Energy Infrastructure Investments

Level 25
580 George Street
Sydney NSW 2000
Phone 61 2 9693 0000

PO Box R41
Royal Exchange NSW 1225
Fax 61 2 9693 0093

Dr Kris Funston
Executive General Manager
Network Regulations
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Thursday, 30 October 2025

Re: Framework and Approach Paper for Murraylink

Dear Kris

Murraylink is a privately funded electricity transmission asset operated by Murraylink Transmission Company Pty Limited. This request is submitted by Energy Infrastructure Investments Pty Limited on behalf of Murraylink Transmission Company Pty Limited.

I am writing under 6a.10.1A(c)(1) to request that the AER amends or replaces the AER's framework and approach paper that currently applies to Murraylink.

The Murraylink regulatory control period ends on 30 June 2027. This request is more than 32 months in advance of that date as required by the National Electricity Rules.

The Framework and Approach Paper sets out the incentive arrangements and other guidelines that will apply to Murraylink at its upcoming transmission determination.

There are some Murraylink specific characteristics that mean historically these guidelines are applied differently to Murraylink than other Transmission Network Service Providers.

The role of Murraylink is to reduce wholesale market costs for consumers and provide network stability rather than to transfer power to direct connect customers and distribution networks.

Murraylink is a point-to-point high voltage direct current interconnector that links the AusNet transmission network in Victoria with the ElectaNet transmission network in South Australia. It has no direct connect customers. The short length of Murraylink and the high voltage direct current technology mean that it is highly unlikely there will be any generators or load seeking connection directly to Murraylink in the future.

Murraylink requests an update of the framework and approach paper recognising that Version 6 of the Service Target Performance Incentive Scheme and an updated Capital Expenditure Sharing Scheme were released since the last Framework and Approach was determined and to reflect the most recent consideration by the AER in relation to the application of the Emand Management Innovation Allowance Mechanism.

Incentive Arrangements

It is Murraylink's expectation that version 6 of the STPIS and Version 2 of the Capital Expenditure Sharing Scheme will apply to the next revenue reset period.

Based on previous determinations the following table contains the incentive arrangements that Murraylink anticipates will be applied.

Item	Applicable Version	Previous Framework and Approach
Service target performance incentive scheme (STPIS)	Version 6	Version 5
Efficiency benefit sharing scheme (EBSS)	Version 2	Version 2
Capital expenditure sharing scheme (CESS)	Version 2	Version 1
Small-scale incentive scheme (SSIS)	Not applied	Not applied
Demand management innovation allowance mechanism (DMIAM)	Not applied	Applied
Expenditure forecast assessment guideline	Tailored approach	Tailored approach
Depreciation	Forecast depreciation	Forecast depreciation

Demand Management Innovation Allowance Mechanism

In its transmission determination for Murraylink the AER selected to not apply the Demand Management Innovation Allowance Mechanism noting

> *"Under the current operational framework, we consider that there will be very limited utility to energy users were Murraylink to invest in researching demand management opportunities through the [Demand management innovation allowance mechanism]."*[1]

We agree with this view and request the framework and approach paper be updated to reflect that the Demand Management Innovation Allowance Mechanism is not applicable to Murraylink.

Expenditure Forecast Assessment Guideline

We expect the AER will apply its Expenditure Forecast Assessment Guideline to Murraylink

We appreciate the approach that the AER took in the last framework and Approach decision to indicate the differences in Murraylink that, while still applying the Expenditure Forecast Assessment Guideline, means the AER takes a slightly different approach to Murraylink than it does to other TNSPs.

> *"our position is to tailor the approach given Murraylink's size and nature of its network operations. This includes not applying the standardised benchmarking analysis or predictive modelling in assessing its capex and opex forecasts as well as tailoring the information required from Murraylink though the regulatory information notice process."*[2]

This is helpful for stakeholders to understand the focus of Murraylink's engagement on capital and operating expenditure.

[1] AER, Overview: Draft Decision Murraylink Transmission Determination 2023 to 2028, p14
[2] AER, Framework and Approach Murraylink, July 2021, p7

If you have any queries in relation to this matter please contact me on 02 9275 0010.

Yours sincerely

[redacted]

Mark Allen
Manager Regulatory