



CITY OF MELBOURNE

GPO Box 1603  
Melbourne VIC 3001  
Telephone [REDACTED]  
Facsimile [REDACTED]  
DX210487

ABN 55 370 219 287

13 May 2026

Tiffany O'Keefe  
Senior Adviser  
Australian Energy Market Commission (AEMC)

Dear Tiffany

## Submission on the AEMC Draft Rule, Improving the NEM Access Standards – Package 2

The City of Melbourne supports the Australian Energy Market Commission's draft rule, *Improving the NEM Access Standards – Package 2*. We welcome the proposal to introduce clearer standards for large data centres and similar facilities connecting to the National Electricity Market. ([AEMC](#))

From a local government perspective, this is a sensible and timely reform. Large data centres can bring economic benefits, but they can also place added pressure on local infrastructure and the electricity system. If these impacts are not managed well, the risks and costs can end up being carried by local communities and shared across other energy users.

The City supports this draft rule because it would help make the grid more resilient. Large new loads should be able to respond to disturbances in a way that supports, rather than weakens, reliable electricity supply. For councils, this is not just a technical market issue. It is a local infrastructure and community resilience issue.

We also support the draft rule because it aligns with a basic fairness principle. Where new very large facilities create added risks or costs for the system, those costs should not simply be pushed onto households, small businesses and existing consumers. Stronger standards upfront can help reduce the risk of avoidable costs being socialised across the wider community.

The City's position is also consistent with the [Data Centre AI Cities Charter](#), initiated by the Lord Mayor of Melbourne and the Mayor of Phoenix. As reflected in our existing draft, the Charter recognises that data centres are an important economic driver, but that growth should not come at the expense of increased emissions, air pollution, water scarcity or local consumer energy prices.

Accordingly, the City of Melbourne recommends that the AEMC:

### 1. Retain the core direction of the draft rule.

The final rule should keep clear standards for large data centres and similar facilities connecting to the grid.

### 2. Keep a strong focus on resilience and reliability.

The final standards should help ensure that new large loads behave in a way that supports a stable and reliable electricity system.

### 3. Support fairer cost allocation.

The final framework should reduce the risk that avoidable system and network costs are shifted onto existing consumers and host communities.

The City of Melbourne supports this draft rule as a practical and necessary reform. It will help protect local infrastructure resilience, support a more reliable electricity system, and reduce the risk that the impacts of new large-load connections are unfairly borne by the wider community. ([AEMC](#))

Yours sincerely

[REDACTED]  
**Krista Milne**

Director Climate Change and City Resilience  
Strategy Planning and Climate Change

Telephone [REDACTED]

E-mail [REDACTED]

Website [REDACTED]