APA

Australia's energy infrastructure partner

Compliance Template Review 2026 Draft Template

APA Submission

3 June 2026

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Rainer Korte
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Lodged online

3 June 2026

APA Submission to Compliance Template Review 2026 Draft Report

Thank you for the opportunity to comment on the AEMC Compliance Template Review 2026 Draft Report.

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.

Our submission addresses many of the issues raised in the Draft Report and the Appendix contains our detailed comments on the updated compliance tables.

1. Revised compliance principles

APA supports the draft revised compliance principles outlined in Section 2 of the Draft Report. The principles are clear and meaningful. We thank the Reliability Panel for taking on board comments made in response to the Issues Paper, particularly around materiality, and balancing cost and risk. We also acknowledge the new Principle 7, which assists in accounting for existing HVDC interconnectors' grandfathered performance standards.

2. Compliance framework

Section 3.2.2 of the Draft Template provides 'where models are readily available to the Registered Participant, including testing or monitoring regimes into a compliance program that could enable a Registered Participant to perform periodic model validation would reflect good electricity industry practice.'

We appreciate the Reliability Panel's view and highlight that:

1. Certain plant may not have the potential to have a 'material' impact on system security and in such cases, periodic model validation may not be best use of compliance resources.

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2. Modern power plant controller settings are not subject to drift, and relitigating R2 model validation as a routine compliance activity as suggested in Appendices A, B & C in the Draft Template in the absence of major plant changes has significant implications for participants in terms of cost and coordination with AEMO and NSPs.

3. Currently, there is a NEM-wide lack of power system modelling specialists with the capability to perform 'R2 model validation', particularly specialists with HVDC technology expertise. These specialists may also be cost prohibitive to engage on a regular basis.

3. Interpretation and application of the compliance tables

APA's supports the practical approach taken by the Reliability Panel covered in Sections 4.1 and 4.2 of the Draft Report across the following areas:

- APA supports the guidance provided on continuous monitoring and that while it is generally preferred, it is not practicable or proportionate for all participants and in all circumstances.

- APA supports the Panel's guidance that frequency of testing being proportionate to the risk of noncompliance, and the materiality of any potential noncompliance.

- APA supports having the flexibility to align testing with plant maintenance and outages, where consistent with factors such as risk, materiality, and good electricity industry practice.

APA would appreciate further guidance in the Template where multiple testing methods or frequencies are suggested, to clarify whether a participant is encouraged to undertake one or all the listed methods, or testing frequencies.

For example, method 1 suggested testing frequency for reactive power capability (S5.3a.8) separately lists 'every five years' and 'after plant change', with no 'and/or' connector. Comparatively, method 1 suggested testing frequency for voltage and reactive power control (S5.3a.15) states, 'Every five years or after plant change.' We ask the AEMC to ensure the Template applies connectors 'and/or' consistently throughout, to make clear a single method can be applied, particularly where 'plant change' and 'time based' testing frequency were to coincide in same year.

APA supports including definitions of significant disturbance, major disturbance, and major event, but seeks further clarification on whether 'major disturbance' and/or 'major event' refer to a system disturbance or event that occurs at/near the plant's connection point. This is specifically relevant to enable us to interpret the application of disturbance ride through and response capability (S5.3a.14) in the Template, which refers to testing compliance against 'major events' and 'major disturbances'.

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Further to this, APA seeks clarification on the testing expectations where no relevant major events occur within a three-year period. Would a participant be non-compliant with the Template in such circumstances?

4. Draft recommendations to improve the compliance framework

APA supports aligning Template reviews with future changes to the NER technical standards. This is a logical step that ensures the Panel is empowered to provide guidance to participants through Template reviews whenever NER technical standards change.

APA does not support amending the NER to extend the Template's scope to cover obligations not contained in performance standards. It is up to participants to determine how they manage their obligations, having regard to good electricity industry practice. Participants are best placed to determine a proportionate compliance monitoring program, fit for purpose for its asset portfolio. We are concerned that introducing requirements through the Template will impose a high cost for implementation and monitoring that may not be proportionate to each participants' market activities. For HVDC assets regulated under chapter NER 6A, consideration would need to be given to how such costs are treated within a regulatory determination.

