



18 January 2024

Ms Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

Project Reference Code: ERC0375

Dear Ms Collyer

Calculation of System Strength Quantity Draft Determination

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Australian Energy Market Commission (AEMC) in response to the *Calculation of System Strength Quantity Draft Determination*.

Energy Queensland provides this submission, on behalf of its related entities, including:

- Distribution network service providers, Energex Limited and Ergon Energy Corporation Limited
- Retailer, Ergon Energy Queensland Pty Ltd (Ergon Energy Retail), and
- Affiliated contestable business, Yurika Pty Ltd and its subsidiaries, including Yurika Metering.

Energy Queensland is generally supportive of the proposed changes to remove the System Strength Quantity (SSQ) calculation from the National Energy Rules (NER) and place it in the System Strength Implementation and Assessment Guidelines (SSIAG). We also agree with the proposal to include an 'indicative' SSQ, which recognises the changes that occur through the connection process.

While Energy Queensland is generally supportive of the overall proposed changes, we provide the following high-level comments on the SSQ draft determination that we believe are important for the AEMC to consider.

On 23 November 2023, the Australian Government announced an expansion of its Capacity Investment Scheme (CIS)¹ which will be implemented via regular competitive tenders commencing in April/May 2024 through to 2027. Energy Queensland also notes that the Australian Energy Market Operator's (AEMO) SSIAG was previously updated in June 2023, and this proposed SSQ draft rule will require a new SSIAG to be published by 30 June 2024.

¹ Department of Climate Change, Energy, The Environment and Water, *About the Capacity Investment Scheme*, <https://www.dccceew.gov.au/energy/renewable/capacity-investment-scheme>

We anticipate that the draft rule and the SSIAG will require future changes to accommodate the expanded CIS and incorporate the specific technical considerations that will apply to the CIS-related projects as they are approved from April/May 2024. Energy Queensland notes that the scale, mix and pace at which those investments are to be made, including in relation to those projects previously anticipated, may influence the technical elements of the draft rule and therefore should be considered. For example, there may be a need for specific consideration of locational factors.

We look forward to working further with the AEMC and AEMO on potential further refinements of the system strength framework and the SSIAG in light of these related matters. Should the AEMC require additional information or wish to discuss any aspect of this submission, please contact either myself, or Tammara Scott on 0492 137 878.

Yours sincerely



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