

POWERLINK QUEENSLAND

RESPONSE TO: ACCC CONSULTATION ON DIRECTLINK CONVERSION

IES Report: Review of Interregional Market Benefits

16 May 2005

Powerlink welcomes the opportunity to comment on the report by IES on their review of the application of interregional market benefits for the purposes of the regulatory test in the Directlink conversion application.

Powerlink would offer the following generic comments on the issue of available export capacity from Queensland to New South Wales via Directlink, on the understanding that Powerlink has not undertaken detailed analysis of the specific transfer capabilities advised by BRW to Directlink, and critiqued by IES in their report.

As a result of a public consultation and regulatory test on options to augment the Gold Coast region, Directlink are contracted to provide network support to Powerlink during the summer of 2005/06. Although this is an agreement with Directlink as a market network service provider, and would be superseded in the event of Directlink becoming a regulated entity, there is a clear, ongoing need for the network support for the summer of 2005/06, whereby Directlink transfers power north from New South Wales to the Gold Coast region during peak demand conditions. Consequently, there is likely to be no capacity for southward flow at peak demand times throughout the summer of 2005/06.

Powerlink is obligated to plan the transmission network to meet the peak demand in Queensland for any credible scenario involving an outage to a single network component. Reliability augmentations are planned on this basis alone, and not to provide additional capacity to allow Directlink to support demand in New South Wales. Consequently, Powerlink is unable to provide assurance that at times of peak demand there will be spare capacity within the Queensland network to support Directlink export to New South Wales into the future.