

4 June 2026

Ben Stonehouse
General Manager, Network Expenditure
Australian Energy Regulator
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Submitted via email to systemsecuritycontractreview@aer.gov.au.

Dear Ben

Re: APA Group (Basslink Pty Ltd) — System Security Network Support (SSNS) Application

TasNetworks welcomes the opportunity to provide a submission on APA Group's (**APA**) application to the Australian Energy Regulator (**AER**) for a determination on its proposed System Security Network Support (**SSNS**) payments in respect of the Frequency Control System Protection Scheme (**FCSPS**). TasNetworks submits in its capacity as Tasmania's sole regulated Transmission Network Service Provider (**TNSP**) until 1 July 2026, and as Tasmania's Jurisdictional Planner under the National Electricity Rules (**NER**). In doing so, we note that while TasNetworks owns and operates the FCSPS scheme infrastructure and will sign participation agreements with generators and loads as requested by APA, the procurement of tripping services is APA's responsibility as Basslink TNSP.

TasNetworks supports the AER approving APA's application. The FCSPS is a fundamental operational requirement for Basslink to carry power flows at its full capacity. Without the load and generation participation that the scheme requires, Basslink's transfer capacity must be constrained to approximately 144 MW in either flow direction. This is the level at which frequency can be managed following an unplanned trip without automatic load or generation shedding. Constraining Basslink to 144 MW would substantially reduce its economic and reliability value for consumers and the National Electricity Market (**NEM**) more broadly, and on that basis we regard the procurement of FCSPS participation services through an AER-approved mechanism to be operationally necessary.

TasNetworks supports APA's proposal to procure FCSPS services under a 24-month SSNS contract with Hydro Tasmania from 1 July 2026. The FCSPS has operated under the existing

contractual regime for approximately twenty years, in a context where Basslink was a privately traded Market Network Service Provider (**MNSP**) with a single counterparty relationship with Hydro Tasmania. We acknowledge that moving to a more open, multi-party contracting structure reflecting the regulated TNSP model cannot reasonably be achieved in the window between the AER's February 2026 Basslink final revenue determination and the 1 July 2026 commencement date.

The Tasmanian power system is undergoing significant change, with new renewable generation, storage, and evolving load profiles creating materially different conditions from those under which the current FCSPS arrangements were designed. TasNetworks is currently upgrading the hardware and software functions of its System Protection Schemes to accommodate these changes. The 24-month SSNS contract period aligns well with this work to allow time for a considered approach to the next contracting arrangement. A longer initial commitment risks locking in arrangements that do not reflect the future participant landscape or operational requirements of the scheme.

TasNetworks looks forward to APA considering future contracting arrangements that contemplate the addition of more viable generators and loads to the FCSPS. The changing Tasmanian power system will create new opportunities in this space, and as Jurisdictional Planner and scheme infrastructure operator, TasNetworks looks forward to engaging with APA on what those arrangements might look like.

To discuss the views expressed in this submission please contact Alex Burk, Leader Regulation, at [REDACTED]

Yours sincerely



Marthinus Le Roux
Head of Regulation