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Ms Violette Mouchaileh  
Executive General Manager, Reform Delivery  
Australian Energy Market Operator  
GPO Box 2008  
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By email: [NEMReform@aemo.com.au](mailto:NEMReform@aemo.com.au)

Dear Ms Mouchaileh,

## **TRANSITIONAL SERVICES GUIDELINE CONSULTATION PAPER**

Powerlink Queensland welcomes the opportunity to provide feedback on the Australian Energy Market Operator's (AEMO's) proposed Transitional Services Guideline (Guideline).

### ***Minimise the costs of transitional services to end users***

Under the Transitional Services Framework identified in the Australian Energy Market Commission's *Improving Security Frameworks for the Energy Transition* Final Determination,<sup>1</sup> Powerlink understands that Transmission Network Service Providers (TNSPs) and AEMO could contract with the same assets to provide different security services. If not appropriately managed, these arrangements could raise costs for consumers unnecessarily.

Powerlink recommends that the Guideline be updated to articulate:

- how AEMO would decide which contract is enabled (TNSP or AEMO) under different circumstances, where AEMO and a TNSP have a contract with the same asset; and
- the cost-recovery mechanisms used for different enablement applications for each contract.

We consider this a critical requirement, given the potential difference in cost-recovery arrangements under the two contract pathways and to minimise costs to consumers. For Type 1 contracts, Powerlink also considers that the tender evaluation process should assess whether directions may be more cost-effective for consumers.

### ***Considerations for determining process***

Powerlink supports AEMO's proposal to align its guidance for selecting a suitable procurement process for transitional services to existing guidance for System Restart Ancillary Services procurement where appropriate. In the spirit of *section 7(b) Assistance by Others* of the Network Support and Control Ancillary Services Tender Guidelines,<sup>2</sup> Powerlink expects that AEMO would engage with TNSPs to understand any existing contractual relationships for system security services and work with the TNSP to identify a suitable procurement approach.

<sup>1</sup> <https://www.aemc.gov.au/sites/default/files/2024-03/ERC0290%20-%20ISF%20final%20determination.pdf>

<sup>2</sup> [https://aemo.com.au/-/media/files/electricity/nem/security\\_and\\_reliability/ancillary\\_services/nscas-tender-guidelines-2017.pdf?la=en](https://aemo.com.au/-/media/files/electricity/nem/security_and_reliability/ancillary_services/nscas-tender-guidelines-2017.pdf?la=en)

Powerlink would welcome an opportunity to meet with AEMO staff to discuss these issues further ahead of AEMO's Draft Report. Should your team wish to discuss this submission further, please contact Alexandra Price, Manager Strategic & Future Network Operations on 0474 805 706 or by email at [alexandra.price@powerlink.com.au](mailto:alexandra.price@powerlink.com.au).

Yours sincerely,



Ms Emma Rogers  
Acting Chief Operating Officer