

4 June 2026

Ms Kami Kaur  
Executive General Manager, Network Regulation  
Australian Energy Regulator  
GPO Box 520  
Melbourne, VIC, 3001  
Email: systemsecuritycontractreview@aer.gov.au

Dear Kami,

**Re: APA Basslink System Security Network Support**

Marinus Link Pty Ltd (**MLPL**) welcomes the opportunity to make this submission in response to APA's system security contract review application (**Application**) in relation to Basslink.

As you are aware, Basslink requires rapid generator tripping and load interruption services (provided by the Frequency Control System Protection Scheme, or **FCSPS**) to operate at its full technical capacity and comply with the Tasmanian Frequency Operating Standard. In the absence of the FCSPS, Basslink's transfer capacity would be limited below its capability, with a consequential loss of market benefits which would be contrary to the National Electricity Objective.

APA correctly notes in its Application that the FCSPS has been in place since Basslink's commissioning in 2006. The change in the contractual arrangements relating to the FCSPS has arisen from Basslink's conversion to a regulated Transmission Network Service Provider (**TNSP**). As a consequence, APA is now required to contract for these services, which were previously contracted by Hydro Tasmania as part of its commercial arrangements. The Application also explains that the scheme design is engineered and operated by TasNetworks in conjunction with the Australian Energy Market Operator (**AEMO**).



MLPL considers that APA has acted prudently and efficiently by conducting a competitive tender process in relation to the provision of FCSPS. While the result of that tender indicated that Hydro Tasmania is the only counterparty able to provide the required services at this time, it is appropriate that APA tested that outcome through a transparent process.

Furthermore, the Application makes it clear that the benefits of contracting with Hydro Tasmania for the FCSPS substantially outweigh the associated costs. This is consistent with the substantial net market benefits expected from increasing the interconnector capacity between Tasmania and Victoria. In that regard, the Application demonstrates that the case for securing the FCSPS through new contractual arrangements is beyond question, i.e., the benefits of the FCSPS substantially outweigh the costs.

MLPL notes that any bi-lateral negotiation in the absence of an alternative credible option is challenging. Notwithstanding these challenges, the Application explains the approach taken by APA and the assessments that it undertook to ensure that the contract terms were reasonable in the circumstances. MLPL also notes that the 2-year contract duration provides a degree of flexibility for APA.

MLPL notes that the contractual arrangements between Hydro Tasmania and the large industrial customers that provide load tripping services are confidential. While this makes it difficult for APA to assess the underlying costs and risks faced by Hydro Tasmania in providing the FCSPS, MLPL's view is that APA appears to have taken appropriate steps to secure the best outcome for consumers in the circumstances.

In summary, MLPL considers that APA has taken appropriate measures to secure contractual arrangements for a service that is essential to the future operation of Basslink and the benefits it provides to the NEM. Accordingly, the Application should be approved by the AER subject to conducting its review and consultation process.

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


Yours sincerely,



Prajit Parameswar  
Chief Financial and Commercial Officer