

# Transgrid Advisory Council (TAC) Meeting summary and actions

25 September 2024

<b>Meeting title:</b>	TAC Meeting #4 for 2024		
<b>Location:</b>	Via Microsoft Teams and MR SO180 L01.01 (in-person TAC meeting)		
<b>Chairperson:</b>	Maryanne Graham, EGM Corporate and Stakeholder Affairs		
<b>Date of meeting:</b>	Wednesday 25 September	<b>Time:</b>	9.30am – 12.30pm
<b>Attendees:</b>			
TAC members	<b>Adrian Dwyer</b> , CEO Infrastructure Partnerships Australia <b>Andrew Richards</b> , CEO, Energy Users Association Australia (EUAA) - <i>online</i> <b>Brian Williams</b> , Workstream Lead, Snowy Hydro - <i>online</i> <b>Christiaan Zuur</b> , Director Market Grid and Investment, Clean Energy Council <b>Gavin Dufty</b> , National Director Energy and Policy and Research, St Vincent de Paul <b>Iain Maitland</b> , Energy Advocate, Ethnic Communities' Council of NSW (ECCNSW) - <i>online</i> <b>Leigh Clemow</b> , Policy Manager, Energy Users Association Australia (EUAA) - <i>online</i> <b>Louise Benjamin</b> , Regulatory Consultant and Lecturer <b>Michael Lynch</b> , Senior Policy Officer, Justice and Equity Centre (JEC) <b>Tennant Reed</b> , Director Climate and Energy, Australian Industry Group (AIG) - <i>online</i> <b>Wendy Black</b> , Head of Policy, Business Council of Australia (BCA) - <i>online</i>		
Transgrid representatives	<b>Belinda Ackermann</b> , Stakeholder Relations Advisor - <i>online</i> <b>Brett Redman</b> , CEO <b>Cassie Farrell</b> , Senior Manager Stakeholder and Corporate Engagement <b>Christian Abran</b> , Senior Manager Regulation - <i>online</i> <b>Cristina Cifuentes</b> , Board Director - <i>online</i> <b>Gordon Taylor</b> , EGM Major Projects <b>Jane Deane</b> , Senior Advisor Stakeholder Engagement <b>Jennifer Hughes</b> , EGM Delivery <b>Michael Johnson</b> , Program Director, Stakeholder Relations Major Projects <b>Monika Moutos</b> , GM Regulation and Policy <b>Steven Proctor</b> , Board Director		
TAC member apologies	<b>Brian Spak</b> , Director Energy System Transition, Energy Consumers Australia (ECA) <b>Kim Woodbury</b> , Chief Operating Officer, City of Sydney <b>Liz Ritchie</b> , CEO, Regional Australia Institute <b>Rod Stowe</b> , Independent TAC member <b>Scott Young</b> , Executive Director, Commonwealth Bank of Australia, (CBA)		

## 1. Meeting summary

### 1.1. Summary of meeting

It was noted that this is the last quarterly TAC meeting for 2024. An update on the action items from the last quarterly TAC meeting, held on 9 July 2024, followed.

Key discussion points: A TAC member asked if a recording of the Financeability workshop with the TAC would be available. It was agreed that a follow-up session on the Financeability workshop would be arranged.

### **CEO Update and Q&A key updates**

The CEO highlighted the release of the 2024 Transmission Annual Planning Report (TAPR) and an upcoming TAC session on this topic on 30 September.

Transgrid's 2028-2032 Revenue Proposal (RP4) planning process was referenced. Transgrid emphasised a focus on early engagement and advised that a TAC workshop will be arranged later in 2024 to reflect on the learnings from our last Revenue Proposal process and discuss the engagement approach for RP4.

A progress update on Transgrid's major projects, EnergyConnect, HumeLink and Victoria to NSW Interconnector West (VNI West), followed. AER approval of early works for VNI West was noted and it was emphasised that VNI West will create around 1,000 jobs and millions of dollars in community benefits.

*Key discussion points: A TAC member asked if the Contingent Project Application 1 (CPA 1) for VNI West will cover the majority of Transgrid capex for the project. It was explained that this first stage involves the design and costing work. Another TAC member asked if Transgrid would only undertake one CPA 2 application. Transgrid explained that we are still exploring options.*

An update on the HumeLink project noted that Transgrid is preparing for Final Investment Decision (FID) and finalising environmental approvals.

