

ATTACHMENT 1

Powerlink Network Support Pass Through Application Information Requirements for the Regulatory Year Ended 30 June 2025

Powerlink Queensland (Powerlink) lodged network support pass through applications for 2022/23 and 2023/24 with the Australian Energy Regulator (AER) to recover administrative and legal costs for a network support agreement (NSA) with Ratch Australia (Ratch).¹ This agreement is to fill the system strength shortfall at the Gin Gin node, as identified by the Australian Energy Market Operator (AEMO) in December 2021 and May 2022.²

In 2024/25, Powerlink continued to incur administrative and legal costs under this NSA.

(1) Network support payment allowance

The AER's Revenue Determination for the 2022-27 regulatory period provided us with a network support allowance of \$0 for the whole period, including 2024/25.³

(2) Actual network support expenditure

Powerlink's total actual expenditure on network support services during 2024/25 was \$124,361, which was incurred solely as a consequence of the network support event, namely the declared system strength shortfall.

Powerlink incurred administrative and legal costs to review and update the NSA to meet AEMO's technical requirements, ensure contractual compliance, and inspect the installation and commissioning of a clutch between the gas turbine and synchronous generator at the Townsville Power Station. This comprised labour costs for both Powerlink employees and externally contracted resources.

(3) Network support pass through amount, including time cost of money calculations

Under the National Electricity Rules (the Rules),⁴ a network support event occurs when a Transmission Network Service Provider's network support payments for the previous regulatory year differ from the network support payment allowance approved by the AER as part of a revenue determination. As noted above, a positive network support event was first identified in 2021/22 when AEMO declared the shortfall.

Under the transitional provisions of the Australian Energy Market Commission's (AEMC's) *Efficient Management of System Strength on the Power System* Final Rule,⁵ Powerlink is required to make system strength services available to address the Gin Gin shortfall until 1 December 2025. Following this, Powerlink, as Queensland's

¹ See Powerlink's [2022/23 Network Support Pass Through Application](#) (19 September 2023) and [2023/24 Network Support Pass Through Application](#) (19 September 2024).

² AEMO's *2021 System Security Reports: System Strength, Inertia and NSCAS* (17 December 2021) and the *Update to 2021 System Security Reports* (11 May 2022) are available at: <https://aemo.com.au/en/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/system-security-planning>.

³ See the AER's [Powerlink's 2022-27 Revenue Determination – Operating Expenditure Model](#), accompanied with its Final Determination for Powerlink's 2022-27 regulatory period (29 April 2022).

⁴ Chapter 10 (Glossary).

⁵ See clause 11.143 of the Rules.



System Strength Service Provider, will be required to provide system strength services in Queensland to meet system strength requirements set by AEMO.

The NSA resulted in actual administrative and legal costs of \$124,361 in 2024/25. The positive pass through amount for 2026/27 is \$135,621, based on the adjustment for the time value of money that reflects our rate of return.

We propose to recover this amount via prescribed transmission service prices for 2026/27, consistent with clause 6A.7.2(c)(2) of the Rules. See **Attachment 2 - CONFIDENTIAL** for the basis of this calculation.

(4) Reasons for variation

See sections (2) and (3) above regarding the variation in expenditure from our network support allowance for 2024/25.

(5) Verification of actual network support expenditure

The Queensland Audit Office (QAO) has reviewed our actual network support expenditure for 2024/25. The QAO is an independent organisation with appropriately qualified expertise. Its review report, dated 16 September 2025, is attached (**ATTACHMENT 3 – CONFIDENTIAL**).

(6) Date network support pass through application submitted to the AER

The date of lodgement of this application is 22 September 2025. This is within 60 business days of the end of the 2024/25 regulatory year, as required under clause 6A.7.2(c) of the Rules.

(7) Details on contractual arrangements

Powerlink entered into a non-network solution with Ratch in December 2023 to enable the Townsville Power Station to operate in synchronous condenser mode where required.

Powerlink did not make any payments under this contract in 2024/25. Our network support pass through application contains as-incurred administrative and legal costs to implement the technical solution required to address the declared system strength shortfall. Payments to Ratch will commence once system strength services are provided to Powerlink, following modifications to the Townsville Power Station.

We expect to submit network support pass through applications associated with this NSA in future, consistent with the updated cost-recovery arrangements effective from 2025/26 under the AEMC's *Improving Security Frameworks for the Energy Transition* Final Rule.⁶

(8) Details on Powerlink's decisions that may have affected the magnitude of the network support event

Powerlink acted promptly to address its requirements, following AEMO's system strength shortfall declaration at the Gin Gin node. Overall, we planned, assessed and implemented network support arrangements.

⁶ AEMC, [Improving Security Frameworks for the Energy Transition](#), Final Determination (28 March 2024).



Powerlink's Expression of Interest assessment identified the non-network solution of the addition of a clutch at the Townsville Power Station by mid-2025, owned by Ratch, as the most cost-effective solution to address the shortfall.⁷

Powerlink's System Strength Regulatory Investment Test for Transmission (RIT-T) Project Assessment Conclusion Report noted that this approach is a common solution to all the credible options identified and assessed in the RIT-T to address system strength requirements in Queensland from December 2025.⁸ As such, the modification of the Townsville Power Station will contribute to meeting our minimum system strength requirements set by AEMO under the Rules.

⁷ Powerlink, [*Request for Power System Security Services in Central, Southern and Broader Queensland Regions – Final Report Part 2: System Strength at Gin Gin*](#) (January 2024).

⁸ Powerlink, [*Addressing System Strength Requirements in Queensland from December 2025: Project Assessment Conclusions Report*](#) (June 2025), page 15.