

10 July 2024



Candidate Priority Transmission Investment – Consultation Paper (Submission)

Gladstone Project



Introduction

The Gladstone Project is an eligible Priority Transmission Investment (PTI) under the [Energy \(Renewable Transformation and Jobs\) Act 2024](#) (the Act). As Responsible Ministers for the Act, the Minister for Energy and Clean Economy Jobs (the Energy Minister) and the Treasurer have declared the project to be a candidate PTI, and have directed Powerlink Queensland (Powerlink) to make a submission with respect to the project. The purpose of the submission is to advise the Responsible Ministers on how Powerlink considers the Responsible Ministers should direct Powerlink to assess the Gladstone Project as a candidate PTI.

The Act requires specific information be included within the submission, including:

- the identified need Powerlink proposes for the candidate PTI – Powerlink must consult the Queensland Energy System Advisory Board (QESAB) on the identified need proposed;
- when construction of the candidate PTI must commence in order to meet the anticipated date for completion of construction of the investment;
- the assessment documents Powerlink recommends the Responsible Ministers should direct Powerlink to use to assess the investment, and reasons for that recommendation;
- the modifications to the assessment documents Powerlink recommends the Responsible Ministers should include in a direction to Powerlink to assess the investment, and reasons for that recommendation;
- any other matter the Responsible Ministers consider relevant. In relation to this candidate PTI, the Responsible Ministers have directed Powerlink to:
 - undertake consultation with relevant stakeholders regarding the submission; and
 - include specific projects from Queensland's Optimal Infrastructure Pathway (OIP) in the base case for the PTI assessment¹

The Responsible Ministers' direction requires Powerlink to provide a final submission to Responsible Ministers by 16 August 2024. To assist stakeholders to engage in the assessment of the Gladstone Project, this consultation paper:

- provides an overview of the objectives Powerlink seeks to achieve by investing in the Gladstone Project, and the timeframes by which each element of the project need to be completed to meet those objectives;
- identifies the assessment documents Powerlink proposes the project should be assessed under, and the modifications Powerlink considers should be made to the documents; and
- invites stakeholder input on the draft submission. Powerlink will consider all feedback from stakeholders on the draft submission before progressing the submission to the Responsible Ministers.

A copy of this consultation paper, including the draft submission, will be made available to any person within three business days of a request being made. Requests for a copy of the draft submission, and/or to discuss its contents, should be directed to the Manager Network and Alternate Solutions, by phone (07 3860 2111) or email (pticonsultations@powerlink.com.au).

¹ *Energy (Renewable Transformation and Jobs) Act 2024*, section 22.

Overview of the priority transmission investment process

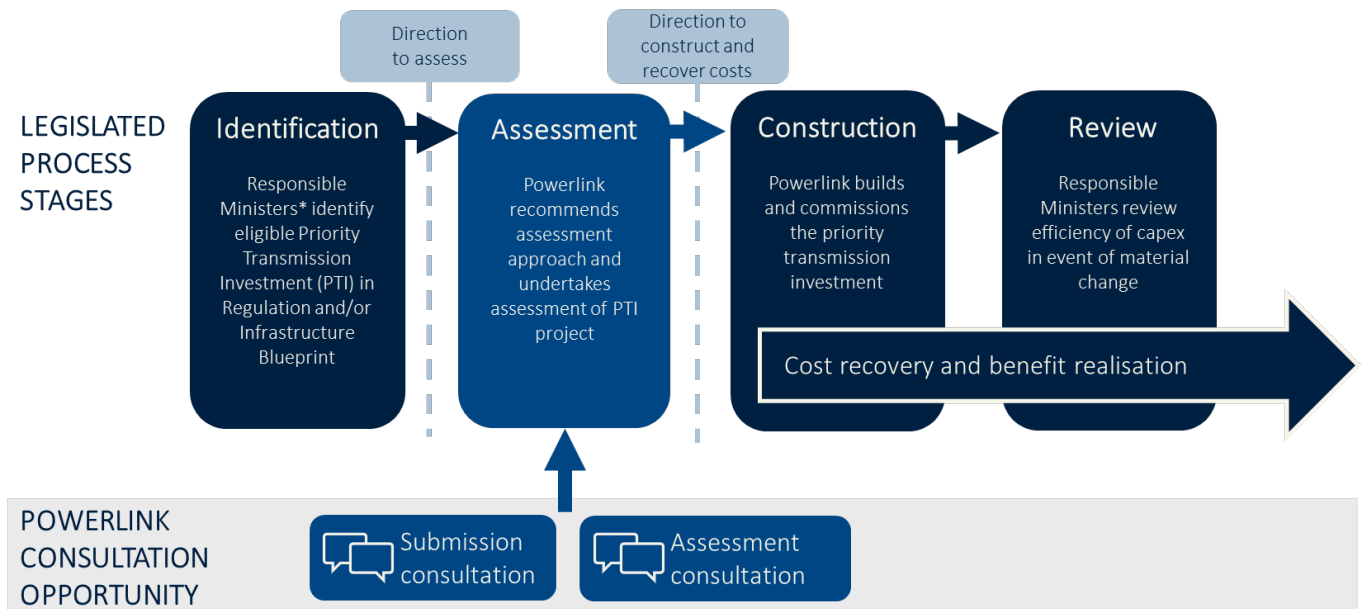
The Act is a key enabler of the transformation, placing the Queensland Renewable Energy Targets into law and establishing new arrangements to deliver major transmission investments in Queensland. Specifically, Part 5 of the Act sets out a new process to allow the Queensland Government to identify and assess PTI projects as an alternative to existing national planning and investment frameworks, and to direct Powerlink to construct these projects and recover its costs in the manner directed by the Responsible Ministers.

