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AEMC Reliability Panel
c/- Australia Energy Market Commission
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Sydney NSW 1235

Submitted online: <https://www.aemc.gov.au/contact-us/lodge-submission>

Review of the System Restart Standard – Issues Paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Reliability Panel's Issues Paper as part of its Review of the System Restart Standard (the Standard).

This Review is timely. Given the energy transition underway, the NEM will be subject to changing operational patterns, driven by the growth in consumer energy resources (CER) and large-scale inverter-based renewable generation, and the retirement of synchronous thermal plant. These changes will impact the availability of system restart ancillary services (SRAS) and alter system restart paths. It is therefore important the Standard remains fit for purpose, and alternative system restart capability is identified and capable of procurement under the framework where necessary.

Roles and Responsibilities

The current roles and responsibilities of parties involved in system restoration are generally clear and understood. However, they are likely to evolve out of necessity as new power system complexities arise over time. To the extent that the circumstances surrounding supply incidents are different due to, for example, generator and network dynamics or prevailing market conditions, a one-size-fits-all approach may not always be warranted and a bespoke solution potentially more appropriate. As a result, flexibility and resiliency in response will become important with decision-making to be co-ordinated more closely to mitigate risks and ensure the capabilities of system restart service providers are maximised.

Restart preparedness

In enhancing restart preparedness for the future NEM, Origin considers that AEMO needs to undertake planning over a long-term horizon based on future power system scenarios in its Integrated System Plan to ascertain system needs, globally and at a regional level. This planning should:

- recognise islanded operations within REZs as potential sources of energisation, given the adjacency of key transmission infrastructure and load centres, and
- provide a role for distribution system resources, including rooftop solar and batteries, to mitigate the impact of supply disruptions on consumers and support system restoration where possible.

Incentivising investment in SRAS

As SRAS costs are ultimately borne by electricity consumers, any commercial incentives should balance the trade-off between those costs and their value to the market. This can be best achieved by offering SRAS contracts through competitive tender processes, with successful bids selected transparently

against objective criteria. Where a bid has been unsuccessful, feedback should be provided to facilitate participation in future tenders.

New service providers may be attracted by innovations in the design of the service contracts available. These could include:

- offering contracts of longer duration to provide greater certainty of cash-flow,
- incorporating an options clause to enable a service provider to extend a contract, based on existing terms, and
- for storage devices, recognising the opportunity cost of capacity held in reserve for restart services. This could be achieved through an availability charge which reflects an average of the spot price over a given period.

In addition, rather than requiring plant to be operational before it may participate in a tender, eligibility could be extended to include proponents developing new capacity. This would enable an SRAS contract for a future period to be used in support of the business case for a new asset, and potentially enable it to reach financial closure more easily.

Further, AEMO should provide the market with clear guidance on future procurement needs to highlight potential new investment opportunities over a medium-term horizon. This information should be updated regularly to reflect locational shortfalls or other relevant system developments as they are identified.

If you wish to discuss any aspect of this submission further, please contact Steve Williams at steve.williams@originenergy.com.au or on 0409870998.

Yours Sincerely,



Shaun Cole