

23 June 2022

Sebastien Henry
Director
Australian Energy Market Commission

Submitted electronically

Dear Sebastien,

Consultation paper: Efficient reactive current access standards for inverter-based resources

The Public Interest Advocacy Centre (PIAC) welcomes the opportunity to respond to the consultation paper on better reactive current access standards for inverter-based resources.

PIAC does not support the proposal to set the minimum level of reactive current capability to zero. We agree with the proponents on the importance of avoiding duplicative investments and acknowledge the potential for stranded asset risk in such duplication. However, we are concerned that lowering the minimum level of reactive current capability to zero shifts the burden of providing voltage stability services to networks and creates additional costs for consumers. Generators are best positioned to manage the costs related to reactive current support equipment.

PIAC acknowledges the costs associated with balance of plant equipment but submits that these costs should not be considered material unless they effect project viability. Although we agree with the proponents that existing minimum reactive current standards may lead to generators prioritising reactive current response, we note that this does not necessarily negatively impact system security.

PIAC supports resolving regulatory uncertainty by clarifying how quickly active power should rise to pre-disturbance levels after a fault clears; the level of additional reactive current injection or absorption capability generators should have the capability to provide following a fault; and the level of active power an inverter-based resource unit should inject after a fault clears to ensure both voltage and frequency remain within stable operating bounds.

We share the Commission's concerns regarding changing the point of compliance to the terminals of inverter-based generators. We recommend the point of compliance remain at the

connection point to ensure that generators with very large internal reticulation systems do not jeopardise system security.

The AEMC should provide further clarity on emerging technologies that may affect voltage control. In particular, PIAC is interested in the AEMC's view as to whether electrolyzers are most appropriately classified as inverters, rectifiers, or converter-based loads. The AEMC should also seek input from AEMO and transmission businesses on the proposed changes to reactive current responses times.

PIAC welcomes the opportunity to discuss these matters further with the Commission and other stakeholders.

Yours sincerely,

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