The PTI process consists of three key stages leading up to the commencement of construction of a PTI project:

1. The Responsible Ministers prescribe a project as an eligible PTI project. The [Energy \(Renewable Transformation and Jobs\) Regulation 2024](#) (the Regulation) outlines a list of eligible PTI projects for Queensland, including the Gladstone Project.²
2. The Responsible Ministers declare the eligible PTI to be a candidate PTI, triggering an assessment by Powerlink of the project.
3. The Responsible Ministers direct Powerlink to construct the candidate PTI.

Importantly, the process also requires the Responsible Ministers to seek advice from a ‘suitably qualified person’, potentially the Australian Energy Regulator (AER)³, regarding whether Powerlink’s:

- submission about the assessment approach meets the requirements of the Act;
- assessment of the candidate PTI accords with Responsible Ministers’ stated requirements; and
- proposed or incurred expenditure on the investment would be required by an efficient and prudent operator.



* The Responsible Ministers are the Energy Minister and the Treasurer.

² Energy (Renewable Transformation and Jobs) Regulation 2024, section 9.

³ Energy (Renewable Transformation and Jobs) Act 2024, schedule 1 (definition of ‘suitably qualified person’).

Description of the identified need

The identified need for a candidate PTI is the objective the investment is intended to achieve; that is, the problem that Powerlink considers will arise if action is not taken. As required by the Act, Powerlink must consult the QESAB on the suitability of the proposed identified need for the candidate PTI.⁴

Powerlink has identified the need to reinforce the transmission network in the Gladstone area to support decarbonisation, and proposes the following identified need:

“Provide sufficient power transfer capability to:

- 1. reliably supply the forecast electrical load in the Gladstone area in anticipation of the closure of the Gladstone Power Station;***
- 2. support the decarbonisation of major industries in the Gladstone area;***
- 3. compensate for loss of supply of essential system services, such as inertia, system strength and voltage control capability, following the closure of Gladstone Power Station.”***

Description of candidate priority transmission investment

Regulation

The Regulation describes the Gladstone Project as being the works for achieving the purposes of the investment for the Central Queensland Renewable Energy Zone (REZ) region described in the [Queensland SuperGrid Infrastructure Blueprint](#) (Blueprint), page 29, other than the second circuit upgrade to enable further REZ capacity in the Banana Range (these works are associated with the REZ framework).⁵

Blueprint

The Blueprint outlines the Optimal Infrastructure Pathway (OIP) to 2035 to deliver a clean, reliable and affordable electricity system in Queensland, and is a key supporting document for the Queensland Energy and Jobs Plan (QEJP). The Blueprint identifies investment by Powerlink into the Central Queensland REZ that, although providing some incremental renewable connection capacity, the primary purpose of which is the reinforcement of the Gladstone system to support decarbonisation of the region.⁶

The Blueprint describes the investment in the Central Queensland REZ region as:

- a new double circuit 275kV line connecting into Gladstone (Calvale to Calliope River);
- a new transformer to support 132kV capacity in Gladstone;
- a new synchronous condenser;
- a battery connection; and
- a second circuit upgrade to enable further REZ capacity in the Banana Range.

