

25 January 2024

Anna Collyer  
Chair  
Australian Energy Market Commission  
GPO Box 2603  
Sydney NSW 2001

Dear Ms Collyer

## **RE Improving the workability of the feedback loop**

TasNetworks welcomes the opportunity to respond to the Australian Energy Market Commission's (**AEMC's**) consultation on the draft rule change determination on improving the workability of the feedback loop.

TasNetworks is the Transmission Network Service Provider (**TNSP**), Distribution Network Service Provider and Jurisdictional Planner in Tasmania. TasNetworks and Marinus Link Pty Ltd (**MLPL**), are progressing Project Marinus – the actionable Integrated System Plan (**ISP**) project for a new 1,500 megawatt interconnector between Tasmania and Victoria and associated transmission network developments in Tasmania's North West.

As an actionable ISP project, TasNetworks and MLPL will request a feedback loop assessment from the Australian Energy Market Operator (**AEMO**) to ensure Project Marinus remains on the optimal development path (**ODP**). Under the current rules, TasNetworks is unable to submit a contingent project application for the North West Transmission Developments (**NWTD**) until after completion of the feedback loop. TasNetworks is therefore supportive of reforms that improve the workability of the feedback loop to ensure the timely and efficient delivery of major transmission projects.

TasNetworks is largely supportive of the draft rule, particularly the proposal to allow the feedback loop and contingent project application process to run concurrently. This should improve the timeliness of delivery for some major transmission projects, while retaining flexibility to proceed under the existing rules where preferable.

TasNetworks supports Energy Network Australia's submission and has responded to the AEMC's questions posed in the draft determination below.

**Question 1: Do you consider that a project assessment draft report (PACR) exclusion window is required to reduce the risk of misalignment between the regulatory investment test for transmission (RIT-T) and ISP?**

TasNetworks does not consider a PACR exclusion window is appropriate or necessary. The risk of misalignment between the RIT-T and ISP under the current rules is low and outweighed by the potential delays to major transmission projects. Furthermore, TasNetworks does not consider that waiting to publish a PACR until after the draft ISP will materially change the outcome of the RIT-T.

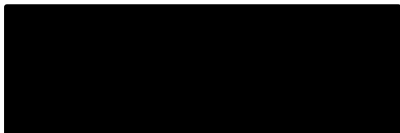
TasNetworks also agrees with AEMO that an exclusion window is not necessary if the feedback loop is assessed against the draft ISP as proposed in the draft rule. This effectively removes any potential misalignment between the RIT-T and ISP for the purposes of ensuring the project remains on the ODP.

**Question 2: Are the transitional rules appropriate?**

TasNetworks supports the transitional arrangements that apply the current rules to feedback loop requests submitted prior to the final rule coming into effect. The new rules will then apply to feedback loop requests relating to subsequent stages of an ISP project (where the request is made after the final rule). However, TasNetworks suggests the AEMC clarify in the Final Determination that the new rules will also apply to requests to reapply the feedback loop for the same stage of a project (e.g. following cost escalation from the initial feedback loop request). This will ensure that a TNSP does not need to again wait for completion of the feedback loop before submitting a contingent project application.

If you have any questions regarding this submission, please contact Matthew Clarke, Regulation Specialist, at [Matthew.Clarke@tasnetworks.com.au](mailto:Matthew.Clarke@tasnetworks.com.au).

Yours sincerely



Chantal Hopwood  
Head of Regulation