

# Murraylink Transmission Determination 2023-28: Overview of AER draft decision

Public Forum | Wednesday 12 October 2022

# Agenda

- 1 Welcome and introductions
- 2 AER Key findings in draft decision
- 3 Murraylink update
- 4 Discussion time
- 5 Thank you and close

# About us



- The AER exists to ensure energy consumers are better off, now and in the future.




- This review will determine the revenue that applies to the Murraylink interconnector between the South Australian and Victorian regions of the National Electricity Market.



- The new revenue on which Murraylink's transmission services will be offered from 1 July 2023 to 30 June 2028

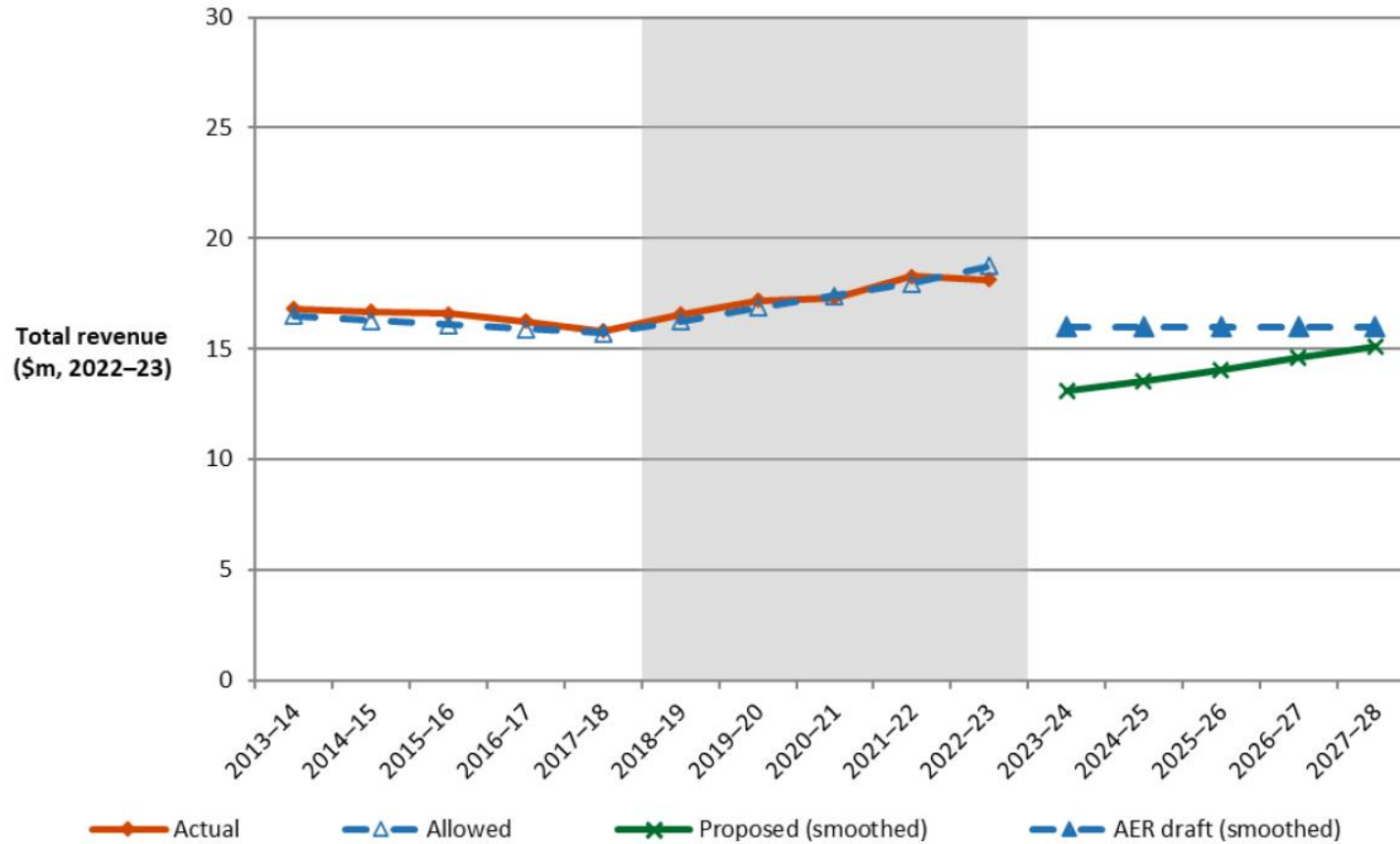
# Where are we now

Milestone	Date
APA/Murraylink submitted its Revenue proposal to the AER	31 January 2022
AER held an online forum on the proposal	8 April 2022
Submissions on regulatory proposals closed	11 May 2022
AER Published its draft decision on the proposal	30 September 2022
 AER holds online forum on the draft decision	12 October 2022
Murraylink to submit a revised proposal responding to the draft decision	2 December 2022
Submissions on the AER's draft decision and Murraylink revised proposal close	20 January 2023
AER publishes final decision on the revenue proposal	28 April 2023

