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Tuesday, 31 May 2022

Anna Collyer
Chair
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
SYDNEY NSW 2000

Submitted online: www.aemc.gov.au

Dear Anna

Establishing a revenue determination for Intending Transmission Network Service Providers consultation paper response

Transgrid welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) consultation paper on a rule change request from Marinus Link Pty Ltd (Marinus Link), which would enable the Australian Energy Regulator (AER) to establish a revenue determination for an Intending Transmission Network Service Provider (TNSP) under the National Electricity Rules (NER). As the jurisdictional planner, operator and manager of the transmission network in NSW and the ACT, Transgrid is keen to assist the AEMC in making the appropriate changes to the NER to support the energy transition and provide a reliable and affordable electricity supply for Australian consumers.

In this context, Transgrid supports the Marinus Link rule change request. The rule change request addresses a gap in Chapter 6A of the NER that was not anticipated when the AEMC introduced it, that gap being, that a third party that is not an existing TNSP cannot receive a revenue determination from the AER. Bridging this gap in the NER will enable the Marinus Link project, identified as an actionable project in AEMO's latest Integrated System Plan (ISP), to proceed. Transgrid supports the ISP as a comprehensive roadmap for the future of Australia's energy system and understands the importance of the actionable ISP projects proceeding for the benefit of consumers.

One of the questions the AEMC seeks stakeholder feedback on in the consultation paper is whether a rule should be limited to Intending TNSPs delivering actionable ISP projects or whether it should have broader application. Transgrid's view is that the AEMC should consider the interaction of the NER with the arrangements established under the NSW Electricity Infrastructure Investment Act 2020 and any similar legislation in other NEM jurisdictions in making this decision. While Transgrid's view is that the rule should be limited to Intending TNSPs delivering major transmission investments, it may not be appropriate to limit the rule to Intending TNSPs delivering actionable ISP projects in this context.

If you require any further information or clarification, please feel free to contact either me or Neil Howes, Senior Manager Policy Reform, at neil.howes@transgrid.com.au.

Yours faithfully

David Feeney

David Feeney
General Manager Policy and Energy Market Reform