



16 October 2025

Australian Energy Market Commission (AEMC)

Via AEMC website: www.aemc.gov.au

Review of the System Restart Standard – Draft Determination

Alinta Energy welcomes the opportunity to provide feedback on the AEMC's Draft Determination in response to the *Review of the System Restart Standard* proposal.

Alinta Energy's key points:

- The SRAS Procurement Objective remains fit for purpose and provides AEMO with sufficient flexibility.
- Long-term SRAS contracts – longer than the conventional 3 years – are required to support investment decisions; and procurement should be coordinated with other services.
- SRAS technology trials should be balanced with procurement from established technologies and providers to ensure SRAS capability continues to be provided at the lowest long-term cost.
- We encourage AEMO to conduct robust SRAS reporting, increase transparency and undertake extensive stakeholder engagement

We consider the SRAS Procurement Objective remains fit for purpose and provides AEMO with sufficient flexibility for procurement.

The SRAS Procurement Objective (the Objective), as specified in the NER, requires AEMO "to use reasonable endeavours to procure SRAS to meet the Standard, at the lowest long term cost"¹. As recognised by the Panel, this supports AEMO "in using a range of commercial arrangements including establishing long term contracts and investing in the development of new SRAS capability".

We agree that AEMO is permitted under the NER with sufficient discretion and scope to make detailed provisions within the SRAS Guideline to achieve the procurement objective and note that it also has the option to amend the SRAS Guideline "from time to time"².

Within clause 3.11.7 in the NER³, AEMO is provided with *guidance* on what to include in the

¹ NER 3.11.7(a1); AEMC, Draft Determination, p.29.

² NER 3.11.7(e).

³ NER 3.11.7.

SRAS Guideline (the 'Guideline'), but the discretion to make such decisions such as:

- defining technical and availability requirements⁴;
- outlining the process for AEMO to follow for contracting potential SRAS providers to negotiate provision of SRAS without a competitive tender process⁵; and
- guidance to Registered Participants on the factors that AEMO must take into account when making a decision to follow a particular type of procurement process to acquire SRASs to meet the SRAS Procurement Objective⁶.

Consequently, in line with the Panel's recommendations⁷, we do not believe the NER needs to be amended to provide AEMO additional flexibility discretion in determining commercial arrangements⁸.

Long-term SRAS contracts – longer than the conventional 3 years – are required to support investment decisions; and procurement should be coordinated with other services.

Whereas the SRAS Procurement Objective is to achieve the lowest long-term cost, SRAS contracts have typically been offered with terms up to three years. Consistent with the Objective and noting the need for new investment and solutions as synchronous generators retire, we encourage AEMO to procure SRAS over a longer-term period and update the SRAS guideline to support this.

Longer-term contracting would provide greater certainty to potential SRAS providers, enabling more efficient investment in new technologies and infrastructure aligned with the evolving needs of the power system.

We note the Panel's findings⁹ that the current framework has delivered limited investment in new SRAS sources and that there is a significant risk of insufficient capability emerging prior to the retirement of existing providers.

As noted by the Panel, the NER framework in its current form already provides:

*"AEMO with considerable flexibility to procure SRAS through commercial arrangements based on any procurement process that it consider will meet the SRAS procurement objective. While AEMO is required to set out its proposed SRAS procurement processes in the SRAS guideline, it has complete discretion and flexibility under the NER around the specifics of any procurement process it considers is fit for purpose"*¹⁰.

The updated guideline should also support the coordination of SRAS procurement with other services. We note that this would support the objective to achieve the lowest long term cost, and is consistent with the NEM review's recommendation to coordinate ESS procurement with its proposed "electricity services" under the Electricity Services Entry Mechanism.

⁴ NER 3.11.7(d)(1).

⁵ NER 3.11.7(d)(6).

⁶ NER 3.11.7(d)(5).

⁷ AEMC, Draft Determination, p.34.

⁸ AEMC, Draft Determination, p.29.

⁹ AEMC, Draft Determination, p.1.

¹⁰ AEMC, Draft Determination, p.34.

SRAS technology trials should be balanced with procurement from established technologies and providers

We support the Panel's consideration of trialing Type 2 contracts in preparation for future replacement of existing capacity. However, we note the need to balance the use of Type 2 contracts with procurement from established technologies and providers. As acknowledged by the panel, "the use of transitional services could increase overall expenditure on system restart capability"¹¹.

We encourage AEMO to communicate timely outcomes of Type 2 contract assessments and keep stakeholders informed; and we recommend that AEMO establishes contracts with resources that are critical to providing SRAS, rather than relying on directions.

We encourage AEMO to conduct robust SRAS reporting, increase transparency and undertake extensive stakeholder engagement

We support the Panel's recommendations for AEMO to undertake robust and forward-looking SRAS reporting and increase transparency in its planning processes.

Specifically, we support the Panel's recommendations that, from 2026:

- AEMO to undertake future focused restoration modelling to inform system restart capability throughout the transition, documented in the TPSS¹²;
- The TPSS should outline robust projections of technology capability and cost across its future planning horizons, and how this impacts future SRAS requirements;
- AEMO to report on SRAS investment opportunities through the Electricity Statement of Opportunities (ESOO) or similar publications, to provide clear signals for market participants¹³.

These measures are critical to ensuring SRAS procurement remains efficient, transparent, and responsive to the long-term interests of consumers, consistent with the SRAS Objective and the National Electricity Objective.

Finally, we support the Panel's recommendation that AEMO should engage with the Panel on SRAS needs and any associated modelling¹⁴. On the point of stakeholder engagement, the Panel has not made any recommendations in this Draft Determination. We note that the Panel, however, references its 2016 recommendations¹⁵ "increasing engagement with relevant stakeholders"¹⁶. We recommend a requirement is introduced for AEMO to consult on the TPSS, to improve transparency and ensure widespread stakeholder inputs.

Thank you for your consideration of Alinta Energy's submission. If you would like to discuss this further, please get in touch with Isidora Stefanovic at isidora.stefanovic@alintaenergy.com.au.

Yours sincerely,

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¹¹ AEMC, Draft Determination, p.36.

¹² AEMC, Draft Determination, p.v.

¹³ AEMC, Draft Determination, p.38.

¹⁴ AEMC, Draft Determination, p.vii.

¹⁵ AEMC, Draft Determination, p.80.

¹⁶ AEMC, Draft Determination, p.80.