

13 April 2025

Department of Climate Change, Energy, the Environment & Water
Renewable Electricity Guarantee of Origin Section

Submitted: via online survey at [Complete survey - Consultation on Guarantee of Origin \(GO\) scheme Exposure Draft legislative instruments specific to renewable electricity - Department of Climate Change, Energy, Environment and Water](#)

Stanwell submission
Consultation on Guarantee of Origin (GO) scheme Exposure Draft legislative instruments specific to renewable electricity

Stanwell Corporation Limited (Stanwell) welcomes the opportunity to respond to the Department of Climate Change, Energy, the Environment and Water's (DCCEEW) public consultation on the Exposure Draft – Future Made in Australia (Guarantee of Origin) Rules 2025 (the Rules).

Stanwell is Queensland's leading provider of electricity and energy solutions to the National Electricity Market, 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 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 stations near Kingaroy and Stanwell Power Station near Rockhampton. Stanwell owns the Meandu Mine which is adjacent to and supplies coal to the Tarong power stations.

Stanwell appreciates DCCEEW's work in progressing legislation and subordinate instruments to support the commencement of the Renewable Electricity Guarantee of Origin (REGO) Scheme in late 2025.

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

Policy intent behind the definition of EXs in Section 46B

Stanwell's comment is in relation to the definition of EXs in the efficiency factor calculation.

The third equation in Section 46B of the Rules sets out the calculation for the efficiency factor (EFs) for an Energy Storage System using mixed charging sources.

The Efficiency Factor calculation includes a parameter **EXs**, which is subtracted from the energy imported.

- EXs is defined in Section 46B(5) as:
“electricity used for network support and control ancillary services”.
- Definitions Section 31, in Part 4 Division 4.1 states that:
*“**network support and control ancillary services**, for a power station, has the same meaning as in the National Electricity Rules”.*

Stanwell questions the rationale for limiting EXs to the definition of network support and control ancillary services (NSCAS) as defined in the National Electricity Rules (NER) for the following reasons:

- Under the NER, NSCAS is defined as:
*“A service (including an inertia network service or system strength service) with the capability to control the active power or reactive power flow into or out of a transmission network to address an **NSCAS need**.”*
- An **NSCAS need** is defined as:
*“(a) NSCAS required to:
(1) Maintain power system security and reliability of supply of the transmission network in accordance with the power system security standards and the reliability standard; and.....
(b) a requirement for an inertia network service need ...
(c) a requirement for a system strength service needed to...”*

The 2011 NSCAS Rule was made to provide a national framework for the acquisition and use of NSCAS. The NSCAS Rule gives transmission network service providers (TNSPs) the primary responsibility for acquiring NSCAS. AEMO will be limited to acquiring NSCAS when supply to customers is expected to be threatened, and only after a TNSP has failed to do so.

NSCAS services as defined in the NER are only limited to the services procured via the NSCAS framework (i.e. by TNSPs or AEMO).

In addition to the range of services captured by the NSCAS definition, there are a range of other Essential System Services (ESS) which also provide system security and reliability.

As large synchronous generators are retired, the National Electricity Market (NEM) will need market participants with the capability and capacity to provide the ESS required to maintain system security. Unless value is attached to ESS, there is no incentive for market participants to invest to develop such technology now. While ESS may continue to be procured directly by AEMO, this is neither an efficient nor economic approach.

Stanwell is an advocate of creating markets for ESS.

To date, markets have only been created for a very small range of ESS. Other services needed for system security and reliability continue to be procured through non-market mechanisms like NSCAS.

Frequency Control Ancillary Services (FCAS) is one such service for which there is currently a market. But FCAS is not an NSCAS.

Therefore, by limiting the definition of **EXs** to the definition of NSCAS, the REGO, is penalising the market participants that are providing services such as FCAS when it also serves the same purpose of providing power system security and reliability.

Recommendation

If the intent of the REGO calculation is to exclude (from the efficiency factor calculation) the energy consumed by an Energy Storage System when it is being used to provide a service which supports power system security and reliability, Stanwell recommends that the definition for **EXs** be broadened beyond the definition of NSCAS under the NER.

Stanwell would welcome the opportunity to further discussion the matters outlined in this submission. Please refer any enquiries to me on ziying.koh@stanwell.com.

Yours sincerely



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