⁴ *Energy (Renewable Transformation and Jobs) Act 2024*, sections 18 (definition of ‘identified need’), 22(4)(a) and 22(5). On 1 July 2024 the Energy Minister [announced](#) the membership of the QESAB.

⁵ *Energy (Renewable Transformation and Jobs) Regulation 2024*, section 9(e).

⁶ Queensland Government, *Queensland SuperGrid Infrastructure Blueprint*, September 2022, page 29.

Candidate priority transmission investment description

Following further planning and modelling of anticipated power system performance, Powerlink considers there are six network components needed to address the proposed identified need for the Gladstone Project. These network components are summarised in the following table, alongside the proposed identified need element it addresses, and why the network component is needed.

Powerlink will continue to seek alternative, more optimum, network and non-network options that satisfy the identified need.

| Identified Need Element | Candidate PTI Component ¹ | Purpose |
|--|---|---|
| 1. Reliably supply the forecast electrical load in the Gladstone area in anticipation of the closure of the Gladstone Power Station | Build a new 275kV high-capacity double-circuit line between Calvale and Calliope River Install a new 275/132kV transformer at Calliope River | To maintain supply reliability in the Gladstone area |
| 2. Support the decarbonisation of major industries in the Gladstone area | Rebuild Larcom Creek to Bouldercombe transmission line as a 275kV high-capacity double circuit line Rebuild Calliope River to Larcom Creek transmission line as a 275kV high-capacity double circuit line | To maintain supply reliability in the Gladstone area and to meet the load requirements of customers |
| 3. Compensate for loss of supply of essential system services, such as inertia, system strength and voltage control capability, following the closure of Gladstone Power Station | Install up to two synchronous condensers in Central Queensland (or system strength solution equivalent) Install up to two static Var Compensators in Central Queensland (or voltage support solution equivalent) ^{2, 3} | To maintain supply reliability in the Gladstone area by ensuring the power system remains stable |

1. Project network components have been aligned to their primary need element, but may address multiple elements of the identified need.
2. A battery connection would constitute a non-network option; hence this network component identifies an equivalent network option to provide voltage support.
3. Powerlink will take into consideration interactions with the [Addressing system strength requirements in Queensland from December 2025](#) RIT-T at the assessment stage, as the outcome of that RIT-T is anticipated to contribute to, and form part of, the solution to address the third element of the identified need.

Anticipated completion of construction

The direction from the Responsible Ministers states the anticipated date for completion of construction of the Gladstone Project is as soon as practicable to meet the proposed identified need – indicatively March 2029.

The elements of the identified need are dependent upon a range of factors relating to the anticipated speed of decarbonisation of the electricity network in the Gladstone Region. For this reason, it is proposed that candidate PTI network components be staged in line with the expected need date for each specific element of the identified need, thereby maximising efficiency of delivery.

The first stage comprises a new 275kV high-capacity double-circuit line between Calvale and Calliope River, a new 275/132kV transformer at Calliope River, and the installation of up to two synchronous condensers and two Static Var Compensators in Central Queensland (or non-network equivalent solutions). The anticipated completion date for this first stage is December 2028, subject to commencement of construction in June 2026. Powerlink is working collaboratively with the relevant agencies to ensure that the necessary land access, environmental and planning approvals, and permits are in place to support this timeframe.

The second stage would comprise a new 275kV high-capacity double circuit line between Larcom Creek and Bouldercombe with an anticipated completion date of December 2029, subject to commencement of construction in June 2027. The anticipated completion date of the third stage, to rebuild Calliope River to Larcom Creek transmission line as a 275kV high-capacity double circuit line, is March 2031. This network component of the candidate PTI project is dependent upon the substantive completion of all previous stages prior to the commencement of construction.

Summary of construction timetable

Stage one: commencement of construction June 2026. Anticipated completion date December 2028. Construction timeframe approximately 2.5 years.

Stage two: commencement of construction June 2027. Anticipated completion date December 2029. Construction timeframe approximately 2.5 years.

Stage three: commencement dependent on stage 1 and stage 2 being completed i.e., shortly after December 2029. Anticipated completion date March 2031. Construction timeframe approximately 1 year 3 months.

