

2 October 2026

Australian Energy Regulator (AER)

Via email: AERResets2027-32@aer.gov.au

AusNet Services Transmission Determination 2027-32 – Revised Proposal

Alinta Energy welcomes the opportunity to provide feedback on the revised proposal regarding AusNet's revenue recovery to apply for the period 1 April 2027 to 31 March 2032.

We support the AER's focus on "ensuring consumers pay no more than necessary for safe, reliable and secure transmission services of the existing transmission system".¹ With that in mind, we have concerns regarding the revised proposal.

AusNet's revenue proposal identified Hazelwood Terminal Station (HWTS) and Loy Yang Power Station (LYPS) as critical assets to the network, with replacement capex to these assets being necessary to avoid the "unacceptable levels of risk on key supply points to the Victorian network".²

Accordingly, AusNet's proposal identified 500kV circuit breaker and switchgear replacements as required at both terminal stations, stating:³

- the circuit breakers are in poor condition at both terminal stations;⁴
- the condition is expected to deteriorate at an increasing rate, resulting in potential generator and line outages; and
- replacements are required to resolve these risks in the next regulatory cycle rather than defer by five years, with deferral likely to increase the risk of extended outages and market disruption.

The AER's response to AusNet's proposal in the Draft Decision recommended a two-year deferral, on the basis that AusNet had proposed unsubstantiated higher cost estimates compared to other projects.⁵

In response, AusNet revised its proposal to:⁶

- separate the HWTS and LYPS projects;
- defer the HWTS project outside of this regulatory period;
- defer the LYPS project by two years within this regulatory period; and

¹ 'Draft Decision – AusNet Services electricity transmission determination 2027 to 2032 (1 April 2027 to 31 March 2032) Overview', AER, June 2026, p.v.

² 'AusNet Transmission Revenue Reset 2027-32 Revenue Proposal – PUBLIC', AusNet, 31 October 2025, p.67.

³ 'AusNet Transmission Revenue Reset 2027-32 Revenue Proposal – PUBLIC', AusNet, 31 October 2025, pp.87, 91.

⁴ For further detail on poor condition and failure rates, see here: '[5.5.23] Transmission Revenue Reset 2027 to 2032 (TRR 2027-32)', AusNet, October 2025, pp.4-5.

⁵ 'Draft Decision – AusNet Services electricity transmission determination 2027 to 2032 (1 April 2027 to 31 March 2032) Attachment 2 Capital Expenditure', AER, June 2026, pp.19-20.

⁶ 'AusNet Transmission Revenue Reset 2027-32 Revised Revenue Proposal – Public, AusNet, 10 September 2026, pp.73-75.

- affirm the costs associated with the LYPS project.

The underlying rationale for the revisions reference updated assessments of economic timing incorporating timely demand forecasts, and state risks caused by deferral of the HWTS project beyond this regulatory period would be “prudently managed through targeted refurbishment, and made possible by salvaging of like for like strategic spares’ assets and components from the common asset types being replaced at LYPS and KTS”.⁷

We consider that insufficient information has been provided to justify the deferral of the HWTS project. To progress the revised proposal as drafted, we consider AusNet must address the outstanding items below:

- Provide the updated assessments referenced, demonstrating key changes between the original and revised proposals;
- Outline how the risks identified with the HWTS project will be managed by the proposed refurbishment;
- Provide a timeframe for when the proposed replacements at HWTS will be undertaken;
- Specify how the risk assessment incorporates the revised proposal and how asset and system risks (such as system restart) will be managed as a result of the deferrals; and
- Outline how new assets [REDACTED] [REDACTED] have been incorporated in the updated assessment.⁸

Thank you for your consideration of Alinta Energy’s submission. If you would like to discuss this further, please contact Isidora Stefanovic at [REDACTED]

Yours sincerely,

Isidora Stefanovic

Regulatory Affairs Specialist

⁷ ‘AusNet Transmission Revenue Reset 2027-32 Revised Revenue Proposal – Public’, AusNet, 10 September 2026, pp.73-75.

⁸ [REDACTED]