

16 December 2021

Mr Kevin Ly
Group Manager – Regulation
Australian Energy Market Operator
Level 22, 530 Collins Street
Melbourne VIC 3000

Dear Kevin

SCHEDULE OF INTENDING PARTICIPANT RIGHTS AND OBLIGATIONS

I am writing to you in relation to AEMO's proposal to amend the current Schedule of Rights and Obligations of Intending Participants. AEMO has invited submissions prior to seeking the AEMC's approval of the amended Schedule. As explained below, Marinus Link Pty Ltd (**MLPL**) welcomes AEMO's initiative in relation to this proposal, which will address a significant gap in the current arrangements. MLPL is the new entity established to deliver the HVDC interconnector component of Project Marinus.¹

As you are aware, Project Marinus is an important project for the National Electricity Market (NEM), having been recently classified as a single-stage actionable Integrated System Plan (ISP) project without any decision rules in AEMO's draft 2022 ISP, with the project contributing \$4.6 of the \$26 billion (in Net Present Value) delivered in the draft Optimal Development Pathway in the most likely scenario. The project has also completed the Regulatory Investment Test for transmission (RIT-T).

As part of our 'early works' activities in progressing the Marinus Link interconnector component of Project Marinus, we identified significant gaps in the application of the National Electricity Rules (the Rules) in relation to prospective TNSPs, such as MLPL. As explained in your consultation paper, in planning and developing a new network, a proponent may need to undertake tasks that require it to exercise rights or be subject to obligations under the Rules. For example, as noted in the consultation paper, these rights and obligations may need to include:

- Receiving, assessing and processing connection enquiries and applications under rule 5.3 or 5.3A or chapter 5A.
- Conducting system strength assessments using an appropriate model provided by AEMO under clause 4.6.6.
- Planning of inter-network testing and commissioning under clause 5.7.7 and rule 5.8.
- Participating in network planning under part D of chapter 5.

¹ TasNetworks will own and operate the North West Transmission Developments, which provide the AC transmission upgrade component of Project Marinus.

- Analysis of Marinus Link performance to ensure it meets the requirements of clause S5.1.8 for the intended power transfer.
- Preparatory steps for submission of an initial revenue proposal under chapter 6A, e.g. development of a framework and approach paper, application of economic regulatory guidelines.

AEMO's proposed amendment to its schedule will clarify that the rights and obligations specified in the Rules that apply to a Network Service Provider (NSP) will also apply to a prospective NSP that registers with AEMO as an Intending Participant. If the current schedule is amended as proposed by AEMO, the Rules will facilitate timely and efficient investment by entities that intend to become NSPs, but are not currently registered as NSPs.

Our view is that in the absence of AEMO's amended schedule, a Rule change would need to be introduced to clarify how the Rules should apply to prospective NSPs, particularly in seeking an initial regulatory determination. The time taken to commence and implement a rule change process could put the timely delivery of the project at some risk. We also believe that any minor clarifications in the interpretation of the Rules could be resolved through a collaborative and consultative approach between the prospective TNSP and the relevant market body.

In addition, the amended schedule would also facilitate MLPL, TasNetworks and AEMO to initiate joint planning to plan, design and commission Marinus Link. This will deliver clear benefits to customers through optimising the requirements of the HVDC equipment between all parties, and eliminate costly delays that can arise from an iterative approach should joint planning not be possible.

Given the above observations, we welcome AEMO's initiative in proposing an amendment to the current schedule. Specifically, the amended schedule will clarify that the AER is able to commence a revenue determination for MLPL, providing that MLPL registers as an Intending Participant. We regard these changes as necessary in order to promote efficient network investment for the long term benefit of customers.

If you would like to discuss this submission in further detail, please do not hesitate to contact Heath Dillon via email to heath.dillon@marinuslink.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bess Clark".

Bess Clark
Chief Executive Officer
Marinus Link