

# Improving the NEM access standards – Package 2

## The Commission is seeking feedback on three rule change requests

We have published a consultation paper for three rule change requests relating to the access standards for connection to the National Electricity Market (NEM). The Commission has consolidated a rule change request from the Australian Energy Market Operator (AEMO) with two separate rule change requests from Rod Hughes Consulting.

**We are seeking stakeholder feedback by 19 June 2025.**

## AEMO recently reviewed the NEM access standards

In December 2023, AEMO completed its first review of the NEM access standards, which it must complete every five years. The access standards in the National Electricity Rules (NER) define the permissible range of technical requirements that connection applicants need to meet before being allowed to connect to the NEM. These standards need to shift and adapt as our power system evolves to meet Australia's net zero target and, in turn, ensure the secure operation of the NEM.

Following the review, AEMO submitted two rule change requests to the AEMC in April 2024. The first request ([Improving the NEM Access Standards - Package 1](#)) is being progressed through the fast-tracked rule change process, and the final determination will be published on 22 May 2025.

The Commission has now initiated AEMO's second rule change request, [Improving the NEM Access Standards - Package 2](#). We will consider Package 2 through the standard rule change process.

## AEMO's Package 2 rule change request seeks to improve the NEM access standards, with a focus on large loads

The key driver of AEMO's Package 2 rule change request is the projected increase of large loads, such as data centres and hydrogen electrolyzers. AEMO's review found that this projected growth could pose potential risks to the secure operation of the power system and that the existing customer access standards in schedule 5.3 of the NER may not be adequate to address those risks. Accordingly, the Package 2 rule change request proposes amendments to schedule 5.3 to facilitate the planning and design of large loads in a way that supports future power system security. AEMO also proposes amendments to the access standards for high-voltage direct current (HVDC) links (schedule 5.3a), and other improvements relating to access standards. AEMO's proposed changes include:

- Allowing HVDC link owners to procure system strength services from a third party to meet short circuit ratio requirements.
- Limiting the application of short circuit ratio (SCR) requirements for customer loads to large inverter-based loads, and allow flexibility to agree to larger SCR thresholds for those loads.
- Improving the visibility of loads' ride-through capability by allowing NSPs to request ride-through information from connecting loads.
- Requiring connecting loads and NSPs to cooperate to maximise loads' ride-through capability where possible.
- Creating a new access standard for detection and response to instability for loads.
- Allowing for the ramp down of loads to facilitate under-frequency load shedding.
- Clarifying and restricting the scope of credible contingency events in relation to the automatic and minimum access standards for disturbance ride-through capability of

schedule 5.2 plant.

- Extending testing arrangements to allow registered participants to request testing of non-registered power system equipment to verify compliance with performance standards.
- Allowing an extension of time in AEMO's future access standards reviews if there are complex issues.

### Rod Hughes Consulting proposes clarifications to the access standards

Rod Hughes Consulting submitted two rule change requests to the AEMC to address potential inconsistencies and clarity issues in the access standards for generator protection systems, mainly in schedule 5.2 of the NER.

- The [Definitions of protection system requirements](#) rule change request (March 2023) proposes new and updated definitions for different types of protection systems and related concepts. The proponent considers this would improve clarity in schedules 5.1 and 5.2.
- The [Conditions for generator protection systems](#) rule change request (January 2023) seeks to address an apparent drafting inconsistency in the automatic access standard for generator protection systems, and suggests an adjustment to the corresponding minimum access standard.

The Commission has consolidated these rule change requests with AEMO's Package 2, as they are substantially related and can be considered more efficiently together. This will allow stakeholders to engage with the three rule change requests via one process.

### We have selected three assessment criteria for the rule changes

Considering the National Electricity Objective and the issues raised in the rule change requests, we propose to assess the requests against three assessment criteria.

- **Safety, security and reliability** – Improving the access standards can ensure alignment with the safe, secure and reliable operation of the power system. Ensuring that large loads and other plant operate within appropriate technical standards could support operational security, mitigate any adverse power system impacts, and improve power system resilience.
- **Innovation and flexibility** – Improvements to the access standards could enable more innovative and flexible solutions to issues that may arise in the application of access standards as the power system evolves, including with the projected growth of large loads.
- **Implementation considerations** – In considering these rule changes, we will seek to balance the cost and complexity of implementation and ongoing regulatory and administrative costs with the benefits of improving the access standards, while promoting clarity, transparency and predictability.

The Commission is considering how the proposed changes would apply to parties currently in the connections process and those seeking new connections. The intent is that the proposed changes would not apply to existing connections.

### We are seeking stakeholder feedback by 19 June 2025

The Commission welcomes written submissions to this consultation paper by 19 June 2025. To make a submission, visit our website, [www.aemc.gov.au](http://www.aemc.gov.au), find the 'Lodge a submission' function under the 'Contact Us' tab, and select the project reference code **ERC0394**. Tips for making submissions are available on our [website](#).

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