

AEMO publishes this notice pursuant to its function under clause 5.16A.5(b) of the National Electricity Rules (NER).

## Context

AEMO's *Integrated System Plan* (ISP) is a roadmap for the transition of the National Electricity Market (NEM) power system, presenting the plan for essential infrastructure that meets both consumer needs and government energy and emissions targets between now and 2050. The most recent ISP is the 2024 ISP<sup>1</sup>, released on 26 June 2024.

The ISP includes the identification of the optimal development path (ODP) – the lowest-cost pathway of essential generation, storage and network infrastructure to meet consumers' needs for secure, reliable and affordable electricity, and to achieve net zero emissions targets.

The ODP set out in the 2024 ISP contains a series of power system investments, some of which are needed at or near their earliest delivery date, which AEMO classifies as "actionable projects". The ISP triggers the application of the Regulatory Investment Test for Transmission (RIT-T)<sup>2</sup> for actionable ISP projects by RIT-T proponents, typically transmission network service providers (TNSPs) identified by AEMO.

Following completion of the RIT-T, to be eligible to submit a contingent project application (CPA) to the Australian Energy Regulator (AER) to recover costs for an

actionable ISP project, a RIT-T proponent must request written confirmation from AEMO that:

- the RIT-T preferred option addresses the relevant identified need specified, and aligns with the ODP referred to, in the most recent draft or final ISP, and
- the cost of the preferred option does not change the status of the actionable ISP project as part of the ODP in the most recent draft or final ISP<sup>3</sup>.

This process is referred to as the "feedback loop"<sup>4</sup>.

The AER's contingent project decision may adjust the TNSP's revenue allowance to reflect efficient and prudent forecast expenditure associated with the contingent project<sup>5</sup>.

## Project Marinus

Marinus Link is a proposed 1,500 megawatts (MW) interconnector between Victoria and Tasmania, delivered in two 750 MW stages by Marinus Link Pty Ltd (MLPL). It requires upgrades to the Tasmanian transmission network, referred to as the North West Transmission Developments (NWTD), delivered by TasNetworks. Collectively, these investments are referred to as Project Marinus.

The Project Marinus RIT-T was completed in June 2021. The most recent RIT-T update was released in July 2025<sup>6</sup>.

<sup>1</sup> At <https://aemo.com.au/en/energy-systems/major-publications/integrated-system-plan-isp/2024-integrated-system-plan-isp>.

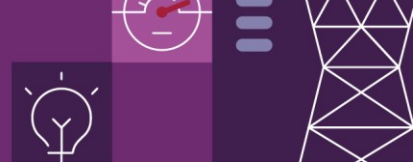
<sup>2</sup> The RIT-T is a cost benefit analysis test that transmission network service providers (TNSPs) must apply to prescribed regulated investments in the transmission network. The purpose of the RIT-T is to identify the credible network or non-network options to address the identified network need that maximise net market benefits to the NEM. If an ISP identifies any actionable ISP projects, the ISP must specify the relevant RIT-T proponent which must apply the RIT-T in accordance with NER 5.22.6(a)(6). RIT-T proponents (for example, TNSPs) must apply the RIT-T to actionable ISP projects in accordance with NER 5.16A.

<sup>3</sup> NER 5.16A.5(b). Note for early works CPAs, NER 5.16A.5(e) allows a TNSP to seek cost recovery for early works from the AER without having completed a RIT-T or passed AEMO's feedback loop assessment.

<sup>4</sup> AEMO feedback loop assessments are at <https://aemo.com.au/en/energy-systems/major-publications/integrated-system-plan-isp/integrated-system-plan-feedback-loop-notices>.

<sup>5</sup> AER contingent project decisions are at <https://www.aer.gov.au/industry/networks/contingent-projects>.

<sup>6</sup> All RIT-T reports and updates are at <https://www.marinuslink.com.au/rit-t-process>.



## Feedback loop request

On 11 July 2025, TasNetworks requested a feedback loop assessment of Project Marinus. The letter containing the request was co-signed by MLPL, which expects to rely on the feedback loop outcomes to support the submission of its revised revenue proposal<sup>7</sup> to the AER in relation to Stage 1 of Marinus Link.

Information in the feedback loop request which AEMO considered relevant to its assessment of Project Marinus included<sup>8</sup>:

- The transfer capability and high-level scope of the project is consistent with that in the 2024 ISP.
- The proposed timing of Stage 1 (2030-31) is unchanged but the proposed timing of Stage 2 (2034-35) is delayed by two years relative to the 2024 ISP<sup>9</sup>.
- Forecast capital expenditure for Stage 1 is \$5,035 million (excluded costs are \$534 million)<sup>10</sup>.
- Forecast capital expenditure for Stage 2 is \$2,535 million (excluded costs are \$51 million).
- Concessional finance agreements with the Clean Energy Finance Corporation (CEFC) for Stage 1 are expected.

The feedback loop request also explains that the AER is currently considering MLPL's revised revenue proposal for Marinus Link Stage 1, while TasNetworks intends to submit a CPA for the balance of works for NWT Stage 1 following feedback loop confirmation.

## Notice of AEMO confirmation that feedback loop requirements are satisfied

The ODP in the 2024 ISP included both stages of Project Marinus as an actionable ISP project. In undertaking the Project Marinus feedback loop, AEMO reassessed the selection of the ODP identified in the 2024 ISP based on the inputs, assumptions and scenarios used to determine that ODP.

This required an update of the cost benefit analysis for the 2024 ISP using the information provided in the feedback loop request without the need to re-run ISP market modelling<sup>11</sup>. The results of updating the cost benefit analysis and more detail on the information included in the feedback loop request are presented in the feedback analysis report published with this notice<sup>12</sup>.

When considering the cost of the project, AEMO assessed the total cost of both stages of Project Marinus less excluded costs. To demonstrate the robustness of the feedback loop outcome, AEMO used sensitivity analysis to test cost estimates, first, without cost exclusions, and second, including concessional finance benefits for Stage 1.

AEMO publishes this notice to confirm that:

- Project Marinus addresses the relevant identified need specified, and aligns with the ODP referred to, in the 2024 ISP, and
- the total cost of the project (\$7,570 million), including Stage 1 (\$5,035 million) and Stage 2 (\$2,535 million), does not change the status of the actionable ISP project as part of the ODP specified in the 2024 ISP.

<sup>7</sup> More information on the AER's transmission determination process for Marinus Link is at <https://www.aer.gov.au/industry/registers/determinations/marinus-link-intending-transmission-network-application/revenue-proposal>.

<sup>8</sup> Costs are in real June 2023 dollars, consistent with the 2024 ISP.

<sup>9</sup> The earliest in-service date of Stage 2 is also 2034-35.

<sup>10</sup> Excluded costs include early works costs approved by the AER, incurred costs and grant funding. For more detail, refer to the feedback loop analysis report published with this confirmation notice.

<sup>11</sup> Based on the information in the feedback loop request, including that the transfer capability of each stage of Project Marinus has not changed since the 2024 ISP, AEMO considers that re-running the market modelling for the 2024 ISP is not necessary.

<sup>12</sup> At <https://www.aemo.com.au/-/media/files/major-publications/isp/ISP-FLN/Project-Marinus-Feedback-Loop-Analysis-Report>.