

26 April 2024

Ms Anna Collyer
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Dear Ms Collyer,

Submission on ‘Enhancing investment certainty in the R1 process’ draft rule

I am grateful for this opportunity to submit on the AEMC’s ‘Enhancing investment certainty in the R1 process’ draft rule (draft rule).

AEMO is supportive of the AEMC’s aim to achieve faster connections and improve investment certainty in the pre-connection registered data (R1) process by addressing several gaps and hindrances to timely connections. This aligns with AEMO’s commitments to improve the connection process. However, we consider that, with clarification and adjustment, the draft rule may be improved. In summary:

- The AEMC’s desired outcomes in removing the ‘no less onerous requirement’ might more simply and clearly be achieved by omitting the proposed clause 5.3.4A(b)(1A)(i) from the draft rule. As it stands, it is unclear whether a proposed amendment to a performance standard should be as close as practicable to the previously agreed standard or the automatic access standard.
- Parts of the draft rule, with respect to prescribed timeframes and information requirements, are open to interpretation and could benefit from clarification.
- Consistent with the current rules,¹ AEMO should retain sole responsibility for determining whether to register connection applicants.

AEMO also submits that, to reduce prescription and to allow flexibility to manage the complicated connections process, the AEMC should further consider options to facilitate conditional approval for registration under the rules. Conditional approval may speed up the connections by allowing matters that would otherwise hold up registration to be addressed in parallel with later stages in the connection processes. Currently, AEMO cannot hold connection applicants accountable to the terms of conditional approval. Given this, there are only a narrow set of circumstances where AEMO is prepared to grant conditional approval.

¹ Which are, at the date of the preparation of this submission, National Electricity Rules version 209.

Should you wish to discuss these requests please contact Margarida Pimentel, Group Manager - Onboarding & Connections.

Yours sincerely,



Kevin Ly

Acting Executive General Manager – Reform Delivery

Attachment: Submission on Enhancing investment certainty in the R1 process draft rule

Submission on Enhancing investment certainty in the R1 process draft rule

The Australian Energy Market Operator (AEMO) welcomes this opportunity to comment on the AEMC's 'Enhancing investment certainty in the R1 process' draft rule (draft rule). AEMO supports the AEMC's aim to achieve faster connections and improve investment certainty in the pre-connection registered data (R1) process by addressing several gaps and hindrances to timely connections.² AEMO supports the intent of the AEMC's draft rule to:

- provide connection applicants and its stakeholders with more clarity and certainty regarding the R1 process, and when it has been completed; and
- alter the prescriptive requirement that any renegotiated performance standards be "no less onerous" than a previously agreed performance standard.

AEMO is committed to improving and streamlining the connection process through the delivery of the Connections Reform Initiative (CRI) roadmap. To date, AEMO in partnership with the CRI, has delivered on many commitments in the roadmap including updating its guidelines, publishing its connections scorecard, and conducting an end-to-end review of the connections process. Going forward, AEMO will continue to seek to improve the connections process by publishing and updating guidelines in consultation with stakeholders.

AEMO acknowledges and supports the AEMC's recommendation that AEMO produce new or updated guidelines to promote transparency and clarity in the R1 process. As part of the CRI, under the Streamlined Connections Process (SCP) workstream, AEMO is already working with industry on the development of guidelines to provide transparency and promote consistency regarding assessments undertaken in the R1 process.

This submission is split into two parts which separately comment on the:

- new codified R1 process in the rules; and
- changes proposed to allow for pragmatic revisions to performance standards (and consideration of the use of conditional approval where revising performance standards isn't appropriate).

The next section considers the new codified R1 process.

² AEMC, *Draft rule determination National Electricity Amendment (Enhancing investment certainty in the R1 process) Rule 2024 Proponent Clean Energy Council*, March 2024, p. 1.

1. The codified R1 process

AEMO is supportive of the AEMC’s intention to codify the R1 process. However, AEMO submits that parts of the draft rules should be amended to better align them with their intention and that aspects of the draft rules would also benefit from clarification.

The R1 assessment process occurs after a connection applicant and the connecting NSP (with AEMO advice) finalise a connection agreement containing binding performance standards for connecting plant (under clause 5.3.4A). In the R1 process, NSPs and AEMO assess whether proposed plant will be capable of meeting or exceeding those performance standards. In doing this they consider the detailed design of plant, assets procured by a connection applicant and any updated information.

