APA

Australia's energy infrastructure partner

# AEMC Improving the NEM access standards – Package 2

APA Submission

07 May 2026

**APA Group**
APA Group Limited
ACN 091 344 704
Level 10, 121 Castlereagh Street, Sydney NSW 2000
PO Box R41, Royal Exchange NSW 1225

Ms Anna Collyer
Chair
Australian Energy Market Commission

7 May 2026

Dear Ms Collyer,

**AEMC Improving the National Electricity Market (NEM) Access Standards – Package 2 Draft Report**

Thank you for the opportunity to comment on the Improving the NEM Access Standards – Package 2 Draft Report (draft rule). Clear, technically robust access standards are essential to promoting the efficient investment in, and operation of, electricity services for the long-term interests of consumers with respect to the security and reliability of the NEM.

APA is an ASX listed owner, operator, and developer of energy infrastructure assets across Australia. Through a diverse portfolio of assets, we provide energy to customers in every state and territory. As one of Australia's leading energy infrastructure companies, we are keenly interested in policy processes that aim to improve the security and reliability of energy supplies. APA owns and operates three critical HVDC interconnectors in Australia, namely Basslink (TAS-VIC), Directlink (NSW-QLD), and Murraylink (SA-VIC) and has operated the Darling Downs Solar Farm in Queensland since 2019.

APA broadly supports the direction of the draft rule, particularly the move towards a more transparent and predictable regulatory framework. We endorse the introduction of a tiered classification for Inverter Based Loads (IBL) and the clarification of disturbance ride-through standards for Schedule 5.3 Participants. By anchoring minimum access standards to documented network planning contingencies and providing a clear list of reclassified non-credible events, the Commission will significantly reduce the open-ended compliance risks that may drive inefficient over-engineering and delayed connections.

While APA also welcomes the reform allowing HVDC operators to procure system strength from third parties, we stress that the practical success of this measure depends on a clear cost-recovery mechanism. Additionally, we advocate for the inclusion of clear 'reasonable grounds' guardrails for plant testing requests to ensure that compliance oversight remains aligned and prioritised with the system security framework defined in Chapter 4 of NER.

If you have any questions about our submission, please contact Liz Gharghori, Markets Manager, on [redacted] or [redacted].

Regards,

[redacted]

**Liz Gharghori**
**Markets Manager, Market Regulation**

APA
Australia's energy infrastructure partner

APA Group
APA Group Limited
ACN 091 344 704
Level 25, 580 George Street, Sydney NSW 2000
PO Box R41, Royal Exchange NSW 1225

P:[redacted]
F:[redacted]
apa.com.au

**Table 1 APA response to Draft Determination Sections**

| Section of Draft Determination | APA response |
|---|---|
| **Section 4.2** – Draft rule to clarify aspects of the disturbance ride-through access standards for generators (Schedule 5.2 Plant) | We support the proposed amendments to the disturbance ride-through access standards for Schedule 5.2 plant. The current framework has created uncertainty for connection applicants, potentially resulting in conservative over-engineering of protection and control systems to guard against an effectively open-ended compliance obligation. We support the decision to clearly delineate the minimum and automatic access standard and anchoring the minimum standard to the NSP's documented network planning contingencies.<br><br>We also support limiting the additional automatic standard obligation to non-credible events that are likely to be reclassified and cause a significant disturbance at the connection point. We agree that NSP's and AEMO should work together to prepare and maintain the list of non-credible contingency events likely to be reclassified as credible. |
| **Section 5.2** – Draft rule to clarify definitions of protection system requirements, but the draft rule would not change the access standard for generator protection systems | Table 5.1 in the draft determination[1] sets out proposed definitions and rationale for *primary protection system* and *back-up protection system*. We support the proposed definitions to provide greater clarity for present and future Schedule 5 participants.<br><br>In section 5.2.2 of the draft determination, the AEMC outlined that stakeholder feedback and technical analysis helped to inform their draft definitions. We would encourage the AEMC to share the results of this analysis with stakeholders which would aid transparency to the rationale behind the decision to define only two of the terms proposed to be defined by the rule change request.<br><br>We would additionally encourage further consideration of the rule change request's proposal to introduce a new term to clarify what is required for *sufficient redundancy* in a primary protection system. Whilst we agree with the AEMC's draft rationale that there should be an allowance for engineering judgement when defining sufficient redundancy, our view is that it should be aligned with Good Electricity Industry Practice. This is an already defined term within the NER and allows engineering judgement to be practiced within a reasonable boundary set by industry. Without this, there is a risk that, for example, a HVDC link asset that has 2 separate connection points could implement 2 different levels of protection system redundancy. This will |

