

17 February 2026

Australian Energy Market Operator  
Level 22, 530 Collins Street  
MELBOURNE VIC 3000

Submitted by email to: [NEMReform@aemo.com.au](mailto:NEMReform@aemo.com.au)

Dear NEM Reform

### **Re: ST PASA – Reserve Level Declaration Guidelines**

Stanwell Corporation Limited (Stanwell) welcomes the opportunity to provide a brief response to the Australian Energy Market Operator's (AEMO) Consultation on the ST PASA Replacement Project – Reserve Level Declaration Guidelines.

Stanwell is Queensland's leading provider of electricity and energy solutions to the National Electricity Market (NEM), and large energy users along the eastern seaboard of Australia. With over 40 years of continuous operations, Stanwell's experience in working with communities to build, operate and maintain reliable energy generation assets is also being applied to the rollout of renewable energy.

Stanwell is developing a pipeline of renewable energy and energy storage projects throughout Queensland, whilst maintaining a reliable supply of baseload power from two of the most efficient and reliable coal-fired power stations in Australia – the Tarong Power Station near Kingaroy, and Stanwell Power Station near Rockhampton.

Stanwell acknowledges the work of AEMO in preparing this Consultation Paper and seeking the input and views from industry on updates to the Reserve Level Declaration Guidelines.

This response contains the views of Stanwell only and should not be construed as indicative or representative of the views of the Queensland Government.

### **Effective connection points**

As we understand, the proposed Reserve Level Declaration Guidelines (RLDG) configuration has been designed to identify effective connection points and deficits due to power system reliability and power system security events. As noted in the ST PASA Reserve Level Declaration Guidelines Consultation Paper, the Reliability Panel guidelines define an effective connection point “...for the management of supply shortfalls..., [as] a connection point at which continued load reduction is effective in reducing the supply shortfall, taking account of network constraints at all times.”<sup>1</sup>

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<sup>1</sup> Australian Energy Market Operator Consultation on ST PASA Replacement Project – Reserve Level Declaration Guidelines, Appendix A. Glossary at p 18 of 22.

Again, as we understand the proposal, any Regional Reference Node (RRN) zone that contains an effective connection point will be considered in any declaration of a Lack Of Reserve (LOR) condition in a region where load reduction is effective in elevating supply deficits – a security related deficit.

It is unclear whether the proposal to increase availability in zones outside a declared RRN condition is expected to help alleviate that condition, or if a local response is required. Further clarity on this point would be appreciated.

### **Removal of LOR 1 and LOR 2 notifications**

The proposal to stop publishing actual LOR 1 and LOR 2 notices in favour of a “condition”, while still issuing LOR 3 notifications, does not present any real benefit, and in fact, may pose a negative outcome for the market in the event an LOR 3 is declared.

In our view, the declaration of a “condition” is less clear and potentially less actionable, while the removal of the LOR 1 and LOR 2 notices will limit a participant’s ability to see a potential LOR event until a final LOR 3 / Condition 3 notice is issued. This will ultimately limit the immediacy of market responses (i.e. participants will be less likely to respond within the next 30-minute dispatch interval), so that when a Condition 3 / LOR 3 is declared, there is an increased chance that the system may already be heading for a “black event”. Prior to this, and to mitigate the system event, the market will be placed in a situation where last-minute mandatory, manual load shedding will be required to maintain system security.

For continued cohesion and market certainty, our preference is to retain actual LOR 1 and LOR 2, along with LOR 3 notifications as these provide valuable real-time information for operational decision-making. The proposed new “condition” labels are less helpful to the market.

Stanwell welcomes the opportunity to further discuss with AEMO any of the points raised in this feedback. Please contact Lya McTaggart via email at [lya.mctaggart@stanwell.com](mailto:lya.mctaggart@stanwell.com)

Yours sincerely



**Ian Chapman**

Manager

Market Policy and Regulatory Strategy