5.3.4B(a2)(3), a second stage in which a full *system strength impact assessment* is undertaken;

[4] Clause 4.6.6 System strength impact assessment guidelines

In clause 4.6.6(b)(7), omit ";" and substitute "; and".

[5] Clause 4.6.6 System strength impact assessment guidelines

In clause 4.6.6(b)(8), omit ";" and substitute ".".

[6] Clause 4.6.6 System strength impact assessment guidelines

After clause 4.6.6(b)(8), insert:

- (b1) For subparagraph (a)(1)(ii), the *system strength impact assessment guidelines* must:

[7] Clause 4.6.6 System strength impact assessment guidelines

Renumber clauses 4.6.6(b1)(9) and (10) as clauses 4.6.6(b1)(1) and (2) respectively.

[8] Clause 4.6.6 System strength impact assessment guidelines

In clause 4.6.6(b1)(1), omit "; and" and substitute ";".

[9] Clause 4.6.6 System strength impact assessment guidelines

In clause 4.6.6(b1)(2), omit "." and substitute "; and".

[10] Clause 4.6.6 System strength impact assessment guidelines

After the 'Example' in clause 4.6.6(b1)(2), insert:

- (3) specify a methodology for calculation of the *system strength quantity* for a *connection point*, which must:

- (i) include the use of:

- (A) the *short circuit ratio* for the *connection point*; and
(B) the *rated active power*, the *rated power transfer capability* or the *maximum demand* (as applicable) for the *connection point*,

each as agreed in accordance with clause S5.2.5.15, clause S5.3.11 or clause S5.3a.7 (as applicable) and recorded in the relevant *performance standards* for the *plant connected* at the *connection point*; and

- (ii) reflect the *adverse system strength impact* of a new *connection* or alteration to a *connected plant* as well as any additional amount by which it reduces the *available fault level* at the *connection point* for the new *connection* or *connected plant*,

so as to produce a result that is an approximation of the level of impact that would be required to be remedied or avoided by a

system strength remediation scheme for that connection point, as assessed by AEMO having regard to the need to avoid a full system strength impact assessment.

[11] Clause 5.3.4B System strength mitigation requirement

After clause 5.3.4B(a2)(2), insert:

- (2A) unless under paragraph (a3) the *Network Service Provider* is not required to calculate the *system strength locational factor*, calculate, in accordance with the *system strength impact assessment guidelines*, the indicative *system strength quantity* to be notified under clause 5.3.3(b5)(3);

[12] Clause 5.3.4B System strength mitigation requirement

After clause 5.3.4B(a2)(4), insert:

Note

This paragraph is classified as a tier 2 civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

[13] Clause 5.3.4B System strength mitigation requirement

In clause 5.3.4B(a4), after "calculation of the *system strength locational factor*", insert "or indicative *system strength quantity*".

[14] Clause 5.3.4B System strength mitigation requirement

In clause 5.3.4B(a4), after "revised *system strength locational factor*", insert "and a revised indicative *system strength quantity*".

[15] Clause 5.3.4B System strength mitigation requirement

In clause 5.3.4B(a4), omit the "Note".

[16] Clause 5.3.4C Information about system strength connection points

In clause 5.3.4C(b)(1), after "*system strength locational factor*", insert "and indicative *system strength quantity*".

[17] Clause 5.3.4C Information about system strength connection points

After clause 5.3.4C(b)(4), insert:

- (b1) A *Network Service Provider* for a *system strength connection point* who is not also the *System Strength Service Provider* for the *system strength connection point* must notify to the relevant *System Strength*

Service Provider, within 20 *business days* of execution of the *connection agreement* for the *connection point*:

- (1) the *short circuit ratio* and *rated active power*, *rated power transfer capability* or *maximum demand* for the *system strength connection point* agreed in accordance with clause S5.2.5.15, clause S5.3.11 or clause S5.3a.7 (as applicable); and
- (2) the *Network Service Provider's* calculation of the *system strength quantity* for the *system strength connection point* calculated in accordance with the *system strength impact assessment guidelines* in effect at the time the election to pay the *system strength charge* was notified under clause 5.3.4B(b1).

[18] Clause 5.3A.3 Publication of Information

In clause 5.3A.3(b)(1)(vi), after "*system strength locational factor*", insert "and the indicative *system strength quantity*".

[19] Clause 6A.23.5 System strength charge

In clause 6A.23.5(j), omit "the product of" and substitute "the quantity calculated in accordance with the methodology in the applicable version of the *system strength impact assessment guidelines* as determined under paragraph (j1), using".

[20] Clause 6A.23.5 System strength charge

After clause 6A.23.5(j), insert:

- (j1) The applicable version of the *system strength impact assessment guidelines* for a *system strength connection point* is the version that was in effect:
 - (1) subject to subparagraph (2), at the time the election to pay the *system strength charge* was notified under clause 5.3.4B(b1) in respect of the *system strength connection point*; or
 - (2) where the *connected plant* has been altered and clause 5.3.9 or 5.3.12 applied in respect of that alteration, at the time the latest election to pay the *system strength charge* was notified under clause 5.3.4B(b1) in respect of the *system strength connection point*.

