

4 June 2026

Australian Energy Regulator

Submitted by email: systemsecuritycontractreview@aer.gov.au



Basslink System Security Network Support Contract

The Australian Financial Markets Association (AFMA) appreciates the opportunity to comment on the AER's review of APA's System Security Network Support contract application for the Frequency Control System Protection Scheme on Basslink.

AFMA is the leading industry association representing Australia's financial markets - including the capital, credit, derivatives, foreign exchange, and other specialist markets such as gas, carbon, electricity and environmental products. Our membership is comprised of over 140 of Australia's leading financial market participants, including key participants in the Settlement Residue Auction (SRA).

The AER's current timeframe for finalising this decision will complicate participation in the initial SRA for Basslink due to the uncertainty of sustainable Basslink capacity reducing the ability for market participants to manage their energy positions between regions

1. SRA Participant Certainty and Auction Timing

APA's System Security Network Support contract will have a material impact on the capacity of Basslink and the value of SRA units that can be offered for the TASVIC interconnector. The AER is scheduled to make its final decision on 26 June after AEMO's first scheduled auction for Basslink SRA's on 15 June. This complicates participants decision to participate in the SRA as at the time they bid they will be unsure what volume of SRA units will be available.

AFMA therefore encourages the AER and AEMO to work together to ensure that the AER's decision can be published before the Auction.

2. Term of the System Security Contract

APA's proposed contract has a term of two years, our members are concerned that this is quite short and does not cover all of the periods for the current SRA, which will offer SRA units out to 2029. AFMA therefore requests that this system security contract be approved for 5 years to give participants greater certainty.

AFMA would welcome the opportunity to discuss this submission further and would be pleased to provide further information or clarity as required. Please contact me at lgamble@afma.com.au or 02 9776 7994.

Yours sincerely,

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