

AER BASSLINK CONSULTATION PAPER - COMMENCEMENT AND PROCESS PAPER AMENDMENT

31 MAY 2024

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our membership covers a broad cross section of the Australian economy including significant retail, manufacturing, building materials and food processing industries. Combined our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

Thank you for the opportunity to make a submission under AER's Basslink Consultation Paper - Commencement and Process Paper Amendment.

The EUAA makes this short submission supporting AER's revised timeline with additional consultation in the Basslink Commencement and Process Paper.

APA's application to convert Basslink from a Market Network Service Provider (MNSP) to a prescribed Transmission Network Service Provider (TNSP) is a complex process that requires additional consideration and consultation.

We consider that:

- In considering whether Basslink should become a TNSP, AER also need to consider whether it would become regulated or remain unregulated. In this regard, consideration should be given to the future competitive state of transfer capability between Victoria and Tasmania once Marinus Link is operating. Specifically, will moving to a regulated asset status provide Basslink a degree of consumer supported protection from Marinus Link.
- The disbursement of tariff allocation between Victoria and Tasmania has many nuances due to population differences and may create inequitable outcomes.
- If regulated, a Regulated Asset Base (RAB) will need to be decided that considers the real value associated with Basslink. For example, we would reject any approach that sought to value the asset on "replacement value" basis rather than written down value.
- Likewise, the Maximum Allowed Revenue (MAR) will need to be considered, which is affected by the equitable allocation of the revenue stream and the RAB.
- The additional opportunity to consult on this matter through the proposed AER position Paper and public forum will allow EUAA and other stakeholders to better consider the application.
- The consequential delay in the AER publishing its final decision from 15 December 2024 to 28 February 2024 will not significantly impact APA.

The EUAA believes that none of these issues are trivial and require the AER to consider as many opinions as possible to support its final decision.

Do not hesitate to be in contact should you have any questions.



Andrew Richards
Chief Executive Officer