Currently, the R1 process begins when a connection applicant submits information based on detailed design data to AEMO and the NSP. While not explicitly required under the rules, AEMO seeks advice from the relevant NSP in conducting the R1 assessment. This is to ensure that AEMO and NSPs are aligned on aspects of the R1 assessment that may be relevant to later assessments undertaken by NSPs (such as assessing compliance with performance standards prior to practical completion in accordance with a connection agreement). The R1 process concludes when AEMO is satisfied that a generating system will be capable of meeting or exceeding its performance standards³. Assuming the connection applicant meets eligibility and other requirements, AEMO must then register the connection applicant as a generator.⁴

Currently, the R1 assessment process is not set out in the rules⁵. AEMO acknowledges the concerns raised by CEC members around uncertainty in the R1 assessment process, particularly expectations as to how decisions are made and in what timeframes⁶. While AEMO has already taken several measures to address these concerns – as outlined in our previous submission⁷, AEMO’s intention is to publish guidelines complementary to the draft rule to further clarify the R1 process.

The draft rule specifies steps in the R1 process and the roles and responsibilities of AEMO, the NSP and the connection applicant. The draft rule also prescribes some timeframes for AEMO and NSPs and requires that NSPs or AEMO justify information requests where a connection applicant has met certain conditions.

³ For the purposes of clause 2.2.1(e)(3)

⁴ AEMO must register connection applicants under clause 2.9.2(b) if requirements set out within that clause are met.

⁵ AEMO notes however that clause S5.5.2 defines categories of data in the R1 process and notes that the data is validated and agreed between NSPs and the Registered Participant.

⁶ CEC, *Rule change request: Investor certainty in the R1 process*, May 2023, p. 3

⁷ <https://www.aemc.gov.au/sites/default/files/2023-10/230928%20AEMO.pdf>

1.1. Approvals in the R1 process

Currently, responsibility for approval of applications for registration lies solely with AEMO under the rules. AEMO conducts this function consistent with its other general and specific obligations to maintain power system security.⁸

In practice, AEMO consults with NSPs with respect to whether connection applicants will meet their performance standards prior to making this decision. This approach supports a consistent approach to assessing compliance with performance standards across the connection process including at subsequent stages such as prior to practical completion and commercial operation.

The draft rule formally recognises the role of NSPs in the R1 assessment process. This reflects the reality that AEMO works with NSPs in undertaking the R1 assessment.

Clause 5.3.7A(g) of the draft rule requires that *“Within 5 business days after completing the assessment of the capability of the generating system to meet or exceed its performance standards, the Network Service Provider and AEMO must jointly notify the Connection Applicant in writing that the assessment has been completed and whether they are satisfied with the outcome of the assessment, including for the purposes of clause 2.2.1(e)(3).”*

AEMO’s interpretation of clause 5.3.7A(g) of the draft rule is that it may grant NSPs new powers of approval in the R1 assessment (or otherwise may conflate or duplicate the responsibilities of AEMO and NSPs). This approval appears to be a prerequisite for AEMO’s approval of registration under clause 2.2.1(e)(3) (as AEMO must be satisfied that a connection applicant can meet their standards prior to registration).⁹

If this reading is correct, AEMO submits that this may not align with the AEMC’s aim to achieve faster connections and improve investment certainty and that clause 5.3.7A(g) should be clarified.

AEMO engages closely with NSPs when conducting R1 assessments, and AEMO relies on NSP input in assessing compliance with some access standards (e.g. clause S5.2.5.2 which is not an AEMO advisory matter), however AEMO retains discretion to exercise its judgement in granting registration. AEMO notes that the granting of registration does not derogate from an NSP’s later rights to manage compliance under their connection agreements with the connection applicant.

Requiring joint notification may extend the time taken to complete the R1 assessment process. With two parties involved, it may take longer to reach a joint decision and provide joint written notification (particularly as the involvement of NSPs in the R1 process appears to be expanded under the draft rule to all performance

⁸ Such as under s49 of the National Electricity Law, Chapter 4 of the rules and clause 5.3.4A(b)(2) of the rules.

⁹ AEMO notes the wording of clause 5.3.7A(b) “Within 5 business days after receiving a request under paragraph (a), the NSP and AEMO must each provide the Connection Applicant with written acknowledgment of receipt of the request, and in the case of AEMO, confirming that it will commence its assessment for the purposes of clause 2.2.1(e)(3).” may be interpreted as AEMO conducting an independent assessment for the purpose of clause 2.2.1(e)(3).

