

Basslink

Updated Commencement and Process Paper

September 2025

© Commonwealth of Australia 2025

This work is copyright. In addition to any use permitted under the *Copyright Act 1968* all material contained within this work is provided under a Creative Commons Attributions 4.0 Australia licence with the exception of:

- the Commonwealth Coat of Arms
- the ACCC and AER logos
- any illustration diagram, photograph or graphic over which the Australian Competition and Consumer Commission does not hold copyright but which may be part of or contained within this publication.

The details of the relevant licence conditions are available on the Creative Commons website as is the full legal code for the CC BY 4.0 AU licence.

Important notice

The information in this publication is for general guidance only. It does not constitute legal or other professional advice. You should seek legal advice or other professional advice in relation to your particular circumstances.

The AER has made every reasonable effort to provide current and accurate information, but it does not warrant or make any guarantees about the accuracy, currency or completeness of information in this publication.

Parties who wish to re-publish or otherwise use the information in this publication should check the information for currency and accuracy prior to publication.

Inquiries about this publication should be addressed to:

Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601
Email: aerinquiry@aer.gov.au
Tel: 1300 585 165

AER reference: 23007165

Amendment record

Version	Date	Pages
Final	12 September 2025	6

Contents

1 Background and Update1

1.1 About Basslink 1

1.2 Background..... 1

1.3 Update 1

2 Decision3

3 Stakeholder submissions4

4 Updated timeline.....5

Glossary.....6

1 Background and Update

1.1 About Basslink

The Basslink interconnector (Basslink) is a 500 MW undersea transmission cable which links Loy Yang in Victoria to George Town in Tasmania. In 2022, APA Group (APA) acquired Basslink Pty Ltd, the company that owns and operates Basslink.

On 19 May 2023, APA lodged an application¹ with the Australian Energy Regulator (AER):

- To convert Basslink to a regulated transmission service
- requesting us to commence, and determine, the process of making a transmission determination for Basslink.

1.2 Background

On 14 July 2023, we published a commencement and process paper setting out our decision to commence a revenue determination process for Basslink.² The process we adopted included considering APA's application to convert Basslink network services from market network services to prescribed transmission services and the revenue determination concurrently. A revenue determination will apply in the event Basslink converts to a prescribed transmission service, regulated by the AER.

Our initial commencement and process paper set out key timings for decisions, including that the conversion decision and revenue determination would be considered concurrently. As our draft decision³ from 17 December 2024 was to not convert Basslink, the revenue determination was placed on hold.

1.3 Update

On 26 June 2025, we published our final decision⁴ to accept APA's application to convert Basslink's network services from market network services to prescribed transmission services. Given our final decision was to accept APA's application, we are required to recommence the revenue determination process.

We published a consultation paper⁵ concurrently with our final conversion decision, proposing to amend the Basslink commencement and process paper. The proposed amendments include the following:

- Shortening the regulatory control period of 1 July 2025 to 30 June 2030 to 1 July 2026 to 30 June 2030.

¹ APA, [Basslink: Application for conversion and request to commence the process for making a transmission determination](#), May 2023.

² AER, [Basslink Decision: Commencement and process paper](#), July 2023.

³ AER, [Draft decision – Basslink conversion application](#), December 2024.

⁴ AER, [Final decision – Basslink conversion application](#), June 2025.

⁵ AER, [Basslink Consultation paper – Commencement and process paper amendment](#), June 2025.

- Revised the draft decision and final decision dates to 12 September 2025 and 27 February 2026 respectively.

We invited stakeholders to make written submissions in response to the consultation paper by 11 July 2025. We received three submissions, discussed in Section 3 below.

2 Decision

We have decided to amend the Basslink commencement and process paper to reflect the proposed amendments set out in the consultation paper. We anticipate publishing a draft decision in September 2025 and a final decision in February 2026.

Section 4 below sets out the revised timeline.

Regulatory control period

We have decided to amend the start date for the regulatory control period from 1 July 2025 to 1 July 2026. Setting a four year regulatory period (1 July 2026 to 30 June 2030) is consistent with clause 6A.9.4(b) which provides us the power to specify a regulatory control period of less than 5 regulatory years for a proposed regulated transmission system. As noted in the consultation paper, a 4-year regulatory control period will allow us and stakeholders to rely on the initial revenue proposal from APA without the need of developing, consulting on and submitting a new revenue proposal.

3 Stakeholder submissions

We received three submissions in response to our consultation paper, from Hydro Tasmania⁶, APA⁷ and the Tasmanian Minerals, Manufacturing & Energy Council.⁸ Submissions highlighted the importance of a February 2026 final decision to provide certainty ahead the proposed 1 July 2026 regulatory control period start date and supported a four-year regulatory control period.

Submissions noted the importance of clarity regarding costs associated with the Frequency Control Special Protection System and the settlement residue auction process. Other issues highlighted in submissions relevant to the revenue determination include the opening regulatory asset base and transparency for costs for direct connected customers.

Our draft revenue determination includes positions regarding the Frequency Control Special Protection System with a step change for operational expenditure and reference to system security network support payments in Attachment 9 – Pass through events. Our draft revenue determination does not reference settlement residue auctions as this process is beyond the scope of a revenue determination.

⁶ Hydro Tasmania, [Submission on Basslink Commencement and Process Paper Consultation Paper](#), July 2025.

⁷ APA, [Submission on Basslink Commencement and Process Paper Consultation Paper](#), July 2025.

⁸ TMEC, [Submission on Basslink Commencement and Process Consultation Paper](#), July 2025.

4 Updated timeline

In reinstating the revenue determination process, we have decided to amend key milestones established in the previous commencement and process paper.⁹ The changes are consistent with the amendments proposed in our consultation paper.¹⁰

Table 1 below sets out the amended timeline including the revised dates for the draft decision and final decision.

Table 1: Basslink – Updated timelines

Process step	Current timing	Updated timing
AER Issues Paper	Previously published on 10 November 2023	Previously published
AER Issues Paper public forum	Held on 22 November 2023	Previously held
AER Draft Decision and invitation for submissions	8 November 2024	12 September 2025
Predetermination conference	Within 10 business days of draft decision	30 September 2025
APA submit revised revenue proposal	3 January 2025	14 November 2025
Submissions close	Within 20 business days of APA's revised revenue proposal	12 December 2025
AER Final Decision	28 February 2025	27 February 2026

⁹ AER, [Basslink: Updated commencement and process paper](#), August 2024.

¹⁰ AER, [Basslink Consultation paper – Commencement and process paper amendment](#), June 2025.

Glossary

Term	Definition
AER	Australian Energy Regulator
APA	APA Group