Alternative solutions to candidate priority transmission investment

After receiving advice on Powerlink's submission from a suitably qualified person, the Responsible Ministers may direct Powerlink to formally assess the Gladstone Project.⁷

Network solutions

In the assessment phase, Powerlink will detail and consider the proposed solution; that is, the six key network components summarised above, alongside alternative network options that meet the identified need and are considered credible. A range of credible options that address the identified need will be subject to cost-benefit analysis in the assessment phase.

Non-network solutions

In addition to credible network options, potential credible non-network solutions may be considered as part of the assessment phase. For a potential non-network solution to be considered credible, it must fully or in part address the identified need.

⁷ Energy (Renewable Transformation and Jobs) Act 2024, section 24.

Powerlink considers potential credible non-network solutions may be able to address the third element of the identified need; that is, to compensate for loss of supply of essential system services, such as inertia, system strength and voltage control capability, following the closure of Gladstone Power Station.

Under system normal conditions, a network support solution would need to provide the equivalent of:

- 550MVAr dynamic reactive support; and/or
- 4,000MVA of fault level; and/or
- 4,000MWs of inertia

in the vicinity of Calliope River Substation. A non-network option may provide all or part of the network support requirements.

These essential system services would be required to be available on a continuous basis, and not coupled to times of generation output with which the services may be associated. Where technically and economically feasible, the relevant detailed requirements and optimal timeframe for availability will be refined with proponents through the assessment process on a case-by-case basis, against the identified need. The network support must continue to operate as per system normal during planned and unplanned outages of other plant. Outages of the network support must be coordinated to ensure that system security services are available at all times.

Recommended assessment documents

Prescribed network investments in Powerlink's transmission network are subject to the Regulatory Investment Test for Transmission (RIT-T) framework as set out in the [National Electricity Rules](#) (NER) and supporting documents, including the RIT-T Instrument.

The Act establishes an alternative Queensland framework that provides a streamlined process for the assessment and approval of candidate PTI projects. The PTI assessment is a separate framework that adopts and modifies the RIT-T Instrument and related guidelines to direct Powerlink's economic assessment of a candidate PTI, rather than through modifications to the NER.

Specifically, the Act requires that the assessment of a candidate PTI is to be performed based on the documents declared by a regulation as 'assessment documents'. The Act also requires that Powerlink's submission recommends which assessment documents the Responsible Ministers should direct Powerlink to use to assess the investment, and reasons for that recommendation.⁸

The Regulation prescribes the following documents, each made by the AER, as assessment documents:

- RIT-T Instrument, dated August 2020, issued under clause 5.15A.1(a) of the NER;
- Cost-benefit Analysis Guidelines – Guidelines to make the Integrated System Plan actionable (CBA Guidelines), dated October 2023, issued under clause 5.22.5(a) of the NER; and
- RIT-T Application Guidelines, dated October 2023, issued under clause 5.16.2(a) of the NER.⁹

The Regulation also states that content in the documents relating to a dispute about the application or reapplication of the RIT-T are not included in the scope of assessment documents.

Powerlink recommends the Responsible Ministers direct Powerlink to use the [RIT-T Instrument](#) and [RIT-T Application Guidelines](#) to assess the investment. The recommended assessment documents provide for the assessment to progress independent of the Australian Energy Market Operator's (AEMO) [Integrated System Plan](#)

⁸ *Energy (Renewable Transformation and Jobs) Act 2024*, sections 18 (definition of 'assessment documents'), 22(4)(b) and 22(4)(c).

⁹ *Energy (Renewable Transformation and Jobs) Regulation 2024*, section 8.

(ISP) development and publication processes. Powerlink considers the recommended documents are likely to require fewer modifications to make them fit for the purpose of assessing the Gladstone Project given that the Blueprint, rather than the ISP, is central to the Gladstone Project's identified need.

Recommended modifications to assessment documents

Should the Responsible Ministers direct Powerlink to assess the Gladstone Project candidate PTI, Powerlink recommends the modifications to the assessment documents outlined in the tables in Appendix B be included in the Responsible Ministers' direction. Key recommendations would ensure:

- scenario development for the assessment reflects assumptions from the Blueprint instead of the ISP;
- the base case (against which credible options would be compared) includes new renewable generation and deep storage projects, and changes in operations to coal-fired stations aligned with those identified in the Blueprint; and
- the engagement process for the candidate PTI assessment reflects the direction from the Responsible Ministers.