Similarly, clauses 2.2.1(e)(3) and 5.3.7A(g) in the draft rules are not particularly aligned. The draft 5.3.7(g) refers to a joint notification but 2.2.1(e)(3) only refers to AEMO whilst referencing 5.3.7(g).

standards).¹⁰ For a joint decision, a more detailed assessment may be necessary to satisfy the differing perspectives of AEMO and NSP's. The joint decision may also require NSPs to bring forward and/or duplicate assessments that NSPs would otherwise undertake at later stages of the connection process. Given this, AEMO submits that, to avoid inefficiency and delay, AEMO should retain sole responsibility for decisions under clause 2.2.1(e)(3).

AEMO acknowledges the benefits of alignment between NSPs and AEMO in the R1 assessment and that this alignment promotes greater certainty for connection applicants. To support this, AEMO will continue to engage with NSPs in the R1 process to achieve alignment. AEMO will also seek to promote transparency regarding the roles NSPs play in assessing compliance with performance standards. However, prescribing alignment by requiring a joint position at the R1 stage would not mitigate the need for later-stage assessments or the risk of an NSP itself changing its position given updated information or as per its rights to do so under a connection agreement.

As such, AEMO submits that the AEMC adjust clause 5.3.7A(g) of the draft rule to clarify that AEMO retains sole responsibility for completing R1 assessment and informing the connection applicant. However, it is appropriate for the final rule to require that AEMO consult with NSPs when assessing the capability of a generating system to meet or exceed its performance standards. Hence, AEMO submits clause 5.3.7A(g) be amended as follows:

- (g) *AEMO must consult with the Network Service Provider in assessing the capability of a generating system to meet or exceed its performance standards for the purposes of clause 2.2.1(e)(3).*
- (h) Within 5 business days after completing the assessment of the capability of the generating system to meet or exceed its performance standards, ~~the Network Service Provider and AEMO~~ must **jointly** notify the *Connection Applicant* in writing that the assessment has been completed and whether ~~they are~~ **it is** satisfied with the outcome of the assessment, including for the purposes of clause 2.2.1(e)(3).

In providing written notification, AEMO would seek to outline any matters raised by NSPs that may be relevant to later stages of the connection process.

Further to the above, AEMO notes that the wording of clause 5.3.7A(g) of the draft rule – *including for the purposes of* – alludes to a broader set of purposes beyond confirming that the person has met the eligibility criterion in clause 2.2.1(e)(3). AEMO submits that clause 5.3.7A should explicitly state any other purposes for which the assessment(s) is conducted and that AEMO or an NSP must consider in preparing written notification (particularly given the possibility of civil penalties being applied in relation to clause 5.3.7A(e) in connection with any broader set of purposes). AEMO notes that this clarification may affect its view on the suitability of joint notification under clause 5.3.7A(g) and, as such, may benefit from further consultation.

¹⁰ AEMO considers that this would appear to contrast with the manner of setting of performance standards under clause 5.3.4A.

1.2. Clarifying and improving the new rule

AEMO considers that the AEMC's draft rule should be considered in the broader context of its efforts to streamline the connection process as part of the CRI. AEMO is committed to providing further guidance, as recommended by the AEMC, by updating and developing guidelines on how it conducts the R1 assessment, and the information required. This supports improvements AEMO has made, and which it will continue to make, in consultation with industry, to streamline the connection process.

In this context, AEMO has the following comments on the draft rule.

1.2.1. Data that connection applicants must submit

Clause 5.3.7A(a) is triggered by a connection applicant providing data. However, this clause does not specify the data that the connection applicant is required to submit. AEMO's position is that 5.3.7A should apply to R1 data (as referred to in clause S5.5.2) and this data should be provided to AEMO and the NSP in accordance with AEMO's R1 submission checklist.¹¹ AEMO considers that this is particularly relevant to the application of clause 5.3.7A(d) which provides the connection applicant with an opportunity to contest the need to provide further information.

