



Transgrid Advisory Council

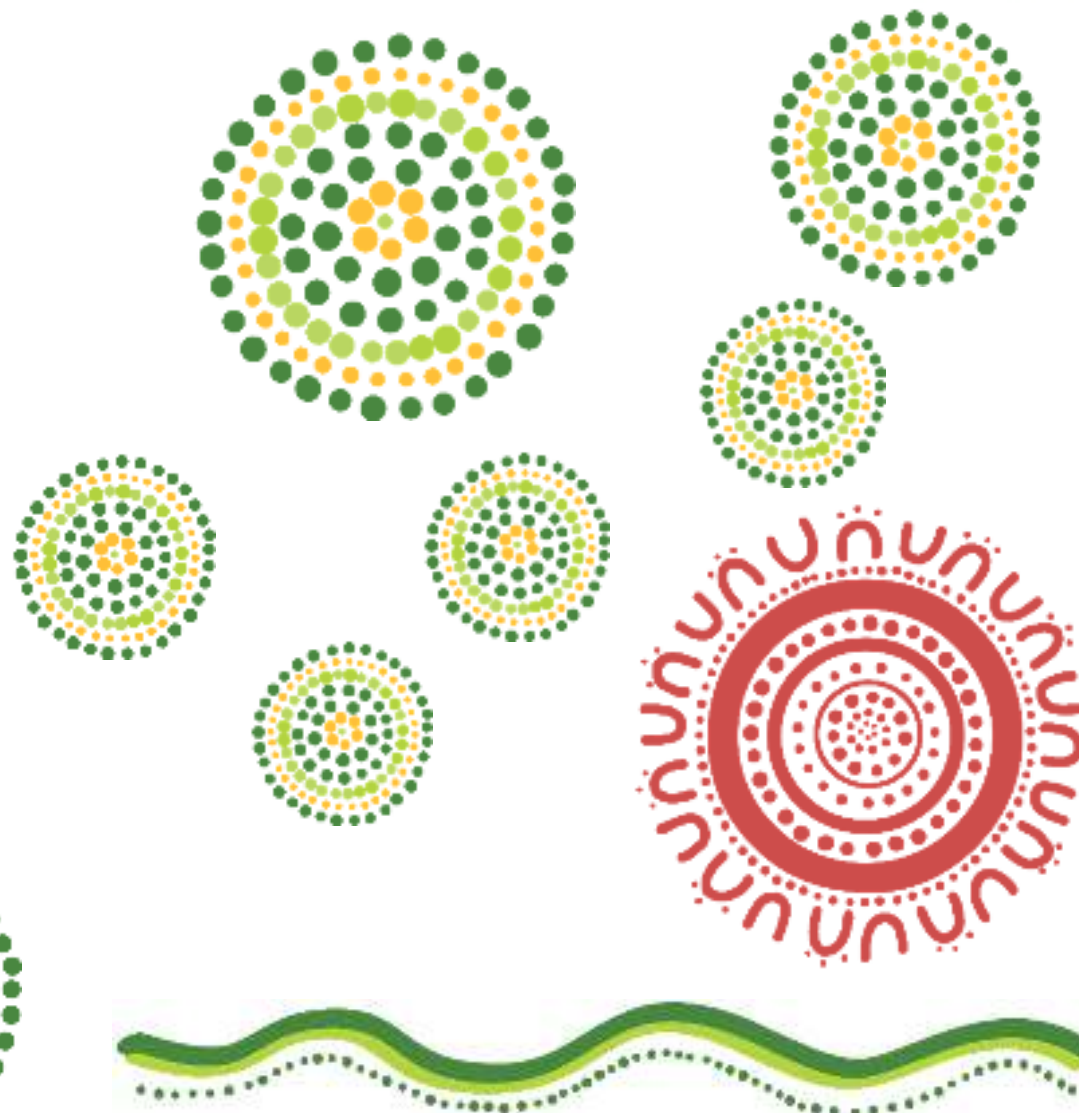
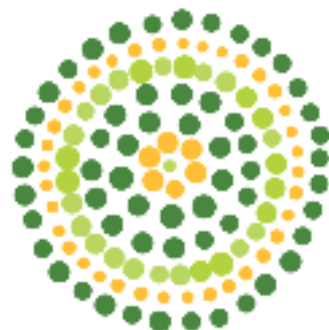
Meeting #1 for 2025

Wednesday 12 February

Acknowledgement of Country

As we gather today, I would like to begin by honouring the Gadigal people of the Eora Nation, the Traditional Custodians of this land where we meet.

We acknowledge the continuing connection to Country First Nations people have with the land, skies and waterways where we serve. We honour Elders who came before us, those with us today, and those who will lead in the future.