Should the NER be amended and the compliance monitoring program be broadened to include other NER obligations, the testing and monitoring requirements should be subject to detailed consultation with market participants. We suggest a series of industry working groups would be required to work through the implications of such a change.

APA again asks for the Panel to consider providing more than 6 months to implement the new Templates, particularly for schedule 5.3a participants. We consider this could be done through a staggered rule commencement.

In terms of future rule change proposals, APA suggests that rule 4.15 be amended to enable participants to apply to AEMO, and for AEMO to have discretion to grant an extension to the six-month implementation timeframe under 4.15(c).

If you have any questions about our submission, please contact me on 0498 444 045 or liz.gharghori@apa.com.au.

Regards,

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Appendix – Feedback on updated compliance tables

APA's supports the Panel issuing an editable version (excel format) of the Compliance Template Tables and provides the following feedback on specific parts of the Template.

NER Clause Heading	AEMC Draft Template Comment
S5.2.5.1 Reactive power capability	Suggested testing frequencies from method 2 to method 4 are too frequent, as the relevant controller & sub systems (AVR, Power Transformer On Load Tap Changer, Power Plant Controller (PPC)) are modern with settings that are not subject to drift. The suggested test methods are onerous from a resource, coordination and cost perspective, and there is a low risk of non-compliance. Five years would be an appropriate testing interval for such systems.
S5.2.5.2 Quality of electricity generated	The suggested testing frequencies in methods 1 and 2 are inflexible from a cost benefit perspective. Participants should be able to employ flexibility with testing frequency adjusted based on the potential impacts to power system security arising from Power Quality (PQ) issues.
S5.2.5.3 Response to frequency disturbances	APA suggests greater clarification is required for the definition of 'type testing', referred to in method 3, as 'reasonable sample of plant' is subjective and open to interpretation. APA highlights that type testing is onerous as it is effectively a repeat of R2 testing, which is significant in terms of cost, impact, and coordination requirements with OEMs, AEMO, and the connecting NSP.
S5.2.5.5 Disturbance ride-through capability	APA seeks clarification on the testing expectations where no relevant major events occur within a three-year period.
S5.2.5.9 Protection systems that impact on power system security	The 'suggested testing frequency' of 'Injection testing at each major overhaul and/or at least every five years and after plant change' could be interpreted as needing to carry out the suggested test twice in a year if a 'plant change' and 'five yearly test frequency' were to occur in same year. We suggest clarifying the wording to 'Injection testing at each major overhaul and/or at least every five years or after plant change' to enable test efficiency.
S5.2.5.10 Detection and response to unstable operation (Protection to trip plant for unstable operation)	APA interpretation of the 'method' column within Table A.10 is that periodic testing (via secondary injection) of relevant protection system functionalities (e.g., overvoltage, undervoltage, etc.) is sufficient to confirm compliance. We would appreciate the Panel clarifying that this is consistent with the Template's intention.

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	APA's interpretation of 'hierarchy of actions' within NER S5.2.5.10 (c) is that Asynchronous Plant would only need to comply with required actions up to Connection Point. We would appreciate the Panel clarifying that this interpretation is consistent with the Template's intention, noting that the 'hierarchy of actions' could otherwise extend to system conditions influenced by third-party assets (e.g., NSP infrastructure) over which the Participant has neither visibility nor control. The 'suggested testing frequency' of 'Following plant change and every five years' could be interpreted as needing to carry out the suggested test twice in a year if a 'plant change' and 'five yearly test frequency' were to occur in same year. We suggest revising the wording to 'Following plant change or every five years' to enable test efficiency.
S5.2.5.11 Frequency control	Method 4 suggests testing every four years or after plant change, however this test is similar to testing suggested to be conducted under S5.2.5.13 voltage and reactive power control, which provides for test frequency of every five years. These tests are typically carried out by the same experts/resources and require the same coordination with the TNSP, and practically it would make more sense to align these tests at the same time. We consider five years is an appropriate frequency.
S5.2.6.2 Communications equipment	The 'suggested testing frequency' of 'Annual and after plant change' could be interpreted as needing to carry out the suggested test twice in a year if a 'plant change' and 'annual test frequency' were to occur in same year. We suggest revising the wording to 'Annual or after plant change' to enable test efficiency.
NER Clause Heading	**AEMC Draft Template Comment**
S5.3a.4.1 Remote Monitoring	HVDC assets typically do not use electronic transducers (e.g. 4 - 20mA converters) to transmit data to AEMO. APA's HVDC assets transmit data to AEMO through high-speed measurement technology. As such, the proposed testing method is incompatible with the current arrangements and general HVDC technology. APA suggest adding a method to allow for a simple verification of monitored signal values through confirmation between relevant operators (e.g., each operator confirms MW, voltage values). Calibration of the relevant Monitoring System components should only be adopted as a secondary method once simple verification has indicated defective condition (i.e., inaccuracy), as this would better manage compliance costs. For information, APA's current HVDC systems have built in Transient Fault Recorders (TFRs), which provide superior monitoring for HVDC assets compared to technologies that may be better suited to generators (e.g., PQ meters).