AEMO can see the value in the rules allowing AEMO to specify the information required. Should the rules do so, AEMO may then refer to the R1 Submission Checklist in the guidelines for R1 assessment. The AEMO generator connection R1 submission checklist contains lists of relevant and necessary information to enable AEMO and NSPs to undertake the R1 assessment. The rules could therefore reference these AEMO requirements as a minimum information requirement (noting that there would be potential for further information required by NSPs or AEMO to give effect to the rules).

1.2.2. Justifying information requests

The focus of clauses 5.3.7A(d), (e) and (f) in the draft rule is on requiring justification for information requests where certain conditions are met. AEMO supports the intent for these clauses to introduce accountability, but considers that, with adjustment, they might better deliver on their intent.

Clause 5.3.7A(d)(1) allows a connection applicant to request the reasons for an information request where it has provided "*adequate data and information to enable the assessment of the capability of the generating system to meet or exceed its performance standards*". AEMO notes that the data required under 5.3.7A(a) isn't expressly specified and considers 'adequate data' may be interpreted in several ways. Thus, disagreements on the interpretation of this requirement are likely to focus on the interpretation of the rules rather than the suitability of the information request unnecessarily prolonging the connection process.¹²

¹¹ [Generator Connection R1 Submission Checklist \(aemo.com.au\)](https://aemo.com.au/generation/connection-r1-submission-checklist)

¹² AEMO also notes that clauses 5.3.7A(e) and (f) require that an NSP and AEMO, respectively, articulate why a connection applicant has not complied with the requirements of clause 5.3.7A(d). However, clause 5.3.7A(d) doesn't impose any obligation on connection applicants (it grants a connection applicant the right to query a request for additional information if other obligations are met).

AEMO notes that the civil penalty intended to be attached to clause 5.3.7A(e) would be difficult to enforce given the ambiguity. Terms such as “*within a reasonable period*” and “*adequate data and information*” are open to interpretation and NSPs may take different views on these. AEMO submits that, should penalty provisions apply, the obligations NSPs must fulfil under clause 5.3.7(d) should be clear and explicit.

An alternative requirement might be for the rules to require justification for information requests be provided with requests made under 5.3.7A(c). This justification could be required to set out the performance standard or compliance requirement the information request relates to and the reason for the request. Providing such reasoning might facilitate faster connections as, by clarifying the intent behind an information request, a connection applicant may be better placed to fulfil the request.

1.2.3. Demonstrating compliance with a proposed standard

The purpose of the information requirements in clauses 5.3.7A(d)(2) and 5.3.7A(d)(3) are not clear as these relate to information requirements at earlier stages of the connections process. Clause 5.3.7A(d)(2) references a proposed negotiated access standard. However, this does not align with the apparent objective of 5.3.7A to demonstrate compliance with performance standards (which are established already and not proposed or being negotiated). AEMO forwards that the R1 process should not apply to proposed access standards that are subject to negotiation under clause 5.3.4A. Under the rules, negotiation of performance standards happens prior to the R1 process. Extending the R1 rules to an earlier stage of the connection process conflates the requirements of the separate clauses. It is also likely inefficient to require AEMO and NSPs to assess compliance with a proposed standard, subject to negotiation, that may change.¹³ Given this, AEMO submits that 5.3.7A solely apply to agreed performance standards.¹⁴

1.2.4. Timeframes

Clauses 5.3.7A(e) and clause 5.3.7A(f) require that NSPs and AEMO respectively respond within a “reasonable period” to requests made under clause 5.3.7A(d). The interpretation of “reasonable period” under this clause is open to interpretation and may benefit from clarification.

While noting the suggested amendment outlined above, current draft of Clause 5.3.7A(g) states that “*Within 5 business days after completing the assessment of the capability of the generating system to meet or exceed its performance standards, the Network Service Provider and AEMO must jointly notify the Connection Applicant in writing that the assessment has been completed and whether they are satisfied with the outcome of the assessment, including for the purposes of clause 2.2.1(e)(3).*”

¹³ under clause 2.2.1(e)(3)

¹⁴ As defined in the chapter 10 rules as being a standard of performance that:

- (a) is established as a result of it being taken to be an applicable performance standard in accordance with clause 5.3.4A(i); or
- (b) is included in the register of performance standards established and maintained by AEMO under rule 4.14(n), as the case may be.

The wording within clause 5.3.7A(g) “*whether they are satisfied with the outcome of the assessment*” is open to interpretation. This would be better linked to the purpose of the assessment as set out in clause 5.3.7A(a), that is to “assess the capability of the *generating system* to meet or exceed its *performance standards*”.