Agenda



Please note: today's workshop is being recorded

Time	Topic	Lead
9.00am - 9.05am	Welcome and Acknowledgment of Country	Maryanne Graham, EGM Stakeholder, Regulatory and Corporate Affairs
9.05am - 9.10am	Actions from last meeting	Jane Deane, Senior Manager Stakeholder and Corporate Engagement
9.10am – 9.40am	CEO Update and Q&A	Brett Redman, CEO
9.40am – 10.10am	Customer and Projects Focus Area Pillar update: TAC ways of working RP4 engagement workshop	Maryanne Graham, EGM Stakeholder, Regulatory and Corporate Affairs Sue Vercoe, Managing Partner, SEC Newgate
10.10am – 10.30am	Morning tea break (20 mins)	
10.30am – 10.55am	Customer and Projects Focus Area Pillar update: Major Projects Portfolio Update and Q&A	Gordon Taylor, EGM Major Projects Project Directors
10.55am – 11.20am	Regulatory Projects Focus Area Pillar update: Regulatory & Policy Forward Plan 2025	Monika Moutos, GM Regulation and Policy
11.20am – 11.45am	Policy and Innovation Focus Area Pillar update: System Operability Contingent Project Application (CPA), System Strength and Demand Management Innovation Allowance (DMIA) engagement	Marie Jordan, EGM Network
11.45am – 12.00pm	Summary, reflections and next steps	Maryanne Graham, EGM Stakeholder, Regulatory and Corporate Affairs
12.00pm – 12.30pm	Meeting close and lunch	

Are there any topics you would like to see on the next agenda?

Actions from last meeting




Jane Deane, Senior Manager Stakeholder and Corporate Engagement

Level of engagement: Inform

Objective: to inform TAC members of the status of action items of the last TAC quarterly meeting held on 25 September 2024



Actions from last TAC quarterly meeting

Action	Status
Arrange a follow-up session on Financeability	 To be addressed through individual proposals
Clarify the policy reform priorities by providing a holistic view and demonstrating consistency with the National Electricity Objective (NEO)	 To be presented today
Provide an update to the TAC on Transgrid's business plan to address issues and recommendations from the 2024 Engagement and Expectations study	 Plan now in place

CEO Update and Q&A

Brett Redman, Chief Executive Officer





TAC Focus Area Update: *Customer and Projects Review Pillar*

TAC ways of working and RP4 engagement

Maryanne Graham, EGM Stakeholder, Regulatory and Corporate Affairs

Level of engagement: Consult

Objective: to consult with the TAC on the 2025 ways of working and RP4 Co-design workshop agenda



TAC Purpose Statement and Objectives

TAC purpose statement

To inform and challenge Transgrid's investment in the transition to clean energy infrastructure to help ensure prudent, efficient and fair outcomes for consumers, customers and communities.

TAC objectives

- Support Transgrid to consider and reflect consumer, customer and community perspectives in its business and decision-making processes
- Share information on key energy programs, regulatory projects, policy and service issues
- Provide input and feedback on emerging issues, projects and proposed solutions



TAC Focus Area Update: *Customer and Projects Review Pillar*

RP4 Engagement co-design

Sue Vercoe, Managing Partner, SEC Newgate

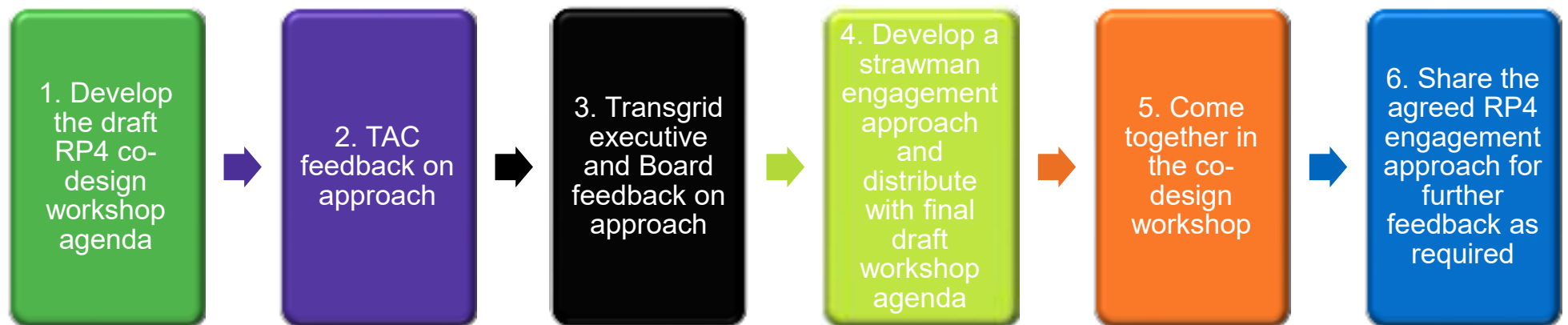
Level of engagement: Consult

Objective: to consult with the TAC on the RP4 Co-design workshop approach and agenda



Purpose of today's agenda item

We are socialising the co-design approach with you today and running through a proposed agenda and content for the upcoming co-design workshop.



Background and context – Lessons Learned from RP3

Let's look at a summary of the key takeouts from this exercise.