[1] AEMC, *Improving the National Electricity Market (NEM) Access Standards – Package 2 Draft Determination*

APA
Australia's energy infrastructure partner

APA Group
APA Group Limited
ACN 091 344 704
Level 10, 121 Castlereagh Street, Sydney NSW 2000
PO Box R41, Royal Exchange NSW 1225

P:[redacted]
F:[redacted]
apa.com.au

| | |
|---|---|
| | risk increasing implementation costs and potentially destabilise system security if it leads to conflicting reliability between 2 different NEM regions.<br><br>We acknowledge that this is a complex issue that likely requires additional consideration and consultation. Therefore, we encourage the AEMC and AEMO to consider this matter in future reviews to the NEM access standards, for example in AEMO's scheduled review due in 2028. |
| **Section 6.2** – Draft rule to allow for HVDC link operators to procure system strength from third parties | The proposed reform to allow HVDC operators to contract system strength from existing providers is a more economically efficient outcome. It promotes better utilisation of existing assets, reduces the risk of unnecessary capital duplication and supports coordinated network development in regions where multiple connection projects are competing for limited system strength. We therefore support the intent and direction of this piece of the reform.<br><br>However, we seek clarity on how the ongoing costs of third-party system strength contracts be recovered under the existing regulatory framework. For regulated HVDC links, capital and operating expenditure must be approved by the AER through a revenue determination under Chapter 6A of the NER. The AER *System Strength Pricing Methodology Guidelines* (Pricing Guideline) already provide a mechanism for a TNSP acting as a system strength provider for a region to recover costs from connecting generators.[2] Consideration will need to be given for how the NER and Pricing Guideline provide a mechanism for a regulated HVDC operator to recover the costs of purchasing system strength from a third party through its own regulated revenue framework. |
| **Section 7.2** – Draft rule for all Schedule 5 Participants to have the right to request testing or assessment of a Schedule 5 plant, if there are reasonable grounds to believe that plant may not comply | We agree with the rationale to extend the right to request testing beyond registered participants to all Schedule 5 Participants where there are reasonable grounds to believe that the plant may not be complying with the NER or its connection agreement. We also support maintaining the existing cost allocation rule, where the requesting party bears the costs of testing unless non-compliance is identified, in which case the equipment owner pays. This is designed to avoid frivolous requests for testing by Schedule 5 participants. To complement these changes and to aid the avoidance of these frivolous requests, it would be helpful for the draft rule to introduce guard rails on what is considered 'reasonable grounds'. |

[2] Australian Energy Regulator, *Electricity transmission network service providers: Pricing methodology guidelines,* 25 August 2022

APA
Australia's energy infrastructure partner

**APA Group**
APA Group Limited
ACN 091 344 704
Level 10, 121 Castlereagh Street, Sydney NSW 2000
PO Box R41, Royal Exchange NSW 1225

P:[redacted]
F:[redacted]
**apa.com.au**

| | |
|---|---|
| with the NER or an applicable connection agreement. | |
| **Section 7.3** – Draft rule allowing AEMO to extend future technical reviews due to complexity or material changes | We are supportive of the reform to allow AEMO to extend the publication of a final report by up to 3 months, allowing for greater accuracy and completeness of assumptions and analysis, particularly for complex reforms. However, we encourage the AEMC to mandate that any extension to the final report publication also includes a commensurate extension to the industry consultation window. This is vital to ensure that the additional time for analysis translates into a more thoroughly vetted and robust final rule, benefitting from comprehensive stakeholder input on complex reforms. |