Ann Jones
Director Business Performance
Queensland Competition Authority
Level 27, 145 Ann Street
Brisbane QLD 4000

30 October 2026

Dear Ann,

**Review of the Electric Capacity Factor**

The 2017 Access Undertaking (**UT5**) provides for an 'Electric Capacity Factor' to be considered when determining the value of the Electric Revenue Adjustment under clause 4.3(l) of Schedule F to UT5.

UT5 defines the Electric Capacity Factor (**ECF**) as follows:

> *The maximum capability of the electric traction on the Rail Infrastructure, expressed as a percentage of the average annual forecast gtks for the relevant regulatory period, being:*
>
> *(c) 98% in Goonyella; and*
>
> *(d) 94% in Blackwater,*
>
> *or such other percentage as may be approved from time to time by the QCA.*

The current value of the ECF has remained unchanged since the Queensland Competition Authority (**QCA**) issued its Final Decision on the 2019 Electric Traction Draft Amending Access Undertaking (**2019 DAAU**) on 18 July 2019.

Considering recent changes in the Blackwater System, including the cessation of rail traffic from the Minerva mine, Aurizon Network considers it necessary to increase the ECF percentage for the Blackwater System to 96%. No change is proposed in respect of the Goonyella System.

As reflected in the definition of the ECF, it is expected that these values will be periodically reviewed and updated to reflect changes in demand from electrified and non-electrified origins and destinations within electrified systems.

## Methodology

In reviewing the ECF, Aurizon Network has applied the methodology outlined in the 2018 Electric Traction DAAU Submission[1] to determine the maximum electric capability of each respective Coal System. For clarity, this methodology formed the basis of the ECF's that were approved by the QCA in its Final Decision on the 2019 Electric Traction DAAU. The methodology is as follows:

1. Using:
   a. the latest QCA-approved volume forecast for FY27; and
   b. historical[2] Gross Tonne Kilometres (Gtk) railed for FY24 – FY26,

   determine the maximum electric Gross Tonne Kilometres (eGTK) that could operate for all electrified origin destination pairs on the Rail Infrastructure;
2. Confirm the capability of the electric network to ensure that both the Goonyella and Blackwater Systems can run the maximum forecast train paths; and
3. Determine the applicable ECF for each Coal System by dividing the maximum eGTK's determined in step 1 above, multiplied by the capability percentage (100%) and divided by the total system Gtk.

The FY24-FY27 period is selected as it represents a period in which Minerva had no production volumes and Meteor Downs South (which was not included in the original assessment) has operated at full production.

Aurizon Network considers it reasonable to set the percentages with reference to the QCA-approved volume forecast and historical actuals. Doing so ensures that the resulting percentages represent the maximum capacity of each Coal System that can operate as an electric traction service, taking into consideration infrastructure constraints of the Rail Infrastructure.

## Results

Table 1 below summarises the values used in the calculation.

**Table 1 Summary of data used for the review of the Electric Capacity Factor**

| System | Calculation Assumptions | FY24 (A) | FY25 (A) | FY26 (A) | FY27 (FC) | Electric Capacity Factor |
|---|---|---|---|---|---|---|
| Blackwater | Max. eGTK | 30,534,037 | 29,833,956 | 33,627,088 | 32,710,310 | **96%** |
| | Actual / Forecast GTK | 31,874,302 | 31,148,368 | 34,966,557 | 34,098,945 | |
| Goonyella | Max. eGTK | 33,028,266 | 32,612,733 | 32,454,654 | 34,636,376 | **98%** |
| | Actual / Forecast GTK | 33,743,537 | 33,355,844 | 33,161,983 | 35,318,377 | |

[1] Aurizon Network (2018), 2018 Electric Traction Draft Amending Access Undertaking Submission, Pg. 9-10. Available at: https://www.qca.org.au/wp-content/uploads/2019/05/34181_AN-Submission-1.pdf

[2] The 2018 Electric Traction DAAU set the ECF using the four-year Gtk Forecasts approved by the QCA. Aurizon Network's current forecasting approach is informed through annual engagement with End Users and sees the QCA approve a single year forecast; hence the use of both historical and forecast volume.

The results suggest that the maximum electric capability of the Blackwater System has increased relative to the 2018 analysis. This result is not unexpected, noting the cessation of rail operations from the Minerva mine in FY23, a non-electrified loadout. The outcomes for the Goonyella System remain in line with the existing QCA approved ECF.

## Proposal

UT5 does not prescribe a process through which Aurizon Network must seek (or for the QCA to approve) a change to the ECF. Consequently, the purpose of this letter is to seek QCA approval to increase the ECF for the Blackwater System from 94% to 96% on a forward-looking basis with effect from 1 July 2027 (FY28). For clarity:

- the ECF in respect of the Goonyella System will remain unchanged at 98%; and
- the current approved ECF values for Blackwater and Goonyella (94% and 98% respectively as defined in UT5) will continue to apply in respect of the Revenue Adjustment Amounts submissions for the financial years ending 30 June 2026 (FY26) and 30 June 2027 (FY27).

Should the QCA approve Aurizon Network's proposal prior to submission of the FY28 review of Reference Tariffs, Aurizon Network proposes to amend the definition of ECF as follows:

**Table 2 Proposed change to ECF definition**

| Current UT5 Definition | Proposed amendments to UT5 Definition |
|---|---|
| The maximum capability of the electric traction on the Rail Infrastructure, expressed as a percentage of the average annual forecast gtks for the relevant regulatory period, being:<br>(c) 98% in Goonyella; and<br>(d) 94% in Blackwater,<br>or such other percentage as may be approved from time to time by the QCA. | The maximum capability of the electric traction on the Rail Infrastructure, expressed as a percentage of the average annual forecast gtks for the relevant regulatory period, being:<br>(~~c~~a) 98% in Goonyella; and<br>(~~d~~b) 94% in Blackwater until 30 June 2027 and 96% in Blackwater from 1 July 2027,<br>or such other percentage as may be approved from time to time by the QCA. |

## Engagement

Aurizon Network confirms that it has engaged with the Chair of the Rail Industry Group prior to making this submission and understands that there are no material concerns in respect of the proposed update. Having regard to feedback received from the Chair of the Rail Industry Group, Aurizon Network confirms its intention to complete future reviews of the ECF in circumstances where services:

- at an existing nominated loading or unloading facility cease;
- from an existing loading facility recommence after a period of cessation; or
- to a new nominated loading or unloading facility commence.

Aurizon Network is also open to reviewing the ECF as part of the 'mid-period' reset provided for under the 2025 UT5+ DAAU, or as part of a future process for a new regulatory term. Aurizon Network does not consider that any drafting changes are necessary to give effect to this, as the Access Undertaking already provides for the QCA to approve other percentages from time to time.

Should you have any queries in relation to this correspondence, please do not hesitate to contact Michael Bray (michael.bray@aurizon.com.au).

Yours sincerely,



Dan Kearney
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Aurizon Network Pty Ltd