

# 2018-22

## POWERLINK QUEENSLAND REVENUE PROPOSAL

### APPENDIX 15.04

AEMO

Confirmation of Powerlink's Network Capability  
Incentive Parameter Action Plan (NCIPAP)  
for Regulatory Period 2017/18 to 2021/22

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Delivering better value

22 December 2015

Ms Merryn York  
Chief Executive Officer  
Powerlink Queensland  
PO Box 1193  
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By Email: myork@powerlink.com.au

FROM THE OFFICE OF THE  
CHIEF EXECUTIVE OFFICER

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*Merryn,*  
Dear Ms York,

**Confirmation of Powerlink's Network Capability Incentive Parameter Action Plan (NCIPAP) for Regulatory Period 2017–18 to 2021–22**

Your correspondence dated the 15 December 2015 refers. Please consider this letter as formal confirmation of Powerlink's consultation with AEMO on the NCIPAP proposal for regulatory period from 1 July 2017 to 30 June 2022, as defined in Rule 5.2 of the AER Service Target Performance Scheme (STPIS) Guidelines.

Powerlink has proposed three NCIPAP projects with an estimated total cost of \$3.2 million, summarised in Attachment 1.

AEMO confirms that;

- Powerlink consulted AEMO prior to developing the NCIPAP application.
- Agreement between AEMO and Powerlink regarding;
  - The classification of a project as a priority project.
  - The material benefit resulting from a priority project achieving its priority project improvement target.
  - The ranking of the priority projects.

If you have any questions or would like to seek any clarification please contact Nicola Falcon Group Manager Planning on (03) 9609 8922 or email [Nicola.Falcon@aemo.com.au](mailto:Nicola.Falcon@aemo.com.au).

Yours sincerely



**Matt Zema**  
**Managing Director and Chief Executive Officer**

cc: Ms Michelle Groves, CEO, Australian Energy Regulator

Attachment Proposed prioritised NCIPAP projects – Powerlink Queensland.

ATTACHMENT 1

Proposed prioritised NCIPAP projects – Powerlink Queensland.

Project Ranking	Powerlink Project Number	Powerlink Project Category	Project Title	Project Description	Completion date	Operating Cost (\$K)	Total Cost (\$K)	Market Benefit per annum (\$K)	Net market benefit per annum (\$K)	Payback Period (years)
1	1	Limitations involving minor primary plant or secondary equipment	Upgrading of Bouldercombe to Raglan and Larcom Creek to Calliope River 275kV transmission lines	Increase design temperature of Bouldercombe to Raglan and Larcom Creek to Calliope River 275kV transmission lines	2018/19	506	506	146	64	3.5
2	2	Outage Management/Non-credible contingencies	Greenbank System Integrity Protection Scheme (SIPS)	Install a SIPS at Greenbank substation to manage high impact events	2018/19	1,822	1,822	433	157	4.2
3	3	Operational issues and operational flexibility	Load Model enhancement and validation	Install high speed monitoring equipment with synchro phasor capability at selected connection points. Develop and validate models for load characteristics connected to the Powerlink network.	2021/22	877	877			