2. Pragmatic revisions of performance standards and conditional approval

2.1. Revising performance standards

AEMO welcomes the intent of the AEMC's proposed amendments to clause 5.3.4A(b)(1A) which currently requires a negotiated access standard must, where an applicant proposes to alter a generating system or other connected plant, be no less onerous than the performance standard that corresponds to the technical requirement that is affected by the alteration.

The change proposed in the draft rule would permit reductions in performance standards that are above the minimum access standard, allowing for pragmatic reductions in such a performance standard. This flexibility is necessary for alterations that have a positive overall impact on the NEM but may not meet a previously agreed performance standard. For example, this may happen when:

- alterations from grid-following to grid-forming technology improve overall system performance but may result in reductions in performance against a specific standard (such as voltage control rise and settling times); or
- upgrades to aging plant may result in lower performance on some performance standards, but taken as a whole, can improve system security.

However, the application of clause 5.3.4A(b)(1A)(i) of the draft rule would conflict with the current requirements of clause 5.3.4A(b1). AEMO's reading is that:

- clause 5.3.4A(b)(1A)(i) requires a proposed negotiated access standard be as close as practicable to the performance standard [subject to negotiation]; and
- clause 5.3.4A(b1) requires a proposed negotiated access standard be as close as practicable to the automatic access standard [where there is one].

Under this reading, proposed standards must be as close as practicable to two different benchmarks. AEMO submits that an equivalent rule, without conflicting requirements, might be facilitated by:

- omitting clause 5.3.4A(b)(1A)(i) from the draft rule; and
- amending the words proposed to be added in paragraph 5.3.4A(1a)(ii) of the draft rule to read 'if the *performance standard* for that technical requirement is at or below the *minimum access standard*,'.

If the performance standard is at the minimum access standard, the no less onerous requirement should apply.

Relevant to this, clauses 5.3.4A(b)(2), 5.3.4A(b)(3), and 5.3.4A(b)(4) also prescribe potentially conflicting requirements for negotiated access standards.¹⁵

AEMO notes that the omission of clause 5.3.4A(b)(1A)(i) from the draft rule would not mean that performance standards could not be reduced upon renegotiation, only that the requirements imposed by 5.3.4A would be applied consistently.

AEMO also notes that, following this rule change, the CRI clause 5.3.9 rule change workstream will further review issues associated with the application of clause 5.3.4A(b1) with a view to increasing flexibility and certainty in the connection process. In this review, the CRI will take into consideration the interdependencies with the AEMC's final rule under this current process, and any further amendments to clause 5.3.4A(b)(1A) that may be required.

2.2. Conditional approval of registration

Whilst AEMO welcomes the change to the 'no less onerous' requirement, AEMO again notes that applications to renegotiate performance standards may become a de-facto approach by connection applicants to manage plant performing worse than expected. This may extend the time taken to assess all connections given the time and resources required to renegotiate specific performance standards. Given this, AEMO requests the AEMC consider further the use of conditional approval as an alternative pathway to resolving issues and speed up the connection process. AEMO notes that submissions to the issues paper, including our own, largely supported new rules for conditional approval.

AEMO notes that formalising a conditional approval process should not create the expectation that renegotiation of performance standards or conditional approval become the default course of action. It should be expected that, in the first instance, connection applicants seek to adhere to their agreed performance standards. Where non-compliance with performance standards would be likely to adversely affect power system security AEMO will not register a connection applicant (conditionally or otherwise).

2.2.1. Conditional registration under the current rules

In this section AEMO outlines its interpretation of its ability to provide conditional approval under the rules and National Electricity Law.

By conditional approval, AEMO means granting registration, or limited registration, subject to conditions which AEMO has the power to apply.

¹⁵ These clauses require that a negotiated access standard must: under 5.3.4A(b)(2) be set at a level that will not adversely affect power system security; under 5.3.4A(b)(3) be set at a level that will not adversely affect the quality of supply for other Network Users; and under 5.3.4A(b)(4) in respect of generating plant, meet the requirements applicable to a negotiated access standard in Schedule 5.2.

The AEMC draft determination states that the rules do not preclude AEMO from providing conditional approval.¹⁶ AEMO does not fully agree with this interpretation of the rules and considers that the rules are better characterised as not supporting conditional approval of registration.