Overall approach

- ✓ Commit to developing a **customer-centred proposal, working with consumers as partners** (but what does this mean in practice for a transmission business like Transgrid?)
- ✓ Develop a **business narrative** – the blue sky thinking and engagement priorities – and seek feedback on this. This will be a critical foundation document.
- ✓ Commit to a collaborative '**all of business**' approach establish **positive and constructive ways of working between internal teams** at Transgrid from the outset.
- ✓ Be more **transparent with the rationale behind decisions** – stakeholders want to understand the 'why' behind Transgrid's investments and clearly see where customer feedback has influenced a decision.

The engagement strategy

- ✓ Co-design an **engagement plan** that has early buy-in from Transgrid's executive, Board, and the TAC.
- ✓ Prepare and **share early the forward plan** (timings and deadlines) for the reset amongst staff; for both the engagement and technical inputs.
- ✓ Consider what you can learn/borrow from what is considered **best practice regulatory engagement** from other networks.

Background and context – Lessons Learned from RP3

The TAC

- ✓ Hold early conversations with the TAC to agree the role of the group
- ✓ Agree **where they can best contribute** to the next reset
- ✓ Consider establishing a **TAC sub-committee** for consumer advocates and agreeing individuals' focus areas
- ✓ Refine **TAC meeting logistics** to improve the member experience:
 - Implement feedback loops
 - Distribute clear and relevant pre-reading before each session
 - Offer more 1-1 meetings with individual TAC members
 - Provide ample prior notice of meetings, including a forward schedule
 - Consult with the TAC on whether current membership composition is appropriate or there are any gaps

Other engagement

- ✓ Meet **early with the AER** (at all levels for consistency) to understand what their boundaries are to being engaged, how much of a role they will play, and the issues they see as being on the table for external engagement. Make this part of a broader regulatory engagement strategy (beyond just the AER).
- ✓ Consider **stakeholder engagement beyond the TAC** e.g. NSW Govt/EnergyCo, major users, large renewable generators, landowners, rural fire service, indigenous communities.
- ✓ Consider **how best to engage with end-consumers**.



Where we want your feedback:

Does this capture your feedback? Is anything missing or has anything been misconstrued?



Questions

***Do you have any other questions to raise
or further advice to leave us with?***

Morning Tea break – back at
10.30am





TAC Focus Area Update: *Customer and Projects Review Pillar –*

Major Projects Portfolio Q&A

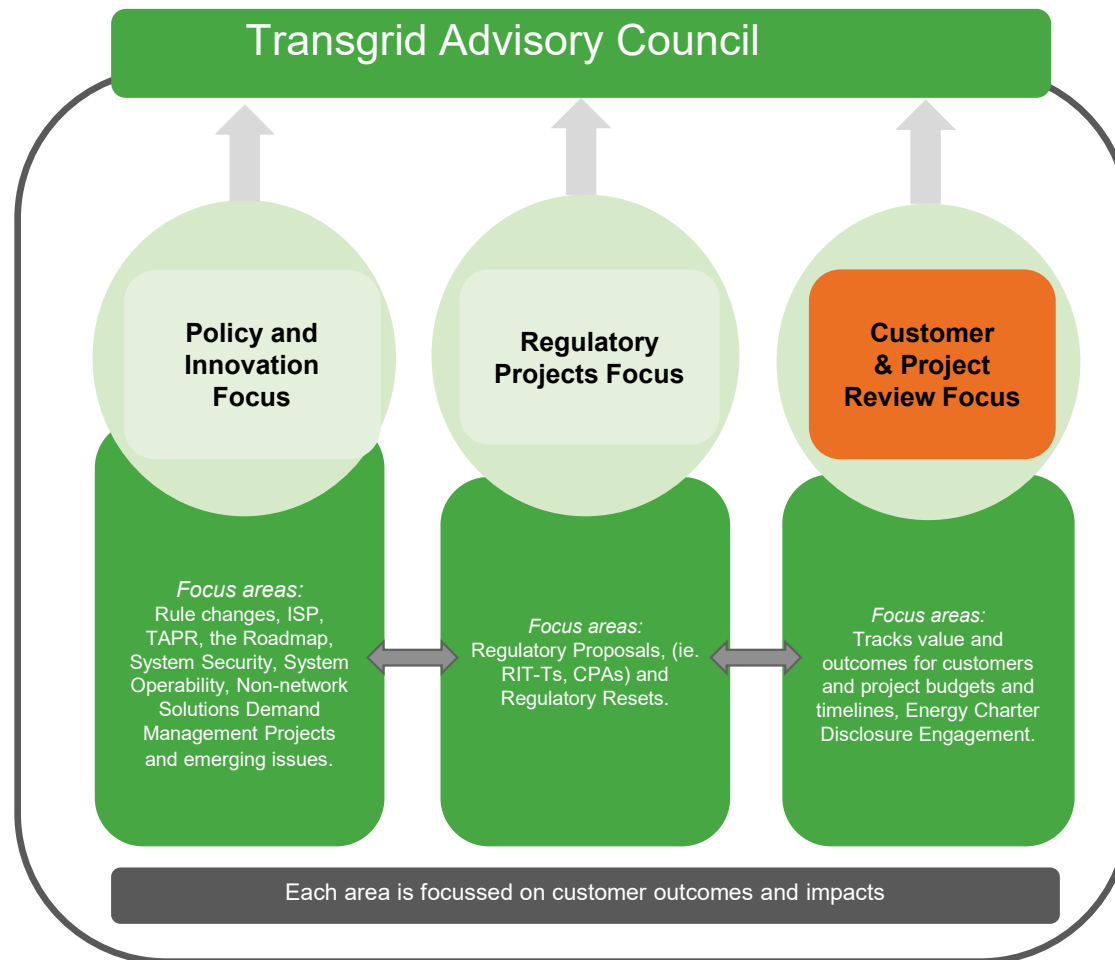
Gordon Taylor, EGM Major Projects
Project Directors

