

# At a glance

## Directlink

### 2025-30 Revenue Proposal



The Directlink Interconnector runs between Mullumbimby and Terranora in NSW. Although the Directlink Interconnector is the smallest regulated asset in the National Electricity Market, it plays an important role in facilitating the transfer of energy between Queensland and New South Wales. Directlink has prepared its 2025-30 Revenue Proposal for the interconnector following engagement with stakeholders to understand their views and ensure their preferences are reflected in our proposal.

#### About Directlink



#### 180MW

Delivery of capacity to both NSW and QLD.



#### December 2000

Directlink was commissioned in 2000 using leading edge technology for the time. It is due to reach the end of its economic life in 2042.



#### 63km

of transmission lines consisting of 3 parallel high voltage direct current transmission lines.



#### 3 Owners

MM Midstream Investments Pty Ltd (**49.9%**)  
Osaka Gas Energy Oceania Pty Ltd (**30.2%**)  
APA Group Limited (**19.9%**)



#### 2

Converter stations at Bungalora and Mullumbimby.



#### 0.10%

of NSW customers' total electricity bills comprise of Directlink costs.

#### Delivering value



#### Improving safety and protection

### \$5M

In capital expenditure to help protect against the increasing risk of break-ins and loss and damage of key assets. This expenditure will improve security to deter break-ins and improve 24/7 site monitoring through the installation of CCTV. Support systems will also be installed in high-risk landslip areas to improve safety.



#### Asset monitoring

### \$1.3M

In capital expenditure to ensure Directlink continues to operate reliably. This expenditure will include general upkeep and maintenance of existing control systems. A feasibility study will also be undertaken to determine if a master controller should be installed to improve monitoring and reliability performance.



#### Continuing major maintenance

### \$8.6M

In capital expenditure to ensure ongoing safety and compliance of Directlink. This expenditure will include undertaking key asset replacements and upgrades, including circuit break replacements, fire system upgrades, cooling system maintenance, and replacement of major structural components.

Customers and stakeholders have opportunity to engage with the AER's public consultation process through the AER's website [www.aer.gov.au](http://www.aer.gov.au)

If you have any questions regarding the Revenue Proposal, please contact us by sending an email to: [yoursay@apa.com.au](mailto:yoursay@apa.com.au)

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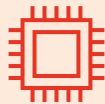
#### Delivering value cont.



#### Refreshed spares strategy

**\$12.5M**

In capital expenditure to help protect supply chain vulnerabilities and ensure the ongoing safe and reliable operation of Directlink as part of an updated spares strategy. This spares strategy will address risks around key electrical components having an increasingly long lead time post COVID and some components becoming obsolete with limited notice from the manufacturer.



#### Complete insulated-gate bipolar transistors upgrade

**\$6.0M**

In capital expenditure to complete the IGBT upgrade during 2025-26, following its commencement in 2022. The total IGBT investment is \$25.6M and will ensure this critical infrastructure is operational and there are sufficient spares available for the longer term. This upgrade reduces the risk of prolonged outages.



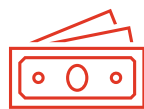
#### Planning for end of life

**\$4.7M**

In operating expenditure to set aside an allowance for end-of-life costs to cover costs associated with the removal of equipment and rehabilitation of land for the decommissioning of Directlink in the longer term. This ensures current consumers, rather than future consumers, pay for the asset.

#### Revenue and bill impacts

The increase in tariffs proposed is mainly driven by both higher interest rates and inflation. Interest rates are an important input into the calculation of revenue under the building block approach set out in the regulatory framework.



**~\$25.6M**

Average annual smoothed revenue proposed for the 2025 to 2030 period



**10.19%**

Annual average change in revenue



**\$1.29**

Increase in the annual electricity bill for a typical residential customer by 2029-30 (assuming the AER's 2023-24 Default Market Offer for Ausgrid)

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