

20 May 2025

Mr Gavin Fox
General Manager, Network Pricing
Australian Energy Regulator
GPO Box 3131 Canberra ACT 2601

Email: AERPricing@aer.gov.au

Dear Gavin,

Re: Proposed transmission pricing methodology guidelines and information collection

Marinus Link Pty Ltd (MLPL) welcomes the AER's draft amendments to the transmission pricing methodology guideline, which addresses the issues arising from the Rule change adopted by the Australian Energy Market Commission (AEMC) in relation to the allocation of interconnector costs in October 2024. MLPL notes that the AEMC's Rule introduces flexibility in the transmission pricing arrangements to give effect to costs allocation agreements made between jurisdictional Energy Ministers in respect of a new regulated interconnector.

MLPL supports the proposed amendments to the AER's transmission pricing guidelines, with one minor exception. Specifically, the AER proposes to introduce a new provision in clause 2.9(b)(1), which requires that a Coordinating Network Service Provider (CNSP) must in its proposed pricing methodology:

"specify the timetable for provision of all necessary information to it for the implementation of any interconnector cost allocation agreement."

MLPL does not consider this requirement to be necessary or appropriate as clause 6A.29.4(d) of the new Rule already sets out requirements for the TNSP to provide the relevant information to the CNSP by 15 February each year:

"For each implementation year of the interconnector cost allocation agreement, by 15 February in the prior financial year, the Transmission Network Service Provider for the specified interconnector must:

(1) determine, in accordance with the interconnector cost allocation agreement, the interconnector transfer amount that each Co-ordinating Network Service Provider is responsible for allocating as part of the total regional AARR for its region in accordance with clause 6A.29.2(a)(1); and

(2) notify those amounts to each responsible Co-ordinating Network Service Provider."

Given the above requirement, MLPL does not consider it appropriate for the CNSP to specify its own timetable that could potentially conflict with the Rules. MLPL understands from the AER's explanatory

document¹ that the intention is to provide further clarity regarding the operation of clause 6A.29.1A(c) of the Rules which requires that:

“Each Transmission Network Service Provider within a region (not being the Co-ordinating Network Service Provider for the region) must provide its calculation of its AARR for the region and other information reasonably requested by the Co-ordinating Network Service Provider for that region to enable the Co-ordinating Network Service Provider to properly perform its functions under this Part J.”

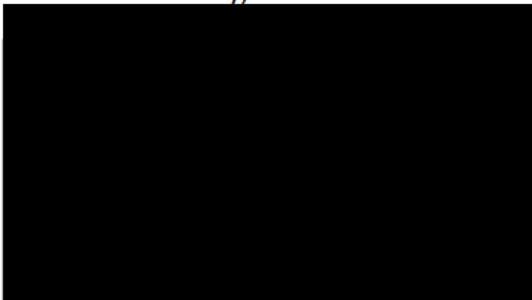
MLPL considers that it would be preferable if the AER’s guideline made specific reference to this provision and removed the commentary regarding the CNSP specifying a timetable, for the reasons already noted. With the exception of this issue, MLPL supports the AER’s proposed amendments to the transmission pricing guidelines.

MLPL also supports the AER’s approach to data provision, in which the AER intends to exercise its powers under section 28F of the National Electricity Law to monitor compliance by CNSPs and TNSPs with their network revenue determinations. MLPL does not have any objections to the AER’s proposed approach, although we note that the interconnector cost allocation Rule change does not appear to raise any new compliance or monitoring issues.

Closing

We welcome the opportunity to make this submission, which we hope assists the AER as it seeks to finalise its amendments to the transmission pricing guidelines. If you would like to meet to discuss further, please feel free to contact Eamon Sullivan at [REDACTED]

Yours sincerely,



Prajit Parameswar
Chief Commercial Officer

¹ AER, [Explanatory statement. Proposed transmission pricing methodology guidelines and information collection - interconnector cost allocation rule change](#), Footnote 37, page 9, April 2025.