Level of engagement: Inform

Objective: to inform the TAC of key updates on our major projects and respond to any questions, feedback or clarification required.

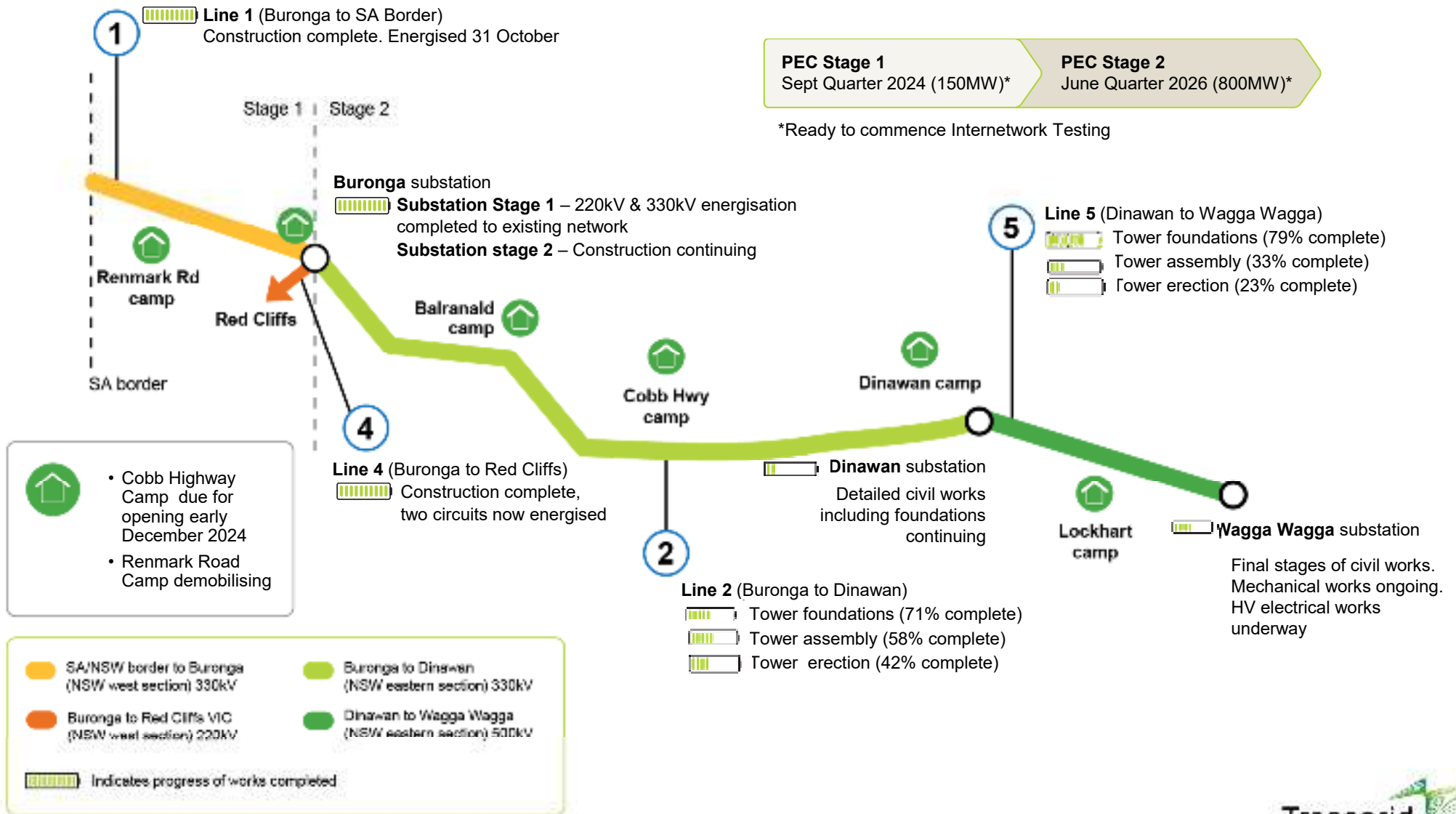


TAC Framework – Customer and Project Review Pillar



Project Energy Connect (PEC) update

Where we are on the project timeline



Project Energy Connect (PEC) update

Stakeholder Engagement

Key engagement activities in last month

- ✓ Major projects update meeting with Wagga City Council
- ✓ Project updates with Lockhart and Hay mayors
- ✓ Works notifications issued for L2, L5, Wagga & Dinawan subs
- ✓ Major Projects Regional Roundtable site visit to Dinawan
- ✓ Cobb Highway camp visit by Hay and Edward River Councils
- ✓ Q4 Community Newsletter distributed online and printed