# The future role of Murraylink in the National Electricity Market (NEM)

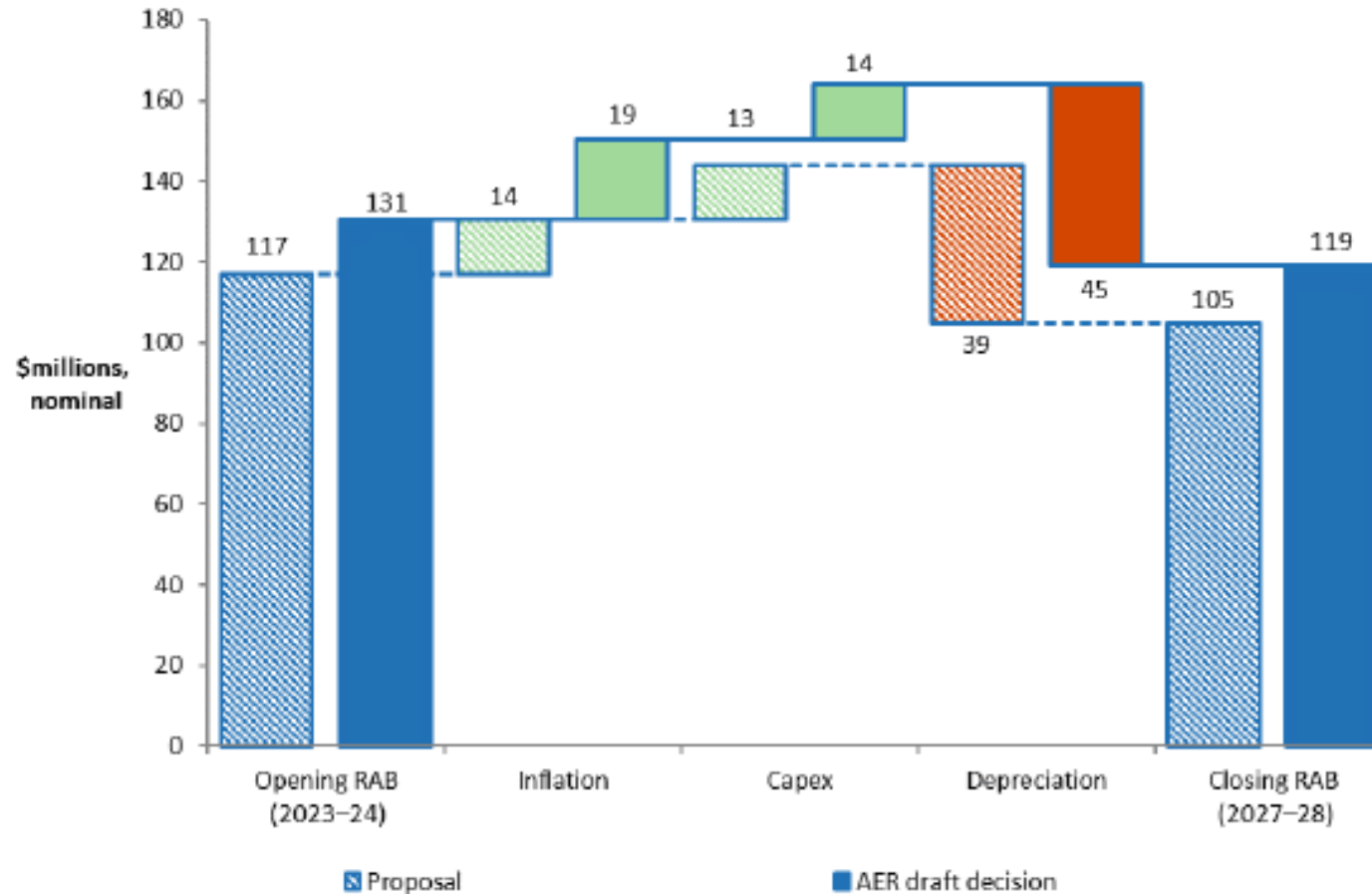
- On 30 June 2022 AEMO published the Integrated System Plan (ISP) to transform the NEM from fossil fuels to firming renewables.
- Requires investment in generation, transmission and system services
- Continued operation of NEM interconnectors underpin the plan and Murraylink in particular plays an important role in
  - Resource firming
  - Supporting peak demand
  - Network controllability
  - Outage management
  - Voltage management
- PEC and Murraylink able to simultaneously import/export at maximum transfer levels
- AEMO happy to take questions on notice

