

CENTRAL IRRIGATION TRUST

Trustee: Central Irrigation Pty. Ltd. ACN 075 446 810
4 Fowles Street PO Box 34
Baramba SA 5345
Telephone 08 8580 7100
Fax 08 8588 2001



Audrey Zibelman
CEO and MD
AEMO
GPO Box 2008
Melbourne 3001

RE: Extreme volatility and draft MLFs for the Berri terminus of the Murraylink interconnector.

I am writing to express our exasperation at the extreme volatility in MLFs that we are experiencing on the Berri terminus of the Murraylink interconnector. This has been an issue for some time and was discussed during the MLF round table in 2016.

The proposed MLFs for the Berri node will see an increase of 15 % in 2019 and a difference of 27% between the Redcliffs and Berri nodes, both a terminus for the Murraylink interconnector. This defies both logic and explanation. However if such losses are reality then we demand to know what is being done to reduce losses of 27% in less than 150 km of transmission line.

The Berri node has seen losses vary from -6.21% in 2017 to 15.33% proposed for 2019. The cause is not the changing demand or geographical location of our region but simply the changing flow of power across the interconnector. The interconnector flows benefit everyone in the NEM but it seems the losses are only apportioned to a few nodes close to the interconnector terminus.

If the proposed 2019 MLFs are adopted this change will add \$250,000 to our energy costs and again indicates that the modelling outcomes are flawed.

Everyone that we have spoken to agrees that apportionment of these losses is not principled and in fact has been described as 'not passing the pub test'. We have discussed the issue with AEMO staff and identified 4 solutions:

- Declaring Berri as a virtual node
- Establishing another node which is the terminus node and then apportioning the losses across the state
- Capping maximum and minimum MLFs
- Capping rise of falls in MLFs.

CENTRAL IRRIGATION TRUST

Trustee: Central Irrigation Pty. Ltd. ACN 075 446 810
4 Fowles Street PO Box 34
Barmera SA 5345
Telephone 08 8580 7100
Fax 08 8588 2001



However there appears no appetite in AEMO to implement any of these solutions thus rectify a glaring error in process and principle.

I am writing to you so that your organisation can rectify this situation both in the short term for the 2019 year and the longer term through an appropriate rule change.

I look forward to your reply.

Yours Sincerely,

A handwritten signature in black ink that reads 'Gavin McMahon'. The signature is written in a cursive, flowing style.

Gavin McMahon
Chief Executive Officer