Upcoming engagement activities

- ✓ Landholder visit and media tour of Cobb Hwy Camp
- ✓ Lockhart Council and REROC visit to Lockhart Camp and local engagement pop-up
- ✓ Snowy Valleys Council visit to Lockhart Camp
- ✓ Project update to road trip to visit Federation, Edward River, Murray River and Balranald councils
- ✓ Engagement on start of L5 stringing near Lockhart

Social Licence

- ✓ School engagement and site visit with Coomealla High School students at Buronga
- ✓ Approval of successful Round 2 Community Partnership Program grant applications
- ✓ Assessment of CSU Engineering Scholarship applications for 2025
- ✓ Revised six-monthly AIPP Compliance Report submitted to government

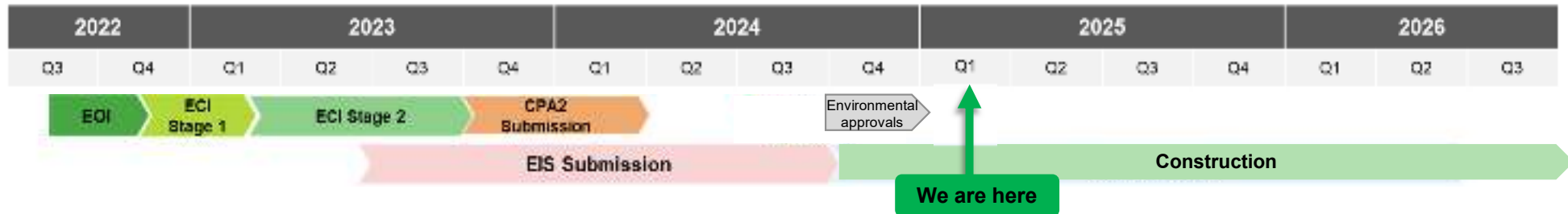


Coomealla High School engagement



Cobb Hwy Camp council visit

Where we are on the project timeline



Technical & Delivery Partner

- Design and Technical Workshops continue
- Planning and preparation for construction readiness, with enabling works due to start in January (HLW) and February (HLE)
- Execution of sub-contract packages for the commencement of enabling works
- Site surveys and investigations continue

Environmental Approvals

- Received Commonwealth Government determination 19 December
- Ongoing engagement with Councils on draft management plans
- Enabling Works Management Plan approved and available on NSW DPHI Major Projects portal

CPA 2 update

- FID received following Commonwealth Government determination

Social Licence and Community Investment

- Successful Community Partnership Program (CPP), round 2 successful applicants informed

Stakeholder Engagement

Completed in December

- Courtesy communication on project determination to key stakeholders, including landowners with fully executed agreements in place (phone and or email)
- Continued to issue 60-day work notifications to landowners in line with East & West construction program
- Ongoing handovers of landowner relationships to Delivery Partners across East & West
- Near neighbour notification on start of Enabling Works, HumeLink West (mid-Jan)
- Issued December project newsletter via email (including Commonwealth determination)

Upcoming

- Community and near neighbour notification for upcoming enabling works: HLW 13 Jan / HLE Feb – including targeted notifications for local works
- Finalise handover of landowner relationships
- Briefing of Snowy Valleys Council Re: community investment initiatives
- Employment opportunities briefing in Batlow, targeting former orchard workers
- Issue January project newsletter
- 60-day work notifications continue to be issued to landowners for works in March 2025

VNI West



Where we are on Project Timeline

- ✓ The final route alignment has been confirmed – including the Murray River border crossing location – with Transgrid confirming a NSW route length of 239km
- ✓ The Delivery Partner procurement process will commence end-January with the release of the EOI for the substation package
- ✓ The NSW Govt declared VNI West a CSSI in June 2024. CSSI declared projects are determined when the Govt is of the opinion that the project is essential for the State for economic, environmental or social reasons. Following the declaration, the NSW Dept of Planning, Housing and Infrastructure provided Secretary's Environmental Assessment Requirements to VNI West, allowing it to prepare its Environment Impact Statement for community feedback
- ✓ Draft compensation assessments have been received for all 35 private landholdings and the team has completed 26 in-person property valuations and nine desktop assessments. Offer letters will be issued in February, which will trigger the minimum 6-month negotiation period, required under S10A of the Just Terms Act
- ✓ The team is working with the Deniliquin Local Aboriginal Land Council and the Yarkuwa Indigenous Knowledge Centre, to assist with the development of sustainable benefit initiatives for Indigenous communities along the route

Stakeholder Engagement

- ✓ Engaging with Hay Shire Council, EnergyCo and Premier's Dept on sustainable housing solutions and strategic benefit opportunities arising from development in the Southwest Renewable Energy Zone
- ✓ Working with Transport for NSW in discussing the EIS assessment approach
- ✓ Engagement with DPHI Planning on Critical State Significant Infrastructure protocols and timing of agency reviews. DPHI noted that VNIW would be prioritised for assessment by the department and its agencies