*A TAC member asked (relating to VNI West CPA 1), if funding received to date is associated with CPA 1 or the total project, and if the latter, will there be additional funding assistance. Transgrid explained that Rewiring the Nation (RTN) funding is for CPA 1 and that financeability needs to be discussed for CPA 2.*

An update on the EnergyConnect project followed, which noted the connection of the western section of HumeLink and completion of the lines to South Australia and Victoria which are now in internetwork testing and commissioning phase.

The final part of the CEO update referenced Transgrid's Community Partnerships Program (CPP) and the provision of 61 community organisation grants. It was noted that Transgrid also recently awarded several Charles Sturt University scholarships.

### **Policy and Innovation Focus Area update key updates**

The *Energy Reliability*, *System Security* and *Operability* pillars of the System Security Roadmap, which supports Australia's clean energy transition, were discussed. A one-page fact sheet on this topic, developed in consultation with TAC members, was referenced. Updates relating to each of the System Security Roadmap pillars were presented:

#### **Energy Reliability**

Transgrid referenced a recent NSW grant shared between Transgrid and the Australian Energy Market Operator (AEMO) to expedite connections as part of the Connections Reform Initiative (CRI). The NSW focus is on four key battery projects including Waratah Battery, Lidell Battery Energy Storage System (BESS), Richmond BESS and Orana BESS.

#### **System Security**

It was explained that as coal generators retire, system security (the 'heartbeat' of the network) needs to be replaced by synchronous condensers. Buronga was shared as an example of partnering with a vendor to promptly deploy and connect a synchronous condenser to the system.

It was noted that from 2 December 2025, Transgrid is responsible for providing sufficient system strength

services to meet minimum fault levels and an efficient level of system strength. Transgrid will continue to engage with the TAC on this topic.

## Operability

The need for tools to address the shift in control rooms as more renewables connect to the system was raised, noting that the number of alarm points and control rooms to interact with are growing.

An update on the TAPR followed, which referenced Transgrid's Rosetta portal. It was explained that this online tool aims to grow conversations between Transgrid and generators, who can use the portal to review aspects such as capacity constraints when considering locations.

*Key discussion points: A TAC member asked (in regard to minimum versus automatic access standards when connecting), if the Rosetta portal will be used to set the levels of capability and performance fit for system needs now, or into the future. Transgrid explained that the portal currently looks at availability and we hope it leads to more conversations with generators.*

*It was asked if Transgrid's system strength obligations align with the expected closure of Eraring and if synchronous condensers are not in place by then, does this require a further extension of Eraring. It was explained that a standard exists that requires generators to self-remediate or pay for remediation which addresses the 'efficiency level', but not the 'minimum level' of system strength that is required for stable and safe operation of the power system – this will come with synchronous machines.*

*A TAC member raised that there is a challenge in bringing end user consumers along with the system strength journey as they may not understand it. Transgrid noted our proactive work in social media and in our communities, along with the need for industry and government support of a public education program around the energy transition. A TAC member suggested that this could perhaps be addressed through the Energy Charter. Transgrid emphasised the Discovery Hub in Wagga as an example of an initiative to boost community understanding of energy projects and their benefits.*

*A TAC member asked if Transgrid consults with distribution businesses, noting that with solar at a household or small business level, grid forming batteries and inverters may help with system strength. Transgrid noted that for distribution systems, even with grid forming inverters, their system strength contribution is likely insignificant. Transgrid referenced South Australia's use of radio frequency controls on the inverters (to open them up when they get to minimum demand) as a possible consideration.*

It was referenced that Transgrid's System Strength Expressions of Interest (EOI) considered more than 100 individual system strength solutions. Transgrid worked with Baringa to ensure lowest cost options for consumers, assessed using PSSE® (power system modelling) and PLEXOS (market modelling system). It was explained that it is incredibly detailed in looking at the expectations of what was available in the market at what time. It was explained that Transgrid are at the Project Assessment Draft Report (PADR) stage of the Regulatory Test for Transmission (RIT-T).

