Date: 7 May 2026

To:
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

From:
VeriConneX Pty Ltd
Level 8/140 Bourke Street
Melbourne, VIC 3000

vericonnex.com.au

To the AEMC,

Re: Improving the NEM access standards – Package 2 Draft Rule

VeriConneX welcomes the opportunity to respond to the AEMC's draft rule determination on Improving the NEM Access Standards – Package 2. As the developer of COMET, Australia's leading GPS compliance management platform — with more than 3.5GW of generation and storage assets under management across more than two dozen generators — we bring a practical, implementation-focused perspective to this consultation.

We believe the Commission has made a sound and proportionate draft rule. Our submission focuses on ensuring the compliance framework keeps pace with the new obligations it creates.

The tiered IBL classification framework is the right approach

The introduction of a structured three-tier classification for distribution-connected inverter-based loads (IBLs) addresses a genuine problem. Embedding classification directly in the NER, and raising the large IBL threshold to 30 MW, is a proportionate and practical improvement.

We particularly support the automatic application of Schedule 5.3 access standards to Tier 3 connections (100 MW or greater). Hyperscale data centres and large electrolysers at this scale have demonstrably generator-like impacts on system security — from their fault current contributions to their dynamic behaviour during disturbances. Treating them like generators for compliance purposes is technically justified and long overdue.

New performance obligations require a corresponding framework for ongoing compliance management

The draft rule creates meaningful ongoing performance standard obligations for large IBLs, but does not address how those obligations should be demonstrated on a continuous basis. This is the implementation gap we have seen consistently in the generator compliance space — and the same gap is now being created for IBLs at scale.

The Generator Compliance Program (GCP) Template was designed for registered generators. A fit-for-purpose compliance framework for Tier 2 and Tier 3 IBLs — either as an extension of the Template or a parallel instrument — will need to be developed. We strongly encourage the AEMC and the Reliability Panel to treat this as a priority next step and to pursue it in explicit coordination with the concurrent GCP Template Review.

In our submission to the Reliability Panel's January 2026 consultation on GCP Templates, we argued that effective compliance programs rest on four pillars: continuous monitoring, targeted testing, model

validation, and regular reporting. The same logic applies here. IBLs inverter-based assets whose behaviour can shift materially through firmw changes, and control system modifications — none of which periodic testing alone will reliably detect.

Continuous monitoring should be the preferred compliance foundation for large IBLs

The draft rule introduces ride-through, instability detection, and system strength requirements for IBLs that are substantively equivalent to those applied to generators. If we expect these obligations to be meaningful — not just documented and filed — the compliance approach must match the nature of the asset.

We believe continuous automated monitoring should be established as the preferred foundation for IBL compliance programs, with periodic testing serving its proper role: validating performance at edge conditions and following plant changes. This is not a novel position — it is the approach the best generator operators already take, and the direction the GCP Template Review is heading. It should be the starting point for IBL compliance frameworks, not an afterthought.

The technologies required to support this exist today. High-speed metering, SCADA integration, and cloud-based analytics platforms are mature, cost-effective, and scalable. The compliance question is therefore not one of technical feasibility — it is one of regulatory expectation. Clear guidance from the AEMC or the Reliability Panel that continuous monitoring is the expected approach will provide the certainty that IBL operators need to invest accordingly.

Monitoring obligations should attach at Tier 2, not only Tier 3

The draft rule reserves the automatic application of all Schedule 5.3 standards for Tier 3 connections. We understand the proportionality rationale. However, we would encourage the Commission to consider whether monitoring obligations — if not the full Schedule 5.3 suite — should also be established for Tier 2 IBLs (30–100 MW).

IBLs in this range can still materially affect system security in aggregate, particularly as clustering around key distribution nodes increases. Early adoption of monitoring infrastructure at Tier 2 also builds the operational capability and compliance culture that will be needed if and when full obligations apply — and reduces the step-change burden when assets grow or are reclassified. A lighter monitoring obligation at Tier 2 is both proportionate and practically wise.

The expanded testing and assessment powers need clear implementation guidance

The extension of AEMO's testing and assessment powers to all Schedule 5 plant — regardless of registration status — is one of the most practically significant changes in the draft rule. It is a welcome reform. But its effectiveness will depend heavily on clear guidance about what constitutes "reasonable grounds to suspect non-compliance" and what an adequate compliance record looks like for a non-registered participant.

Without this guidance, there is a real risk that the power is applied inconsistently — or that asset owners, uncertain about expectations, default to the minimum. We recommend that the AEMC or the Reliability Panel develop accompanying guidance that sets clear expectations, ideally as part of the IBL compliance framework development discussed above.

Conclusion

The Commission has made a sound draft rule. Our recommendations are intended to ensure the framework for ongoing compliance is fit to support it. Specifically, we encourage the AEMC to:

1. **Develop a compliance program framework for large IBLs** — in coordination with the Reliability Panel's GCP Template Review — that establishes continuous monitoring as the preferred compliance foundation.
2. **Extend monitoring obligations to Tier 2 IBLs** — proportionately, as a precursor to full Schedule 5.3 compliance — to build capability and reduce future step-change risk.
3. **Issue clear implementation guidance** to accompany AEMO's expanded testing and assessment powers, so they operate consistently and predictably.

Our grid is changing rapidly. We believe the tools and frameworks to manage that change well already exist — in many cases, they just need regulatory expectation behind them. We welcome further discussion with the Commission on any aspect of this submission.

Yours faithfully,

Aditya Upadhye,
Managing Director, VeriConneX