Social Licence

- ✓ The project sponsored an investment in \$50,207 worth of Community Projects, awarded through Transgrid's Community Partnerships Program, with 12 regional organisations receiving support for indigenous, safety, wellbeing, education and environmental initiatives

Hunter Transmission Project



Hunter Transmission Project Planning Approvals Pathway

Where we are on Project Timeline



The Commitment Deed was executed by Transgrid and EnergyCo on 31 December 2024 and a formal signing event was held 23 January

- ✓ Transgrid will work with EnergyCo on meeting the project milestones as defined in the Commitment Deed
- ✓ Transgrid and EnergyCo continue to progress the Request for Tender (RfT) documents for both the Transmission and Substation packages, ahead of the scheduled February 2025 release. The RfT packages include two construction contracts and a number of deeds
- ✓ A draft EIS was provided to Transgrid for review on 18 December and it includes: historic heritage, groundwater, soils & land use, contamination, hazard and risk

Stakeholder Engagement

- ✓ Transgrid continues to support EnergyCo with engagement in the community and key stakeholders. December engagement activities included:
 - opening letters provided to all private landholders
 - release of *Refining the HTP* with an updated route
 - pop-up stalls in Morisset, Singleton and Jerry's Plains
- ✓ Transgrid easement landholders were notified of EnergyCo access for surveying activities.

Social Licence

- ✓ Transgrid continues to work with EnergyCo to understand community benefit strategies to be implemented for delivery

TAC Focus Area Update: *Regulatory Projects Pillar*

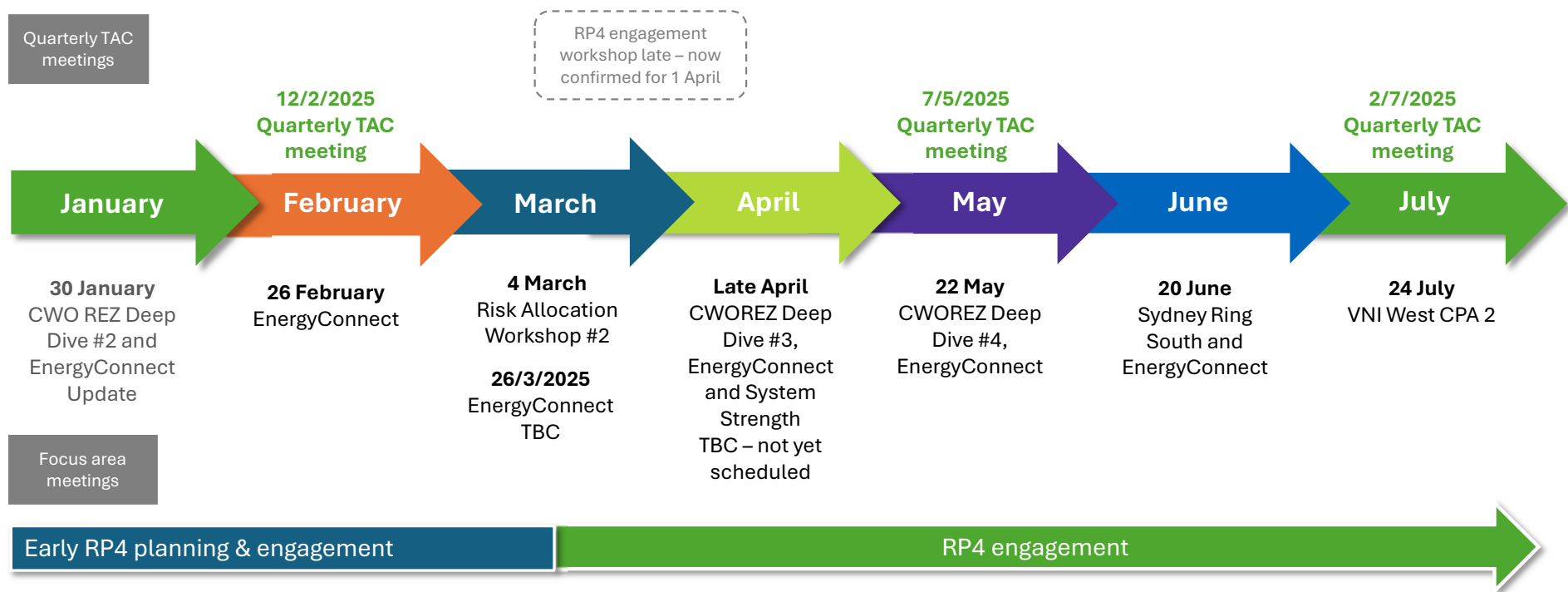
Monika Moutos, GM Regulatory and Policy

Level of engagement: Inform

Objective: to update the TAC on discussions and outcomes of TAC meetings held under the Regulatory Projects Pillar



Indicative program 2025 – January to July



Topics are subject to change. Focus area meetings are proposed to be slightly adjusted to three hours in length.