# About our draft decision - driving revenue and key differences



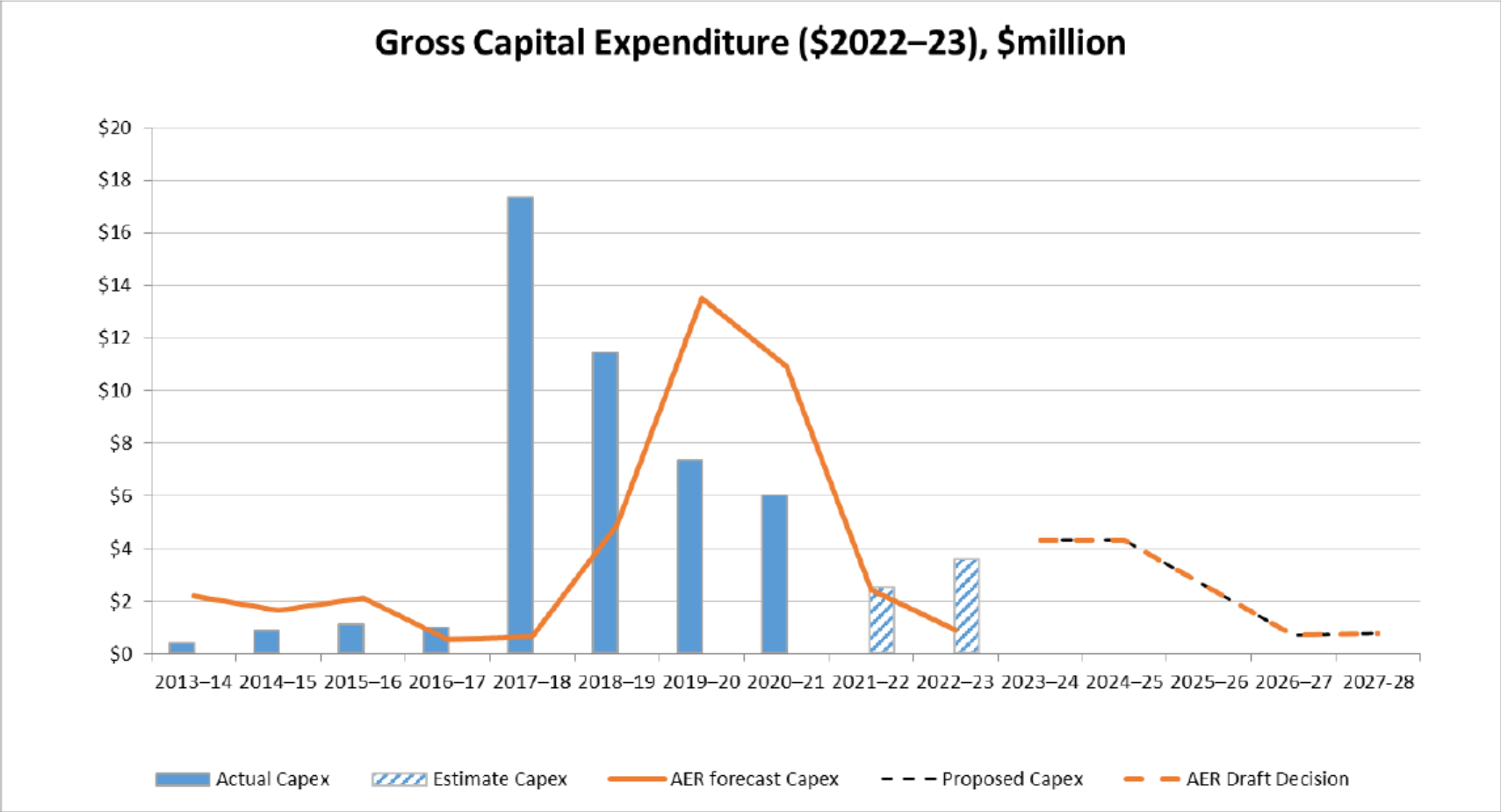
Revenue allowance has been impacted by market variables including interest rates, bond rates and expected inflation

