



Ref. A5493037

19 September 2024

Dr Kris Funston
Executive General Manager, Network Regulation
Australian Energy Regulator
Level 27, 135 King St
SYDNEY NSW 2000

Dear Kris,

NETWORK SUPPORT PASS THROUGH APPLICATION FOR 2023/24

Powerlink Queensland (Powerlink) submits this application for a network support pass through amount of \$852,661 (or \$937,216 after adjusting for the time value of money) for the regulatory year ending 30 June 2024. We seek the Australian Energy Regulator's (AER's) approval to recover these costs via prescribed transmission prices in 2025/26.

Reasons

We incurred these costs in 2023/24 as part of continuing to address the system strength and Network Support and Control Ancillary Services (NSCAS) requirements identified in reports by the Australian Energy Market Operator (AEMO) published in December 2021 and May 2022, respectively.¹ These system security requirements formed the basis of our 2022/23 network support pass through application to the AER dated 19 September 2023.

Powerlink incurred costs in 2023/24 that comprised:

- payments to CleanCo Queensland (CleanCo) to use one of its generation assets in south-east Queensland as a short-term solution to address the NSCAS gap until 31 January 2024; and
- administrative and legal costs associated with the assessment of network support arrangements and implementation of network support agreements.

In January 2024, we finalised the technical and commercial assessment to fill the system strength shortfall at the Gin Gin system strength node. Powerlink has entered into an agreement with Ratch Australia (Ratch) to provide system strength services from mid-2025, but did not make payments under this agreement in 2023/24. We expect to submit network support pass through applications in future in relation to the agreement with Ratch.

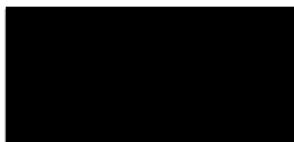
This application is consistent with clause 6A.7.2 of the National Electricity Rules (the Rules) and the AER's *Procedural Guideline for Preparing a Transmission Network Support Pass Through Application* (the Guideline). In our 2022/23 network support pass through application to the AER, we demonstrated that our decisions and actions in relation to addressing system security requirements were efficient. Further details are provided in **Attachment 1**. The relevant calculations for the pass through amount are attached in a separate confidential

¹ The 2021 System Security Reports: System Strength, Inertia and NSCAS (published 17 December 2021) and the Update to 2021 System Security Reports (published 11 May 2022) are available at: <https://aemo.com.au/en/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/system-security-planning>.

spreadsheet (**Attachment 2 - CONFIDENTIAL**). A copy of the Queensland Audit Office's review opinion is included in this application (**Attachment 3 - CONFIDENTIAL**).

Please contact Jennifer Harris if you have any questions regarding our application.

Yours sincerely,



Jacqueline Bridge
Executive General Manager, Energy Futures

Enquiries: Jennifer Harris, General Manager, Network Regulation

Email: [Redacted]

Telephone: [Redacted]

Attachments

- **Attachment 1**: Powerlink Network Support Pass Through Application Information Requirements for the Financial Year Ended 30 June 2024
- **Attachment 2**: 2023/24 Network Support Pass Through Calculations – CONFIDENTIAL
- **Attachment 3**: 2023/24 Queensland Audit Office Independent Auditor's Review Report – CONFIDENTIAL