Powerlink proposes amendments to paragraphs of the RIT-T Instrument, and sections of the RIT-T Application Guidelines, only to the extent they are necessary to support assessment of the Gladstone Project. Consistent with the Act, Powerlink considers the proposed modifications to be appropriate and as minimal as practical.¹⁰

Submission requirements and next steps

Making a submission

Powerlink invites submissions and comments in response to the matters discussed in the consultation paper, and the draft submission, from energy industry participants, energy market bodies, potential non-network solution providers and any other interested parties. Submissions are invited on the following elements:

1. the proposed identified need;
2. the proposed assessment documents, and reasons for their selection;
3. the recommended modifications to, and reasons for modifications of, assessment documents; or
4. potential credible network and non-network options that may address the identified need, in part or full, and/or replace or defer capital investment.

Submissions should be presented in a written form and should clearly identify the author of the submission, including contact details for subsequent follow-up if required. Parties may also request to meet with Powerlink ahead of providing a written response. Submissions and meeting requests should be emailed to the Manager, Network and Alternate Assessments at pticonsultations@powerlink.com.au.

Powerlink will publish submissions, subject to any claim of confidentiality by the person making the submission. Where confidentiality over part of a submission is claimed, Powerlink may explore with the person making the submission whether the person can make a redacted or non-confidential version of the submission available for Powerlink to publish.¹¹

¹⁰ *Energy (Renewable Transformation and Jobs) Act 2024*, section 23(2)(d).

¹¹ This approach is consistent with AER, *Application Guidelines, Regulatory Investment Test for Transmission*, October 2023, page 69.

Submission dates

- On or before 7 August 2024 - all submissions (other than those submitted by non-network solution providers).
- On or before 4 October 2024 - submissions from potential non-network solution providers.

Submissions registering a potential alternative credible network and/or non-network option should provide an overview of the option proposed, with as much technical and commercial information that may be provided prior to the closing date for submissions. Powerlink will engage with proponents of such options following the closure of the consultation period to confirm the information provided, and/or seek additional information to enable Powerlink to determine whether the option is a credible option to meet all or part of the identified need. Further engagement may also be required in order to establish cost information in relation to the proposed option during the assessment stage.

Next steps

The table below outlines the next steps for the assessment of the Gladstone Project.

| Step | Timing |
|---|-------------------|
| Submissions on this consultation paper and draft submission | 7 August 2024 |
| Powerlink submission to Responsible Ministers | By 16 August 2024 |
| Submissions from potential non-network solution providers | By 4 October 2024 |

Appendix A: Draft Submission to the Responsible Ministers on the Gladstone Project

This submission has been prepared by Powerlink in response to a direction from the Responsible Ministers, under section 22 of the *Energy (Renewable Transformation and Jobs) Act 2024* (the Act).

Key information from Responsible Ministers' direction

| | |
|---|---|
| Date of direction from the Responsible Ministers to Powerlink to prepare a submission in relation to the Gladstone Project (sections 22(1) and 22(2) of the Act). | 10 July 2024 |
| Anticipated date for completion of construction of the investment stated in the direction (section 22(3)(b) of the Act). | As soon as practicable to meet the proposed identified need – indicatively March 2029 |
| Due date for submission to be provided to Responsible Ministers (section 22(6) of the Act). | By 16 August 2024 |

Information Powerlink is required to provide to the Responsible Ministers in its submission

When construction of the candidate PTI must commence in order to meet the anticipated date for completion of construction of the investment stated in the direction (in accordance with section 22(3) of the Act).

Construction of the components of the Gladstone Project must commence in line with the following dates:

Build a new 275kV high-capacity double-circuit line between Calvale and Calliope River

– 1 June 2026

Install a new (third) 275/132kV transformer at Calliope River

– 1 June 2026

Rebuild Larcom Creek to Bouldercombe transmission line as a 275kV high-capacity double circuit line

– 1 June 2027

Rebuild Calliope River to Larcom Creek transmission line as a 275kV high-capacity double circuit line

– 1 October 2029

Install up to two synchronous condensers in Central Queensland (or system strength solution equivalent)

– 1 June 2026

Install up to two static Var Compensators in Central Queensland (or voltage support solution equivalent)

– 1 June 2026

Information Powerlink is required to provide to the Responsible Ministers in its submission

The identified need Powerlink proposes for the candidate priority transmission investment (in accordance with section 22(4)(a) of the Act).