Registration under the rules is granted by AEMO and remains in place indefinitely unless there is a sufficiently substantial compliance breach (limited to financial or prudential breaches by market participants, for which there are prescriptive provisions covering deregistration) or the registered participant applies to cease to be registered.

The allowances that are referred to as conditional approvals represent the extent to which AEMO is confident at the time of registration that the connection applicant will meet those requirements prior to the time at which the performance standards will apply.

Where a registered participant subsequently does not adhere to performance standards, non-compliance must be demonstrated and enforced under clause 4.15 by the AER. Competing compliance priorities, resources required to undertake enforcement and the burden of proof required limit the utility of this process, especially with respect to individual minor non-compliances that may become cumulatively material to the power system.

Given the difficulties in managing large numbers of minor non-compliances through the enforcement process, greater stress is placed on ensuring rigour in the R1 assessment. Further, without the capacity to subsequently hold applicants to effective conditions, there is currently a narrow set of circumstances where AEMO would be prepared to approve registration in an expectation compliance would be achieved by completing steps after registration. As such, AEMO would typically only offer conditional approval so as not to delay connections for minor modelling, documentation or performance issues that are expected to be rectified prior to or during commissioning.

AEMO is therefore significantly limited in its ability to make use of conditional approval to maximise efficiency in the connections process.

2.2.2. The potential benefits of conditional approval

AEMO supports consideration of conditional approval as it may:

- Allow suitable connections to progress, subject to conditions being met in an agreed timeframe, without further delay caused by the time it takes for a connection applicant to meet the rule requirements, renegotiate performance standards or to conducting additional assessments that might better be undertaken post-registration. Currently, AEMO may only grant registration if it is satisfied that each generating system will be capable of meeting or exceeding its performance standards.¹⁷ Thus connections may be indefinitely delayed until this requirement is met. This delay could, in some cases, be avoided if AEMO could set terms and conditions that it may rely on at a later stage.

¹⁶ AEMC, *Draft rule determination National Electricity Amendment (Enhancing investment certainty in the R1 process) Rule 2024*, March 2024, p. 13.

¹⁷ As per clause 2.2.1(e)(3) in the current and proposed rules.

- Allow a connection applicant to provide some services in the NEM (that don't compromise system security) whilst they work to meet their performance standards. Under conditional registration AEMO may register a generator to provide less than full service. The terms and conditions of registration may then allow for the provision of full service once the generator becomes fully compliant with its performance standards.

AEMO notes that there is an inconsistency in how inability to meet performance standards are managed prior to registration and after registration. Under the existing rules, if an applicant:

- is seeking registration but submits information showing that it falls short of one of its performance standards then AEMO cannot register that plant.
- submits information that satisfies AEMO that it can meet its performance standards, but that information later turns out to be inaccurate and the applicant cannot meet its performance standards, that applicant is required to self-report under clause 4.15, but in most cases would be allowed to continue to generate.

This inconsistency may disincentivise a connection applicant from investigating issues at the R1 stage, as finding that it cannot meet a performance standard during the R1 process results in longer project delays than finding the same issue post-connection.

Conditional approval may address this issue by allowing for a more pragmatic and transparent assessment at the R1 stage as it may allow an avenue to manage the risk of AEMO registering a generator that subsequently doesn't meet performance standards. Where a generator identifies a potential non-compliance, it may propose terms and conditions that would satisfy AEMO, in consultation with the NSP, that it will meet its performance standards or cover costs of non-compliance.¹⁸ This will allow for the issue to be corrected in due course whilst maintaining the security of the system.

2.2.3. Materiality

AEMO does not consider that a definition of materiality is necessary for the application of conditional approval under the rules. Engineering judgement is necessary to determine materiality with respect to conditional approval. Further, the appropriateness of conditional approval, given the complexity of the R1 assessment process, is also subject to engineering judgement. AEMO is best placed to exercise this judgement, in consultation with NSPs and the connection applicant.¹⁹ This would allow AEMO to exercise the judgement having regard to its overriding responsibilities to maintain the security of the electricity system as a whole. Fettering this judgement by defining materiality in the rules may limit the use of conditional approval where it would otherwise benefit consumers.

¹⁸ As previously submitted, conditional approval may allow AEMO to recover costs of non-compliance from connection applicants.

¹⁹ NSP input is necessary given their roles and responsibilities to maintain power system security.