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S5.3a.4.2 Detection and response to unstable operation	Our interpretation of method within Table C.2 is that periodic testing (via secondary injection) of relevant protection system functionalities (e.g., overvoltage, undervoltage, etc.) is sufficient to confirm compliance. We would appreciate the Panel clarifying that this is consistent with the Template's intention. APA interpretation of 'hierarchy of actions' within NER S5.3a.4.2 (a)(3) is that HVDC Network would only need to comply with required actions up to relevant Connection Points. We would appreciate the Panel clarifying that this interpretation is consistent with the Template's intention, noting that the 'hierarchy of actions' could otherwise extend to system conditions influenced by third-party assets (e.g., NSP infrastructure) over which the Participant has neither visibility nor control.
S5.3a.4.3 Communications equipment	The 'suggested testing frequency' of 'Annual and after plant change' could be interpreted as needing to carry out the suggested test twice in a year if a 'plant change' and 'annual test frequency' were to occur in same year. Suggest revising the wording to 'Annual or after plant change' to enable test efficiency.
S5.3a.6 Protection systems and settings	The 'suggested testing frequency' of 'Injection testing at least every five years and after plant change.' could be interpreted as needing to carry out the suggested test twice in a year if a 'plant change' and 'five yearly test frequency' were to occur in same year. Suggest revising the wording to 'Injection testing at least every five years or after plant change' to enable test efficiency.
S5.3a.8 Reactive power capability	Regarding method 1, the second proposed test method to 'adjust the reactive power at the connection point to specified levels (at both connection points)' is not practicable. Digital settings within the relevant controller program are not subject to drift, so the possibility of a compliance concern is low. This method essentially requires a repeat of R2 testing, which is onerous from a resource, coordination and cost perspective where there is a low risk of non-compliance.
S5.3a.9 Balancing of load currents	For information, APA's HVDC assets all have a PQ monitoring system, but the monitored point may not always be at the Point of Connection. This is due to restrictive access to third party (i.e., other TNSP) CT & VT data. We suggest the Template clarify that PQ should be monitored at a point that is practical and agreed to by the participant and the TNSP, instead of mandating it be at the Point of Connection. This would make economic sense and avoid unnecessary CAPEX investment in additional PQ metering. Additionally, these HVDC connection points are monitored by the TNSP at the substation. Load current unbalance can also be monitored via protection systems, and this would meet the requirement for continuous monitoring in the same way a dedicated PQ meter would (method 1) despite not being at the Point of Connection.

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S5.3a.10 Voltage fluctuations	See comments on S5.3a.9 Balancing of load currents.
S5.3a.11 Harmonic voltage distortion	See comments on S5.3a.9 Balancing of load currents.
S5.3a.15 Voltage and reactive power control	Regarding method 1, the proposed test method 'Reference steps tests including steps into reactive limiters' is not practicable. Digital settings within the relevant controller program are not subject to drift, so the possibility of a compliance concern is low. This method essentially requires a repeat of R2 testing, which is onerous from a resource, coordination and cost perspective where there is a low risk of non-compliance.