



21 April 2026

Ms Anna Collyer  
Chair, Australian Energy Market Commission

**Re: CleanCo Submission on ERC0424 National Electricity Amendment (Security frameworks enhancements) Rule and National Electricity Amendment (Clarity and Transparency in security frameworks) Rule.**

CleanCo Queensland welcomes the opportunity to provide a submission to the consultation paper on the *National Electricity Amendment (Security frameworks enhancements) Rule and National Electricity Amendment (Clarity and Transparency in security frameworks) Rule*.

CleanCo was established by the Queensland Government in 2018 to own and operate a portfolio of flexible, responsive generation assets and support the development of new clean energy projects. In addition to generation, CleanCo's assets play a critical role in delivering essential system security services in Queensland, including inertia and system strength. These services are fundamental to maintaining system stability, reliability, resilience, and performance within required standards. Through the flexibility and versatility of its portfolio, CleanCo contributes to long-term reliability and resilience of Queensland's power system.

As the electricity market continues to evolve through the transition, the importance of system security services is increasing. CleanCo considers system security to be non-negotiable, as it is a fundamental requirement for maintaining system reliability. Frameworks that deliver weak, unclear, or misaligned signals expose the system to elevated risk, leading to more frequent interventions, higher consumer costs, and diminished affordability.

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**CleanCo's position:**

- **CleanCo considers that ensuring sufficient system security services are available ahead of system needs is essential, and that achieving this at least cost requires strong, credible market-led investment signals rather than reactive mechanisms.**
- **CleanCo supports AEMO's proposals to extend procurement timelines and strengthen the NSCAS framework as a backstop mechanism, but emphasises that these measures should not substitute for effective investment signals and should remain a true last-resort tool.**
- **CleanCo considers that governance reforms, as proposed by the AEC/CEC, are essential to support effective investment signals and therefore both rule change proposals should be consolidated and progressed together to deliver the best long-term outcomes for consumers.**
- **CleanCo advocates for clearer roles and accountabilities within the NER, including independent determination of key parameters underpinning procurement targets, to improve transparency, reduce regulatory uncertainty, and strengthen the credibility of investment signals.**

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**Brisbane**

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- **CleanCo supports enhancing the TPSS to evolve from a high-level technical forecast into a more actionable and investment-relevant plan, with sufficient specificity on the quantum, location, and timing of system security services to support timely and efficient investment.**
  - **CleanCo supports improving the definition and standardisation of system security services and procurement processes to reduce complexity, lower barriers to participation, and enable more competitive and efficient outcomes.**
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The current system security frameworks, including the Transition Plan for System Security (TPSS) and associated reporting, play a central role in guiding investment and procurement. However, CleanCo agrees with the views of AEMO and the AEC/CEC that the existing arrangements present significant gaps.

In CleanCo's view, current frameworks do not provide sufficiently clear or timely signals to support investment ahead of system needs. While planning outputs exist, they lack the specificity and certainty required for participants to commit capital or explore co-optimised and non-network solutions with confidence. As a result, procurement and investment are more likely to lag system requirements, increasing reliance on reactive mechanisms. This gap creates material risks to system security and reliability, increases the likelihood of market disruption, and ultimately leads to higher costs for consumers, undermining the efficiency of the transition.

#### *AEMO procurement proposals and the need for complementary governance*

CleanCo acknowledges the merits of AEMO's proposals to extend procurement timelines to better align with supply chain constraints and to strengthen the NSCAS framework as a backstop mechanism. CleanCo also supports exploring a more streamlined RIT-T process, provided competitive tension is maintained, including through mandatory assessment of non-network options, equivalent cost comparisons, and equal access to early works funding. Measures such as earlier closure notices and extended binding procurement windows for TNSPs are practical steps to better manage the orderly exit of synchronous generation.

However, CleanCo considers that these measures alone will not address the underlying causes of weak investment signals. While backstop procurement tools are necessary, they are not a substitute for a framework that encourages timely, market-led investment ahead of system needs.

In CleanCo's view, regulatory reform should prioritise ensuring that sufficient system security services are available to meet system needs at least cost. This outcome is best achieved through market-led investment, supported by strong, transparent, and stable governance arrangements. For this reason, CleanCo considers the AEC/CEC proposals should be consolidated with, and progressed alongside, AEMO's proposals to deliver efficient, durable, and consumer-focused outcomes.

#### *Addressing structural uncertainty in roles and accountabilities*

CleanCo agrees with the AEC/CEC consideration that a central weakness of the current system security framework is the absence of a clearly accountable body responsible for defining, coordinating, and maintaining requirements for essential system security services (ESS) on an enduring basis. While AEMO and TNSPs play critical operational and planning roles, the existing arrangements leave key decisions about system security requirements dispersed across multiple entities, with limited transparency and accountability for outcomes.