[21] Clause 6A.23.5 System strength charge

In clause 6A.23.5(k), omit "If a change to the *system strength quantity* for a *system strength connection point*" and substitute "If a change to the *short circuit ratio*, *rated active power*, *rated power transfer capability* or *maximum demand* (as applicable) for a *system strength connection point* (as recorded in the *performance standards* applicable to the *plant connected* at the *system strength connection point*)".

Schedule 2 Savings and Transitional Amendment to the National Electricity Rules

(Clause 4)

[1] New rule 11.[XXX] Calculation of system strength quantity

In Chapter 11, Part ZZZZZI, insert a new rule:

11.[XXX] Rules consequential on the making of the National Electricity Amendment (Calculation of system strength quantity) Rule 2024

11.[XXX].1 Definitions

In this rule 11.[XXX]:

Amending Rule means the *National Electricity Amendment (Calculation of system strength quantity) Rule 2024*.

effective date means 1 July 2024, being the date of commencement of Schedule 1 of the Amending Rule.

existing application to connect has the meaning given in clause 11.[XXX].5(a)(1).

existing connection enquiry has the meaning given in clause 11.[XXX].4(a)(1).

existing payment election has the meaning given in clause 11.[XXX].6(a).

new clause 6A.23.5(j) means clause 6A.23.5(j) as in effect on and from the effective date.

new clause 6A.23.5(j1) means clause 6A.23.5(j1) as in effect on and from the effective date.

new system strength impact assessment guidelines means the *system strength impact assessment guidelines* published by *AEMO* in accordance with clause 11.[XXX].2.

old clause 6A.23.5(j) means clause 6A.23.5(j) as in effect prior to the effective date.

11.[XXX].2 Amendments to the system strength impact assessment guidelines

- (a) By 30 June 2024, *AEMO* must update and publish the *system strength impact assessment guidelines* to take into account the Amending Rule.
- (b) Changes to the *system strength impact assessment guidelines* made in accordance with paragraph (a) must come into effect on the effective date.

11.[XXX].3 Saving of connection enquiries etc

The Amending Rule does not affect the validity of a *connection* enquiry, *application to connect*, offer to *connect* or other matter under Chapter 5.

11.[XXX].4 Indicative system strength quantity for existing connection enquiries

- (a) This clause applies where, before the effective date, a *Connection Applicant* has, in respect of *plant* that the *Connection Applicant* proposes to *connect*:
 - (1) made a *connection* enquiry in accordance with clause 5.3.2 or 5.3A.5 (**existing connection enquiry**); and
 - (2) not made an *application to connect* to a *Network Service Provider*.
- (b) If a response to the existing connection enquiry was provided before the effective date, the *Network Service Provider* must as soon as practicable after that date notify to the *Connection Applicant* the indicative *system strength quantity* for the *plant* the subject of the existing connection enquiry calculated using the new system strength impact assessment guidelines.

11.[XXX].5 Where a Connection Applicant elected not to pay the system strength charge

- (a) This clause applies where, in respect of *plant* that a *Connection Applicant* proposes to *connect*:
 - (1) before the effective date, the *Connection Applicant* made an *application to connect* to a *Network Service Provider* (**existing application to connect**);
 - (2) the *Connection Applicant* has not entered into a *connection agreement* with the relevant *Network Service Provider* in respect of the existing application to connect;
 - (3) the existing application to connect is not one where, under clause 5.3.4B(a3), the *Network Service Provider* is not required to calculate the *system strength locational factor*; and
 - (4) in the existing application to connect, the *Connection Applicant* made an election under clause 5.3.4B(b1) that the *system strength charge* will not be payable in relation to the new *connection* or alteration to the *generating system* or other *connected plant* (as applicable).
- (b) Despite anything to the contrary in clause 5.3.4B(b1), the *Connection Applicant* may change its election under that clause by notice to the *Network Service Provider* under this clause within 20 *business days* after the effective date. The new election cannot be revoked.

- (c) The *Network Service Provider* must within 10 *business days* after the effective date, notify the *Connection Applicant* for the existing application to connect of the opportunity to change its election by giving a notice in accordance with paragraph (c).
- (d) If a *Connection Applicant* gives a notice in accordance with paragraph (b) changing its election, the election has effect as if it had been made as part of its existing application to connect except that for clause 5.3.4C(a), the time for notifying the election to the *System Strength Service Provider* is 10 *business days* after the election being made under paragraph (b).

11.[XXX].6 Existing payment election

- (a) This clause applies where, before the effective date, a *Connection Applicant* made an election under clause 5.3.4B(b1) that the *system strength charge* will be payable in relation to a *connection* or alteration to the *generating system* or other *connected plant* (as applicable) (**existing payment election**).
- (b) Despite new clause 6A.23.5(j), the *system strength quantity* for the *system strength connection point* in respect of which the existing payment election was made:
 - (1) for any period prior to the effective date, must be determined in accordance with old clause 6A.23.5(j); and
 - (2) for any period after that, must be determined in accordance with new clause 6A.23.5(j).
- (c) For paragraph (b)(2) and new clause 6A.23.5(j1), the new system strength impact assessment guidelines will be taken to have been in effect at the time the existing payment election was notified under clause 5.3.4B(b1).