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Mr Chris Pattas General Manager Network Investment and Pricing
Australian Energy Regulator
GPO Box 520 Melbourne VIC 3000
Powerlink2016@aer.gov.au

Dear Mr. Pattas,

Submission on Powerlink Queensland's Revenue Application 2017 - 2022

The University of Queensland is pleased to provide this submission on the Revenue Application submitted by Powerlink Queensland for the period 2017 – 2022. The University is a significant user of electricity at its Saint Lucia and Gatton campuses in Queensland. We are also one of Australia's leading universities for teaching and researching the planning, development and operation of transmission networks, to achieve a reliable electricity supply to customers at the lowest cost, which aligns with the National Electricity Objective.

The main thrust of our submission is to comment on where our research and investigations indicate an apparent misalignment between the Powerlink Application and Australia's legally binding renewable generation commitments, whilst meeting the National Electricity Objective.

It is recommended that the AER give consideration to the following matters in their review of Powerlink Revenue Submission:

(a) Consider the expected development of lower cost, renewable energy resources in North Queensland and its implications to fully utilise and even drive augmentations (in subsequent regulatory periods) of Powerlink existing NQ to SQ backbone transmission grid.

(b) Suggest that Powerlink review, (at a later date), their Area Plans for the CQ – CQ and CQ – NQ networks to take into account the expected transition to higher levels of renewable generation in their 10 and 20 year planning horizons; the likelihood of a significant proportion of Queensland's renewable generation being located outside of Southern Queensland; the likely retirement of fossil fuelled generating plant in South Queensland, and the consequential impacts on the required power flow across the NQ – CQ and CQ – SQ networks.

(c) Recognise that the Powerlink forecasts of maintenance, refurbishment and REPEX costs may not have included sufficient allowance for their final strategy for the NQ – CQ – SQ networks which may require more short-term additional maintenance and limited refurbishment works on the most deteriorated transmission towers, to preserve the option of cost-effectively refurbishing all existing lines in these networks.

(d) Also recognise that the Powerlink estimates for network maintenance, operations, refurbishment and REPEX already incorporate significant efficiency-improvement initiatives to reduce costs and that further regulatory cuts on these items may ultimately increase long term costs to customers.

For further information on the universities attached submission, please contact the undersigned.

Professor Simon Bartlett AM
Australian Chair of Electricity Transmission
University of Queensland