Powerlink’s proposed identified need for the Gladstone Project is to provide sufficient power transfer capability to:

1. reliably supply the forecast electrical load in the Gladstone area in anticipation of the closure of the Gladstone Power Station;
2. support the decarbonisation of major industries in the Gladstone area; and
3. compensate for the loss of supply of essential system services, such as inertia, system strength and voltage control capability, following the closure of the Gladstone Power Station.

The assessment documents Powerlink recommends the Responsible Ministers should direct Powerlink under section 24(4)(a) to use to assess the investment and reasons for that recommendation (in accordance with section 22(4)(b) of the Act).

Powerlink’s recommended assessment documents for the Gladstone Project:

- the document called ‘Regulatory investment test for transmission’ dated August 2020, developed and published by the AER under the National Electricity Rules, clause 5.15A.1(a); and
- the document called ‘Regulatory investment test for transmission / application guidelines’, dated October 2023, developed and published by the AER under the National Electricity Rules, clause 5.16.2(a).

Powerlink has recommended the assessment documents above, as Powerlink considers that:

- they provide for the assessment to progress in isolation of the ISP development and publication process; and
- they are likely to require fewer modifications to make them fit for Queensland’s purposes, given that the Blueprint rather than the ISP is central to the candidate PTI’s identified need.

The modifications to the assessment documents Powerlink recommends the Responsible Ministers should include in a direction to Powerlink under section 24(4)(a) to assess the investment and reasons for that recommendation (in accordance with section 22(4)(c) of the Act).

See Appendix B of this draft submission for proposed modifications to the assessment documents and the reasons for each proposed modification.

Information Powerlink is required to provide to the Responsible Ministers in its submission

Any other matter the Responsible Ministers consider relevant:

Consultation timeframes:

- Powerlink should consult with those parties it considers to be key stakeholders in relation to the Gladstone Project prior to Powerlink providing its submission to the Responsible Ministers.
- Consultation best practice approach should be retained to the extent that can be accommodated within the timeframes directed by the Responsible Ministers and in consideration of confidentiality obligations.
- Powerlink has been provided until 8 August 2024 to prepare, consult on and deliver its submission to the Responsible Ministers.
- The Responsible Ministers will determine the time Powerlink has to prepare an assessment if they decide to direct Powerlink to undertake an assessment of the Gladstone Project.

Indicative base case assumptions:

- Borumba Pumped Hydro Energy Storage (PHES) – first power 2030.
- Callide REZ – declared in 2024/25.

(in accordance with section 22(4)(d) of the Act).

Consultation period:

- 10 July to 7 August 2024 for submissions on the consultation paper and draft submission; and
- 10 July to 4 October 2024 for submissions from potential non-network solution providers.

Requirement for Powerlink to consult the Queensland Energy System Advisory Board (QESAB) on the identified need proposed for the candidate PTI (in accordance with section 22(5) of the Act).

Powerlink consulted the QESAB on 1 August 2024.

Appendix B: Powerlink’s recommended modifications to the assessment documents

Powerlink’s recommended modifications to the assessment documents and the reasons for them are set out in the tables in this Appendix B. Each modification is considered to be appropriate and as minimal as practical.

Regulatory Investment Test for Transmission

| Provision | Recommended Modification | Reason for Modification |
|--|--|--|
| Throughout | <p>Any reference to Regulatory Investment Test for Transmission (RIT-T) should be read as candidate PTI assessment.</p> <p>Any reference to RIT-T proponent should be read as a reference to Powerlink.</p> <p>Any reference to RIT-T project should be read as a reference to candidate priority transmission investment.</p> <p>Any reference to the AER should be read as a reference to the Responsible Ministers.</p> | <p>The Regulation (schedule 1, section 1) provides that the RIT-T does not apply to Powerlink in respect of a candidate PTI, eligible PTI or PTI.</p> <p>The PTI assessment process is overseen by the Responsible Ministers, as set out in the Act. Therefore, it is not applicable to refer to the AER in relation to the PTI assessment.</p> <p>Only Powerlink may be directed to undertake an assessment of a candidate PTI. Therefore the term ‘RIT-T proponent’ is not applicable.</p> |
| Throughout | <p>The relevant circumstances in which a preferred option may have a negative net economic benefit also includes the assessment of a candidate PTI.</p> <p>A preferred option may also have a negative net economic benefit where the identified need relates to a candidate PTI.</p> | To reflect section 24(3) of the Act. |
| Nature and Authority, Application (page 3) | Delete | The Regulation (schedule 1, section 1) provides that the RIT-T does not apply to Powerlink in respect of a candidate PTI, eligible PTI or PTI. |
| Paragraph 4 | <p>Replace paragraph 4 with the following:</p> <p>Any <i>cost</i> or <i>market benefit</i> that cannot be measured as a <i>cost</i> or <i>market benefit</i> to those who produce, consume and/or transport electricity in the <i>market</i>, other than for changes in Australia’s greenhouse gas emissions, must not be included in any analysis under the <i>RIT-T</i>. The allocation of <i>costs</i> and <i>market benefits</i> between electricity and other markets must be based on the <i>cost allocation principles</i>.</p> | <p>To ensure that the value of reductions to Australian greenhouse gas emissions that are not realised by National Electricity Market (NEM) participants can be included in the assessment. This change is consistent with:</p> <ul style="list-style-type: none"> the National Electricity Objective; the Clean Economy Jobs Act 2024; and the Energy (Renewable Transformation and Jobs) Act 2024. <p>It is also consistent with recent amendments made to clauses 5.15A.1 and 5.15A.2, and the definition of net economic benefit, in the NER.</p> |

