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Australian Energy Market Commission  
GPO Box 2603  
Sydney, NSW 2001

Submitted via: AEMC [website](#).



Jemena Limited  
ABN 95 052 167 405

Level 16, 567 Collins Street  
Melbourne, VIC 3000  
PO Box 16182  
Melbourne, VIC 3000

T [REDACTED]  
F [REDACTED]  
[www.jemena.com.au](http://www.jemena.com.au)

## **Re: National Electricity Amendment (Improving the NEM access standards - Package 2) Rule 2026 – Draft Determination**

Dear Ms Collyer,

Jemena welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) draft determination on the *National Electricity Amendment (Improving the NEM access standards - Package 2) Rule 2026*.

Jemena owns and operates a diverse portfolio of energy assets throughout northern and east coast Australia. With more than \$12 billion of major electricity and gas infrastructure, we deliver energy to millions of households, institutions, and industries every day.

Our assets include the Jemena Electricity Network in northwest Melbourne, providing electricity to more than 390,000 customers, and gas transmission pipelines such as the Eastern Gas Pipeline, Darling Downs Pipeline, Queensland Gas Pipeline and the Northern Gas Pipeline, and Jemena Gas Network in New South Wales. In addition, our group includes Zinfra, an energy services business, which provides project management, construction, operations and maintenance services for the electricity and gas sectors.

Jemena supports the Commission's objective of ensuring that the National Electricity Rules remain fit-for-purpose as large inverter-based loads, including data centres, seek to connect to the National Electricity Market at increasing scale. We recognise the importance of maintaining system security, improving visibility of large load performance, and ensuring that technical access standards appropriately reflect the characteristics of emerging load technologies.

We also commend the Commission's proposed tiered framework for distribution-connected inverter-based loads. In our view, the move away from a broad 5 MW threshold towards a more proportionate framework is a positive and practical improvement. The proposed distinction better reflects the different risk profiles of these connections and should help avoid imposing unnecessary compliance costs on projects that are unlikely to have a material system security impact.

However, Jemena considers that the final determination should give greater practical weight to connection timeframes and implementation certainty. Data centre and other large load projects are highly time-sensitive investments, therefore, any delays in the connection process can create material commercial risks, affect investment decisions, and place unnecessary pressure on both proponents and network service providers. While Jemena supports the need for clear technical requirements,

those requirements must be implemented in a way that does not inadvertently slow connection processes or create repeated modelling and review cycles.

This is particularly important given that several key implementation matters are proposed to be addressed through future AEMO guideline updates, including the Power System Model Guidelines (PSMG), Power System Stability Guidelines (PSSG) and System Strength Impact Assessment Guidelines (SSIAG). These guidelines will be critical to how the new framework operates in practice. If modelling expectations, assessment processes, and evidence requirements are not clear, proportionate, and consistently applied, there is a risk that the benefits of the tiered framework will be undermined by implementation uncertainty.

The implementation challenge applies to network service providers as well as proponents, due to the requirement to assess large inverter-based loads against technical requirements that are more comparable to those historically applied to large generation and inverter-based resource connections. While Jemena supports this direction where necessary for system security, many distribution networks have not historically needed to maintain the same depth of internal capability, resourcing or experience for these types of assessments. A clear transition period, supported by practical AEMO guidance, will therefore be important to ensure DNSPs can apply the new framework consistently and efficiently without adding avoidable delay to the connection process.

Jemena considers that time-bound review and re-review processes are particularly critical. The practical impact of the new framework will depend not only on the technical standards themselves, but on how efficiently technical material is assessed, commented on, revised and accepted. Without clear expectations for review and re-review timeframes, there is a risk that proponents and NSPs become caught in repeated modelling cycles, particularly where comments are limited, iterative or administrative in nature. This would undermine the benefits of the tiered framework and could delay connection offers for projects that would otherwise meet the relevant technical requirements.

Furthermore, Jemena's concern is not with the direction of the reforms, but with the sequencing of implementation, as the draft determination proposes that the new requirements commence when the final rule is published, while AEMO would have up to 12 months to update the key guidelines that will explain how modelling and assessment requirements should be applied in practice. This creates a risk that proponents and DNSPs may need to apply new requirements before the supporting guidance is settled, leading to rework, inconsistent assessment and delayed connection outcomes.

Jemena therefore proposes that the Commission either align the commencement of new modelling and assessment requirements with the finalisation of the relevant AEMO guideline updates or provide a minimum 12-month transitional pathway for materially advanced distribution-connected large IBL projects. At a minimum, projects with detailed design, connection studies, procurement or commercial commitments already underway should have a clear pathway to continue under existing requirements or an agreed transitional approach. The final rule should also provide clarity for staged expansions of existing facilities, where new obligations should be applied in a way that is proportionate to the incremental plant or material change being proposed, rather than automatically reopening the compliance basis for existing embedded plant commissioned under previous requirements.

Therefore, Jemena encourages the Commission to ensure that the final rule and associated implementation arrangements:

- provide a minimum 12-month transition period, or at minimum, clearer criteria for materially advanced projects and staged expansions of existing facilities to continue under existing requirements or an agreed transitional pathway;

- provide clear, practical and proportionate modelling and assessment expectations for each tier of connection through the PSMG, PSSG and SSIAG updates, including guidance that supports consistent application by DNSPs and appropriate treatment of legacy equipment where detailed OEM models are unavailable;
- avoid unnecessary duplication of modelling, testing and review processes;
- establish clear, timebound expectations or service-level guidance, for the review, re-review and acceptance of technical material, particularly where proponents are responding to limited, minor or administrative comments;
- support practical implementation mechanisms, such as composite or template load models, staged validation, use of DMAT-style evidence where appropriate, conditional energisation where technically appropriate, and recognition of standardised or previously assessed UPS and inverter equipment where this can be done without compromising system security.

Without these practical mechanisms, there is a risk that the new framework, while proportionate in design, could still result in repeated modelling cycles, delayed connection offers and avoidable pressure on time-sensitive projects.

Jemena considers that these matters are essential to ensuring the reforms achieve their intended purpose. A clear and proportionate framework for large inverter-based loads should support system security, while also supporting efficient and timely investment in critical infrastructure. Connection speed is not simply a commercial preference for proponents, but it is central to maintaining Australia's attractiveness as a destination for major energy-intensive investment and to ensuring that network connection processes remain workable for all parties.

For more information regarding Jemena's submission or to arrange a discussion, please contact me via [REDACTED].

Yours sincerely,

[REDACTED]

Matthew Serpell,  
Electricity Regulation Manager