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LIGHT THE WAY

Reliability Panel

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Compliance Template Review 2026 – 11 December 2025

EnergyAustralia is one of Australia's largest energy companies with around 2.2 million electricity and gas accounts across eastern Australia. We also own, operate and contract a diversified energy generation portfolio across Australia, including coal, gas, battery storage, demand response, wind and solar assets, with control of over 5,000MW of generation capacity.

EnergyAustralia welcomes the opportunity to provide feedback to AEMC's review on the Compliance Template. We are supportive of expanding the plant types to reflect the growing asset class that provides compliance guidance in line with plant operations.

Structure and form of the Template

EnergyAustralia strongly supports the proposed approach to structure the Template by registered participant type (for example schedule 5.2, 5.3 and 5.3a plant) as outlined in section 3.1 of the Issues Paper. Our position is based on practical compliance realities:

- Compliance programs are developed at the participant level, not at the technology topic level. Registered participants take the Template and embed relevant section into their own internal compliance frameworks
- A technology-based Template would require each participant to manually remove irrelevant testing and monitoring guidance, increasing administrative burden, the risk of misinterpretation, and the chance of including or excluding inappropriate requirements

The Panel itself notes that a cross-technology structure may reduce clarity and ease of use. This would undermine the Template's mandatory role under clause 4.15 of the NER, which requires a compliance program consistent with the Template, and would add no material benefit to plant-level compliance outcomes.

Proposed revised compliance principles

We support the consolidated and revised compliance principles. They improve clarity, reduce duplication, and strengthen alignment between the Template and the NEO. In particular:

- Clearer articulation of materiality and efficiency (**Principle 1**): This principle now directly links cost, risk and materiality to the NEO, improving practical guidance for determining appropriate testing regimes
- Explicit differentiation between variable vs non-variable parameters (**Principle 2**): This preserves an important distinction for inverter-based vs synchronous technologies and supports proportionality
- Elevated role of continuous monitoring (**Principle 3**): This reflects changes in technology and AEMO's expectation for high-speed monitoring for new assets
- Stronger emphasis on active, ongoing use of the compliance program (**Principle 4**): This provides a clearer expectation for internal compliance governance
- Retention of good electricity industry practice (**Principle 5**): This anchors the Template in the evolving industry landscape and aligns with the need to manage a growing diversity of technologies

Effectiveness of the current Template

In our view, the Template is effective for because it provides examples of testing and monitoring methods without mandating overly prescriptive requirements, especially for existing synchronous generators. Flexibility is essential given the wide range of plant configurations, especially for new technologies / categories.

The new Template should continue to retain the methodologies for compliance based on the old template, as it has provided the right operational compliance needed to support monitoring programs, maintenance schedules, outage planning and risk management.

Broadening requirements

Care should be taken not to over-specify testing for technologies where operating profiles differ substantially, particularly as many plants have entered into system security contracts. Substantial changes to the Template could result in re-assessing contracts.

There should continue to be consistency with existing connection agreements. Some performance standards were negotiated many NER versions ago. Template revisions should respect the need for compliance programs to remain aligned with these set standards.

Timing and Frequency of Monitoring and Testing

Event-driven testing should not become de facto continuous testing. Some plant types such as peaking or low-duty assets, may not experience disturbances frequently enough to meet prescriptive event-based assessment intervals.

For synchronous machines, continuous compliance can still be demonstrated through well-defined period tests, calibrated control and protection systems, disturbance/event

analysis. Continuous monitoring should be optional and risk-based, not a default requirement. The Template should allow:

- periodic testing
- event-based monitoring
- targeted subsystem testing, to remain acceptable forms of compliance unless a specific performance standard requires real-time measurement

The new Template should include additional methods for how expanded technologies will be compliant with the testing and monitoring requirements, such as clause S5.2.5.10. We acknowledge that continuous monitoring may be appropriate for new technologies, we strongly encourage that the new Template include clear guidelines for each market participants on how to apply the methods.

The Issues Paper recognises that monitoring approaches have different costs depending on technology. In our view, requirements to install continuous monitoring for synchronous generators should be considered high cost, non-standard, and not inherently required unless risk/materiality justify it.

The Template should therefore adopt a capability-based approach. Continuous monitoring may be the preferred option for IBR, but for synchronous plant, periodic testing, event-based monitoring and subsystem-level inspection should remain the gold standard to deliver reasonable assurance of compliance.

If you would like to discuss this submission, please contact me via email at Ana.Spataru@energyaustralia.com.au.

Regards

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