

# Powerlink Rule Change Proposal to Reset System Strength Unit Prices - Consultation



Overview | January 2024

This document provides an overview of Powerlink's Rule change request and the key focus of the Australian Energy Market Commission's (AEMC's) Consultation Paper at the link below.

<https://www.aemc.gov.au/rule-changes/resetting-powerlinks-system-strength-unit-prices>

## Powerlink's Rule Change Proposal

Powerlink lodged a Rule change request with the AEMC in late 2023. Our proposal was to allow us to reset our System Strength Unit Prices (SSUPs) for Queensland on 15 March 2024 and have these new prices take effect from 1 July 2024 until 30 June 2028, with annual CPI escalation.

## Why request the Rule change?

Our proposal aims to improve the integration of inverter-based resources (IBR), such as wind, solar and batteries, into the power system and support the transition to a low carbon future at a lower cost to energy consumers.

Our proposal also seeks to enable us to update SSUPs for new (lower cost) information we obtained through testing the market for system strength services as part of our Regulatory Investment Test for Transmission *Addressing System Strength Requirements in Queensland from December 2025*.

## What are SSUPs?

SSUPs are one component of system strength charges that apply to some IBR proponents that connect to our network. System strength charges are payable if a proponent chooses to use Powerlink's centrally procured system strength services rather than self-remediate their system strength impact on the network.

The difference between the revenue we collect through system strength charges and the payments we make to procure system strength resources is recovered from consumers through prescribed transmission charges.

## Impact on Powerlink customers

This Rule change will result in lower system strength charges paid by connecting parties who opt to receive system strength services from Powerlink. It will send a stronger investment signal to connect IBR in Queensland in support of a faster transition to a low carbon future.

Encouraging higher uptake of centrally procured system strength services is expected to reduce overall costs to Queensland electricity consumers.

## Input and Feedback

The AEMC is seeking feedback on five questions, which relate to:

- the issues raised and solution proposed by Powerlink;
- its indicative Draft Rule;
- its proposed assessment criteria; and
- the workability of its proposed approach for project proponents that have already concluded connection agreements and wish to change their election not to pay the system strength charge<sup>1</sup>.

Submissions on the [AEMC's Consultation Paper](#) close on **15 February 2024**. Objections to the fast tracked process close on 1 February 2024.

## Powerlink Contacts

If you have any further questions on our Rule change proposal, please contact:

- Sally Taylor, Manager Pricing and Billing, [sally.taylor@powerlink.com.au](mailto:sally.taylor@powerlink.com.au); or
- Jennifer Harris, General Manager Network Regulation, [jenny.harris@powerlink.com.au](mailto:jenny.harris@powerlink.com.au).

For any connection specific matters, please email:

[marketdevelopment@powerlink.com.au](mailto:marketdevelopment@powerlink.com.au)

<sup>1</sup> AEMC Consultation Paper (National Electricity Amendment (Resetting Powerlink's system strength unit prices) Rule 2024