| Provision | Recommended Modification | Reason for Modification |
|--------------------------|---|---|
| Paragraph 7 | <p>Replace first sentence of paragraph 7 with the following:</p> <p><i>A market benefit, other than for changes in Australia’s greenhouse gas emissions, must be a benefit to those who consume, produce and/or transport electricity in the market, that is, the change in producer plus consumer surplus.</i></p> | As for modification to paragraph 4. |
| Paragraph 11 | <p>Add to paragraph 11:</p> <p>(i1) the value of Australia’s greenhouse gas emissions reductions gained or foregone from implementing the credible option;</p> | As for modification to paragraph 4. |
| Paragraph 22(a) | <p>Add to paragraph 22(a):</p> <p>A reasonable forecast of electricity demand may also reflect assumptions regarding technologies to meet economy wide emissions reductions targets or goals.</p> <p>Note: this modification does not mean this type of demand forecast must be used across all analysis.</p> | To ensure that any additional scenarios developed are consistent with the analysis that underpinned the OIP identified in the Blueprint, or subsequent changes to the inputs, assumptions and scenarios relied on by the QESAB in the development of any subsequent OIP to reflect emerging technologies. |
| Paragraphs 22(b) and (c) | <p>Add to paragraphs 22(b) and 22(c):</p> <p>Include projects that form the optimal infrastructure pathway in the list of types of projects – both transmission (eligible PTI) and generation (REZ), unless there is good reason not to.</p> | To ensure that any additional scenarios developed are consistent with the analysis that underpinned the OIP identified in the Blueprint. |
| Paragraphs 24 – 29 | <p>Apply the following overarching principle to paragraphs 24 to 29:</p> <p>The states of the world must consider for inclusion those projects that form the optimal infrastructure pathway identified in the Blueprint, unless there is good reason not to, and must not consider any projects, including ISP projects, which are inconsistent with the OIP.</p> | To avoid the inclusion of identified projects that are incompatible with the OIP identified in the Blueprint. |

Regulatory Investment Test for Transmission Application Guidelines

| Provision | Recommended Modification | Reason for Modification |
|--|--|---|
| Section 3.1 (Identified need) | <p>Replace the first two paragraphs in section 3.1 with the following:</p> <p>An identified need must be in service to the OIP's power system needs; that is, an OIP need which a candidate PTI seeks to address, and support other elements of Queensland's optimal infrastructure pathway, such as PHES and REZ.</p> <p>An identified need may additionally include the following, provided that they have been identified as relevant to Queensland's OIP:</p> <ul style="list-style-type: none"> • an increase in the sum of consumer and producer surplus in the NEM; • reliability corrective action; • the provision of inertia network services; or • the provision of system strength services. | <p>Each candidate PTI has been identified as being part of Queensland's OIP, and must serve a specific need of the OIP. That need is the PTI assessment's identified need. While the candidate PTI may serve other needs; for example, a need that is relevant to the NEM, it must at all times serve the specific need associated with it, in the OIP.</p> |
| Section 3.2.4 (Number and range of credible options) | <p>Add the following principle:</p> <p>Credible options should, where practicable, include the option described in the most recent Blueprint's OIP. Other credible options that meet the identified need should also be assessed.</p> | <p>Each candidate PTI has been identified as being part of Queensland's OIP, hence must be considered a credible option in the PTI assessment together with any alternative credible options identified.</p> |
| Section 3.3 (Characterising the base case) | <p>Add the following principle:</p> <p>The Queensland Government may require Powerlink include in a PTI assessment's base case specific projects from the OIP.</p> | <p>When the Responsible Ministers direct Powerlink to provide a submission under section 22, they will advise Powerlink which OIP infrastructure should be assumed to exist for the purpose of developing a base case.</p> <p>The indicative base case assumptions to be included in the PTI assessment for the Gladstone Project are:</p> <ul style="list-style-type: none"> • Borumba PHES – first power 2030. • Callide REZ – declared in 2024/2025. |