TAC Focus Area Update: *Policy and Innovation Pillar –*

System Operability Contingent Project Application (CPA), System Strength Requirements and focus for 2025

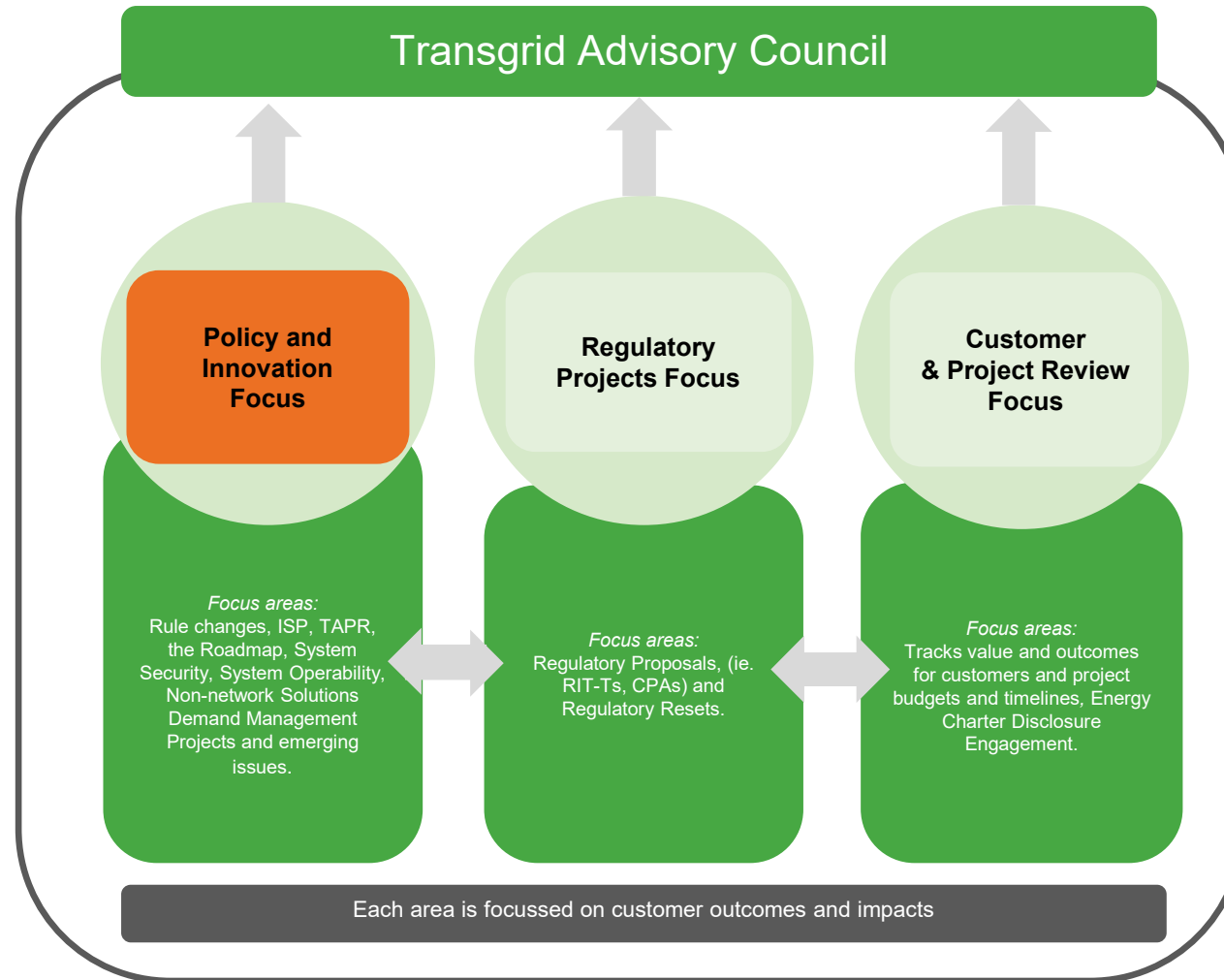
Marie Jordan, EGM Networks

Level of engagement: Inform

Objective: to update the TAC on the outcomes of focus area meetings under this pillar, and focus areas for 2025



TAC Framework – Policy & Innovation Pillar



System Operability Contingent Project Application (CPA)

Upgrade operational technology and tools used in Transgrid's control rooms and corporate offices

Project Specification Consultation Report (PSCR) – Look Back

- The PSCR was released in October 2024 outlining three viable options.
 - Option 1 – Reactive capability: uplifting core operational technologies and tools, enabling Transgrid to react to events more effectively (\$77.9m*)
 - Option 2 – Proactive capability: more comprehensive uplift across a portfolio of operational technologies and tools, including the development of essential new capabilities. (\$110.1m*)
 - Option 3 – Predictive capability: advanced upgrades to existing operational technologies and the addition of advanced new capabilities. (\$131.6m*)
- Consultation closed in January
 - Received submission from one party generally accepting benefits but requesting further work to ensure consumers will receive net benefit as result of this capital expenditure and considerations for volatility of wholesale prices
 - No new options were submitted