# Regulatory Asset Base



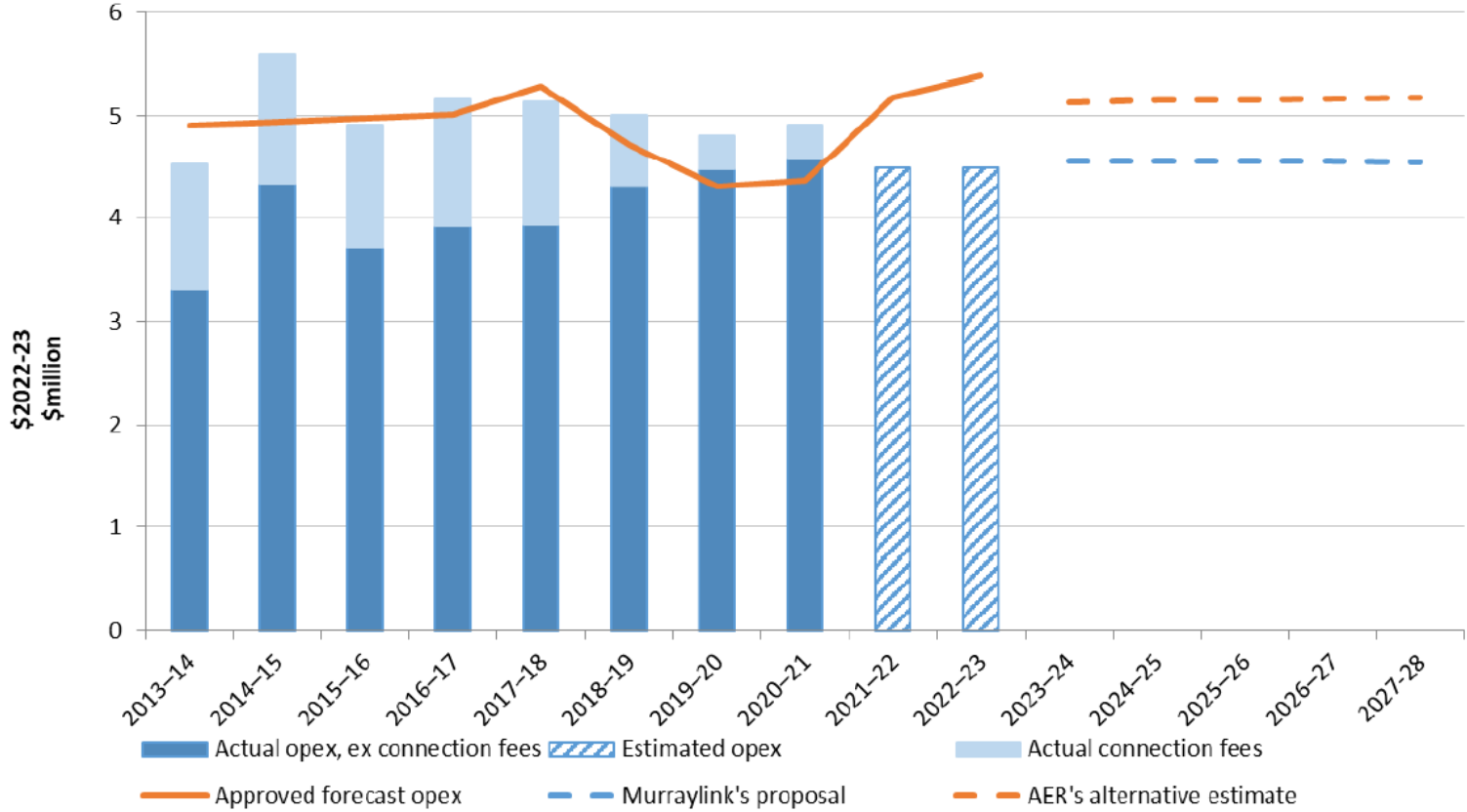
RAB impacted by opening level decision, inflation, depreciation and forecast capex.

# Capital Expenditure





# Operating Expenditure



# Consumer Engagement

- Genuine, high quality consumer engagement remains essential to ensuring proposals are driven by consumer preference and deliver services at an affordable and efficient price.
- The *Better Resets Handbook* sets out our expectations.
- Murraylink's engagement is a step up from its 2018-23 proposal but not clear how much of the January proposal was influenced by it.
  - Consumer views on how successful this has been?
- Revised proposal and engagement on any IGBT solution an important opportunity to demonstrate commitment to consumer engagement.

# Next steps



- Murraylink's revised proposal must be submitted by 2 December 2022.



- Stakeholders will then have until 20 January 2023 to make any submissions on our draft decision and Murraylink's revised proposal.



- You can find our draft decision (and when it is submitted Murraylink's revised proposal) on the AER website here:

<https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/murraylink-determination-2023%E2%80%9328>

- Submissions can be sent to: [Murraylink2023@ aer.gov.au](mailto:Murraylink2023@ aer.gov.au)