The current regulatory framework requires AEMO and TNSPs to manage fundamental trade-offs between system risk and procurement costs. These decisions have material implications for system security outcomes and consumer costs. However, they are not supported by a clear governance structure that identifies who is ultimately responsible for defining what services are required, in what quantities, under which future scenarios, or for being accountable if those definitions prove inadequate or delayed.

This creates ambiguity in how key parameters are set, including the level of system risk to be maintained, the scenarios the system should be planned against, and the balance between forward investment and reliance on operational or backstop mechanisms. These decisions have material implications for both system security outcomes and consumer costs, yet are not subject to a clearly defined and transparent governance framework.

CleanCo supports the intent of the AEC/CEC proposal to more clearly specify roles and accountabilities within the NER, including consideration of whether key parameters underpinning procurement targets should be determined through an independent panel.

An independent governance mechanism would strengthen transparency and accountability in how these parameters are set. Its value lies not in duplicating technical expertise, but in providing a structured and transparent check on the assumptions used to determine the efficient level of services to be procured. This includes key inputs such as planning scenarios and the level of system risk deemed acceptable. Moving toward explicit, publicly accountable decision-making would improve confidence in the framework and support more efficient outcomes for consumers.

To minimise administrative complexity, CleanCo encourages the AEMC to explore the suitability of the Reliability Panel to fulfil this role, by building on its remit to consider ESS issues (NER clause 8.8.1(a)(2)). This existing remit could be extended or clarified to include responsibility for determining the efficient level of ESS, supported by transparent criteria and informed by technical advice from AEMO and TNSPs.

#### *Uplifting the TPSS to provide actionable plans*

CleanCo views the TPSS as a fundamental instrument for providing the investment signals required to support a secure transition. CleanCo acknowledges that the National Electricity Rules (NER) already prescribe a range of requirements for the content of the TPSS and recognises the progress made in recent iterations, particularly the 2025 TPSS, which represents a meaningful step toward a more actionable and investment-relevant planning document.

Despite these improvements, CleanCo considers that the TPSS continues to operate primarily as a high-level technical forecast and does not yet consistently provide the level of specificity and certainty required to support timely, market-led investment ahead of system needs. In particular, planning outputs do not always translate into clear, forward-looking signals regarding the quantum, location, and timing of required system security services.

CleanCo therefore supports amendments to the NER that provide greater clarity on how existing TPSS requirements should be applied to produce actionable planning outputs. Embedding high-level principles within the NER, supported by complementary guidance developed under the framework, would help ensure that planning outputs are more consistent, transparent, and investment-relevant over time.

Embedding these requirements within the NER, rather than relying on procedural or guideline-based approaches, would provide greater durability and consistency over time. Given the long lead times

and capital intensity of system security investments, market participants require assurance that planning outputs will remain clear, consistent, and actionable across investment cycles.

*Reducing complexity in service specification and procurement*

CleanCo strongly supports proposals to amend the NER to provide greater clarity and consistency in the specification and procurement of system security services. The current lack of standardised technical definitions, combined with varied procurement approaches, creates unnecessary complexity and increases costs for market participants.

These factors can also act as barriers to participation, particularly for non-network proponents, by increasing the cost and complexity of engaging in procurement processes.

Establishing standardised technical definitions and more consistent procurement frameworks is critical to reducing regulatory and process uncertainty. When service specifications and procurement processes are clearly defined and applied consistently, participants are better able to assess system needs, develop solutions, and commit capital with confidence.

Without this level of clarity, procurement processes are more likely to remain bespoke and iterative, requiring participants to repeatedly re-interpret requirements and redesign solutions. This not only delays delivery but also increases costs.

In addition, CleanCo supports the introduction of periodic review mechanisms, such as the biennial review proposed by the AEC and CEC, to balance the benefits of standardisation with the need for adaptability. Given the pace of change in system needs, technologies, and service capabilities, procurement frameworks must remain sufficiently flexible to avoid becoming outdated or misaligned with market realities.

*Conclusion*

CleanCo supports the direction of the proposed reforms but considers that, achieving the best outcomes for the system and consumers, particularly in relation to reliability, security and affordability both rule change should be progressed in combination. Strengthening investment signals, improving governance and transparency, and enhancing the actionability of planning outputs, particularly through the TPSS, are critical to ensuring system security services are delivered efficiently and ahead of system needs.

CleanCo looks forward to the outcomes of this consultation and would welcome the opportunity to discuss this submission in more detail. Please contact [regulation@cleancoqld.com.au](mailto:regulation@cleancoqld.com.au) if you would like to follow up on any aspects of our response.

Yours sincerely,

Signed by:  
  
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