* Estimates +/- 25% and will be updated in the PADR following market sounding

AEMO Engagement

- Following publication of the PSCR, AEMO provided a [letter of written support](#) for the options being considered by Transgrid
- Acknowledged the urgent need for investment that enhances Transgrid's capabilities to securely operate, plan and manage the NSW/ ACT power system
- Highlighted that Transgrid's proposed investments in operational technology and tools are: *“consistent with the experience of system and network operators globally, which are undergoing similar shifts and are making equivalent investments in the architecture, data and tools required to operate, plan and manage the system of the future.”*



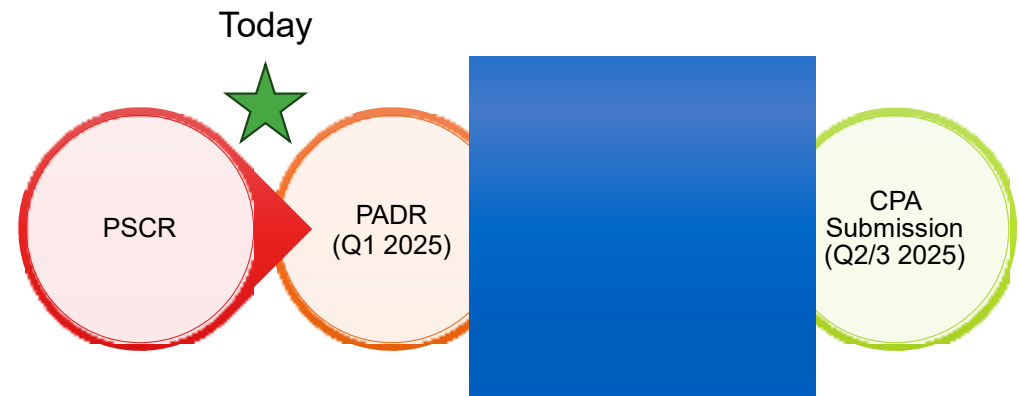
System Operability CPA

Project Assessment Draft Report (PADR) – Work in Progress (Q1)

- RFI for cost estimates & deliverability
 - Transgrid has undertaken market testing via an RFI process to further refine the scope of the options assessed in PSCR, determine cost estimations and investigate their deliverability
 - The RFI yielded detailed strong responses from global vendors
- Benefits quantification:
 - The RIT-T is assessing the investments on the basis of positive net market benefit
 - Adopted a 'case study' approach to estimate the market benefits from each option compared to the base case. We have assessed specific use cases that showcase the improved operational capability benefits

Stakeholder Engagement

- 3 x TAC deep dives in 2024 – April, September & November
- DNSP & TNSPs – Powerlink, Western Power, Electranet, AusNet, Transpower, Ausgrid, Endeavour Energy & Essential Energy
- Government Bodies – AER, AEMO, AEMC, EnergyCo, Government
- Proposed next TAC deep dive: PADR Publication



Demand Management Innovation Allowance (DMIA) Program

TAC opportunity to join an independent panel

What is Demand Management?



Demand management seeks to influence the pattern of energy consumption including the amount, rate, and timing of energy use

Demand management has the potential to improve the utilisation of existing network assets, defer network augmentation, increase reliability and deliver savings to consumers

What is the Demand Management Innovation Allowance Mechanism (DMIAM)?



The objective of the DMIAM is to provide Transmission Network Service Providers (TNSPs) with funding for research and development in demand management projects that have the potential to reduce long-term network costs

The purpose of the DMIAM is to encourage TNSPs to expand and share their knowledge and understanding of innovative demand management projects that may reduce long-term network costs and, consequently, drive lower prices for customers

What is Transgrid's Demand Management Innovation Allowance program?



Transgrid has an allowance of \$4.7m under the DMIAM for the current regulatory control period until FY28. Selected projects to be endorsed by an Independent Panel and expenditure approved by the AER

The program is an opportunity for Transgrid to demonstrate its commitment to improving outcomes for consumers by supporting innovative demand management projects in the context of the transmission system that have the potential to reduce long-term network costs

How can the TAC be involved?



Transgrid is seeking to form an Independent Panel to consider and endorse selected demand management projects. The panel will consist of a minimum of 2 TAC members (voluntary engagement) plus an independent engineer, to shape the overall program and projects selected

Key commitments:

- Quarterly meetings (1-2 hours) in 2025 (commencing in March)
- Program and project materials pre-reading ahead of meetings
- Option for continued involvement beyond 2025

Interested? Please reach out to Jane or Belinda

Summary, reflections and next steps

Maryanne Graham, EGM Stakeholder, Regulatory and Corporate Affairs



Launch of poll

We will now launch the short poll:

To what extent do you feel you had an opportunity to effectively engage today?



Do you have further feedback on any of the following topics discussed today?

- CEO Update
- TAC Focus Area update – Policy and Innovation
- TAC Focus Area update – Customer and Projects
- TAC Focus Area update – Regulatory Projects

We appreciate your feedback

Thank you

Contact details

For further information or discussion, please contact:



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