

Minister for Energy and Renewables  
Minister for Parks  
Minister for Sport



Level 1, 7-9 Franklin Wharf, HOBART TAS 7000 Australia  
GPO Box 123 HOBART TAS 7001 Australia  
Phone: [REDACTED]  
Email: [REDACTED]

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Australian Energy Regulator  
[systemsecuritycontractreview@aer.gov.au](mailto:systemsecuritycontractreview@aer.gov.au)

### **APA Group's Basslink system security contract application**

I am writing to provide a submission on behalf of the Tasmanian Government to support APA Group's Basslink system security contract application.

The Frequency Control System Protection Scheme (FCSPS) is an essential component to the effective operation of Basslink, allowing it to be operated above the 144-megawatt single-event limit imposed under the Tasmanian Frequency Operating Standard, as it has continuously since 2006.

Consistent with my December 2025 submission to APA Group's *Revised Revenue Proposal*, the costs of the tripping services that support the FCSPS are as central to the effective operation of Basslink as its physical assets, and should be treated and recovered the same way, using the 75:25 cost allocation between Victoria and Tasmania, respectively.

On this basis, the Tasmanian Government considers that APA Group's application is consistent with the Australian Energy Regulator's (AER's) decision to proceed with the regulation of Basslink and the maximum allowable revenue approved for the 2026 to 2030 regulatory control period. Both of these decisions were taken on the basis of unrestricted flows across Basslink, which is not possible without the FCSPS in place. I also note that the AER has already assessed the hardware associated with operating the FCSPS as prudent and efficient expenditure.

Full Basslink capability is foundational to achieving the benefits outlined in the AER's Final Decision in June 2025, including underpinning long-term investments and associated jobs. A derated interconnector would adversely impact both Tasmanian and Victorian energy customers, with potential consequences for reliability and efficient dispatch. It would also set an unhelpful precedent for the future operation on the Marinus Link interconnector, which will also require an FCSPS mechanism to support full capacity flows.

The Tasmanian Government supports APA's application and asks the AER to assess and determine it as a priority, to provide Tasmanian consumers, industry, and the market certainty that FCSPS arrangements are in place before the regulatory control period commences on 1 July 2026, and a final decision is made no later than 26 June 2026.

Yours sincerely

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Hon Nick Duigan MLC  
**Minister for Energy and Renewables**