| Provision | Recommended Modification | Reason for Modification |
|---|--|--|
| Section 3.4 (Selecting reasonable inputs) | <p>Add in section 3.4:</p> <p>The assessment may include inputs, assumptions and scenarios relied on by the QESAB in the development of the OIP, taking into account QESAB updates since the latest Blueprint was published, alone or in addition to other inputs and assumptions.</p> | <p>The assessment's inputs, assumptions and scenarios must be reasonable and consistent with the Queensland Government's policy objectives. Information that has been relied on by the QESAB has been assured by an independent expert and therefore, for the purposes of the assessment, Powerlink does not need to demonstrate the use of such information as 'necessary'.</p> <p>However, where Powerlink proposes to use new, omitted or varied input, assumption or scenario that has not already been relied on by the QESAB, then it will need to demonstrate to the Responsible Ministers why it is necessary. These may include inputs, assumptions and scenarios relied on by AEMO in the development of the Optimal Development Path, provided they are not inconsistent with the inputs, assumptions and scenarios relied on by the QESAB in the development of the OIP, taking into account QESAB updates since the latest Blueprint was published.</p> |

| Provision | Recommended Modification | Reason for Modification |
|---|---|--|
| <p>Section 3.7.1 (Deriving states of the world in each reasonable scenario)</p> | <p>Replace the four bullet points following paragraph 3 of section 3.7.1 with the following:</p> <ul style="list-style-type: none"> • Optimal Infrastructure Pathway projects: these must form part of all states of the world, unless directed by the Responsible Ministers not to include them. • Committed projects: these must form part of all states of the world, consistent with the treatment of existing assets and facilities. • Actionable ISP projects: these projects will form part of all states of the world, unless doing so would be inconsistent with the Optimal Infrastructure Pathway. • Anticipated projects: these projects will form part of all relevant states of the world, unless doing so would be inconsistent with the Optimal Infrastructure Pathway. • Modelled projects: these projects will form part of all relevant states of the world, unless doing so would be inconsistent with the Optimal Infrastructure Pathway. | <p>The states of the world must include OIP projects, unless directed by the Responsible Ministers not to include them, and committed projects. Actionable ISP projects, anticipated projects and modelled projects will form part of relevant states of the world unless doing so would be inconsistent with the OIP.</p> |
| <p>Section 3.8 (Reasonable scenarios and sensitivities)</p> | <p>Add the following principle: A reasonable scenario may include changes in the assumed timing and magnitude of additional electricity demand due to electrification of industrial processes or establishment of new industries (for example, hydrogen).</p> | <p>A reasonable forecast of electricity demand may also reflect assumptions regarding technologies to meet economy wide emissions reductions targets or goals. Note: this modification does not mean this type of demand forecast must be used across all analysis.</p> |

| Provision | Recommended Modification | Reason for Modification |
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| <p>Part 4 (Stakeholder engagement process in applying the RIT-T), sections 4.1 – 4.4.</p> | <p>All references to the stakeholder engagement process, reports and timeframes set out in the NER are removed and replaced by the stakeholder engagement process proposed by Powerlink and directed by the Responsible Ministers.</p> <p>Section 4.1 (Consumer and non-network engagement) is retained to the extent a best practice approach to consumer and non-network engagement can be accommodated within the timeframes directed by the Responsible Ministers and in consideration of confidentiality obligations.</p> | <p>Consultation remains an important feature of the PTI framework as legislated in Part 5 (Priority Transmission Investments) of the Act. Consultation timeframes may be reduced to ensure the PTI framework provides an accelerated pathway for Queensland to deliver transmission investments on its OIP.</p> <p>The PTI framework will continue to seek relevant stakeholders' views on draft credible options, methodology, and on the draft assessment results.</p> |



Contact us

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