

21 May 2025

Kris Funston
Executive General Manager, Network Regulation
Australian Energy Regulator (AER)
Level 27, 135 King St
Sydney NSW 2000

Dear Kris,

Re: Request for concurrent feedback loop and revised Revenue Proposal processes

I am writing to clarify the AER's requirements regarding the feedback loop in relation to the revised Revenue Proposal, which Marinus Link Pty Ltd (MLPL) will submit by 15 July 2025. This request follows discussions with AEMO and indicative timeframes it provided to complete a feedback loop assessment for Project Marinus.

As you know, MLPL submitted its Stage 1, Part B (Construction costs) Revenue Proposal on 29 November 2024 and the AER published its draft decision on 16 May 2025. The AER's Commencement and Process Paper makes the following comments on the RIT-T update and feedback loop in relation to MLPL's revised Revenue Proposal:¹

"We note Marinus Link's proposal to complete the AEMO feedback loop process and an updated RIT-T assessment prior to submitting the revised proposal in July 2025. Our expectation is that Marinus Link will undertake these as a prudent and necessary step prior to lodging a revised regulatory proposal."

MLPL will be able to provide an update of the RIT-T prior to the submission of our revised Revenue Proposal on 15 July 2025. In relation to the feedback loop, however, AEMO has advised that the feedback loop assessment will take some time and is expected to be completed by mid-September.

MLPL is therefore requesting the AER's agreement that MLPL can proceed with the submission of its revised Revenue Proposal providing that MLPL has completed the RIT-T update and a feedback loop request has been submitted to AEMO prior to the submission date. MLPL notes that the proposed approach in relation to the feedback loop would be consistent with the concurrent assessment of a contingent project application and a feedback loop as permitted by clause 5.16A.5(b) of the Rules. As you know, this provision was introduced by the AEMC's Rule change to improve the workability of the feedback

¹ AER, Marinus Link, Decision to amend Commencement and Process Paper, December 2024, page 6

loop process.² MLPL notes that the same considerations are relevant to MLPL's circumstances, although our submission relates to a revenue determination, rather than a contingent project application.

The timetable for the remaining procurement process, updated cost estimates and modelling that are required to complete the RIT-T update and feedback loop are explained in further detail below.

MLPL's procurement, cost estimation and market modelling activities remain on track

We are undertaking a competitive tender process for the Balance of Works package to inform our updated cost estimate. The tender process is well progressed, and a market tested cost estimate will be available in early June. This estimate will then be reviewed by MLPL and subject to a review by an independent estimator.

We have also engaged consultants to assist us with updating our support activities and risk allowance estimates, both of which are also well progressed. These updated costs will also undergo an independent assessment and benchmarking analysis, which will be published as part of our revised Revenue Proposal.

Each of these activities are on track to enable us to submit our revised Revenue Proposal by 15 July 2025.


In parallel, MLPL and AEMO have been discussing the feedback loop process since April 2025. MLPL, together with TasNetworks, will be able to provide the expenditure forecasts to AEMO in early July 2025. We are advised by AEMO that it will take some time to complete its feedback loop assessment.

Specifically, AEMO advised that, at minimum, a feedback loop assessment would require re-running of the ISP cost benefit analysis to include updated costs for Project Marinus. Assuming this is the extent of the analysis required, the feedback loop assessment is expected to be completed by mid-September which is prior to release of the AER's supplementary draft decision on 10 October 2025.

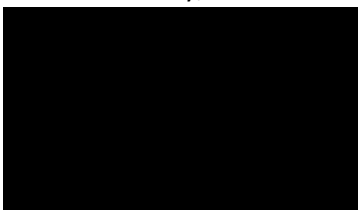
Closing

MLPL would be grateful if the AER could confirm that the proposed approach for updating the RIT-T and undertaking a feedback loop request is acceptable. As already noted, MLPL considers that the proposed approach is consistent with the Rule requirements relating to contingent project applications and appears to be the most workable approach given the feedback from AEMO.

If you would like to meet to discuss further, please feel free to contact Ben Wagner at

 I am copying this letter to Paul Rositano and Eli Pack at AEMO and Matthew Clarke at TasNetworks for their information.

Yours sincerely,



Prajit Parameswar
Chief Commercial Officer

² AEMC, National Electricity Amendment (Improving the workability of the feedback loop) Rule 2024.