Non-network and emerging technology solutions to address identified constraints in the NSW transmission network, and continually improve how we manage the network, were discussed. It was noted that Transgrid submitted a rule change request to the Australian Energy Market Commission (AEMC) on 'improving the regulatory frameworks for non-network options' to seek improvements to the cost recovery frameworks for non-network solutions.

*A TAC member asked if the first rule change relates to the issue of having revenue set for five-year periods. It was clarified that this is the case as it goes through different five-year revenue periods - the AER are not able to change it in five years if they determine it not to be the right solution. It was further clarified that the first rule change would give Transgrid the ability to forecast into our Transmission Use of System (TOUS) and have it go into the new revenue period.*

*A TAC member asked in relation to Waratah Super Battery's system integrity protection scheme that unlocks a reasonable volume of capacity in the south-west region, if there are plans for more of these schemes. Transgrid explained that while there are benefits to consumers, the complexities associated with schemes need to be worked through.*

## Customer and Projects Focus Area key updates – part 1

### TAC Wagga visit 27 – 28 August

TAC member Gavin Duffy, provided a personal reflection of the TAC visit to Wagga and thanked Transgrid for arranging the visit. He emphasised that being on the ground and seeing the scale of the projects was a powerful and insightful experience. He described Transgrid's Wagga Discovery Hub as a valuable community asset and Transgrid's Indigenous engagement work as both deep and impactful. He also discussed the importance of community engagement and social legacy in delivering these projects.

*Key discussion points: A TAC member added that it was a very valuable experience and suggested that a TAC meeting form part of the itinerary for future visits. Transgrid responded that this will be considered. Another TAC member remarked that people see the scale of the towers in different ways.*

### Project EnergyConnect

The scale of Australia's largest energy transmission project, EnergyConnect, was emphasised. An update on the project followed, including on the timeline and progress of Lines 1,2, 4 and 5. This noted completion of the energisation of Buronga substation stage 1A (220vV) to the existing network.

A high-level overview of recent community and stakeholder engagement activities followed, highlighting Transgrid's involvement in community events. A discussion on the importance of Transgrid's presence in our communities followed, with Transgrid acknowledging the adoption of past learnings in our approach.

### HumeLink

Following AER determination in July 2024, the project team are awaiting FID. The update focussed on environment approvals and noted positive working relationships with Transgrid's contractors. A discussion on the scope and benefits of HumeLink followed. An update on stakeholder engagement highlighted that Transgrid is actively increasing the involvement of contractors in this space. A discussion followed on community sentiment of the project as it progresses.

### VNI West

It was noted that community feedback helped shape the development of the route and the 200m transmission line corridor (NSW side) is now confirmed, with the exception of the border crossing location. It was noted that the sixth community consultation group meeting occurred.

*On HumeLink, a TAC member sought clarification around how the value of the project will be narrated to the wider public. Transgrid noted that while the TAPR references benefits, we will look at this further. Another TAC member suggested that when it goes live, the material differences occurring at that point are communicated.*

*A TAC member asked about the status of the contracting market. Transgrid noted challenges in attracting resources to regional areas when large infrastructure projects are underway in Sydney, adding that we may see short-term relief once some of these projects are delivered.*

*A TAC member remarked that the meeting slide pack was presented very effectively.*

### Regulatory Projects Focus Area key updates

An overview of the business planning process leading up to RP4 was presented, along with indicative timelines for upcoming key regulatory and policy matters.

The team provided a high-level summary of key policy reforms supporting the acceleration of the energy transition. Transgrid emphasised that we are working closely with Energy Networks Australia (ENA) to drive some of the submissions from an industry perspective.

*Key discussion points: A TAC member asked if Transgrid engages with distribution businesses. Transgrid explained that we engage regularly and the TAPR is jointly developed. A TAC member suggested that the policy reform priorities are more clearly articulated. Transgrid noted that we can provide a more holistic view. A TAC member suggested grouping them into benefits based on outcomes. Another TAC member suggested to demonstrate how these are consistent with the National Energy Objectives (NEO).*

## Customer and Projects Focus Area key updates – part 2

The key findings of Transgrid's 2024 *Engagement and Expectations Study* were presented. Three key metrics used in the study (reputation, net advocacy and trust) were explained. Transgrid noted that the net advocacy score increased by 20 basis points, reflecting a stronger focus on engagement with landowners, communities and customer advocates, based on recommendations from the 2023 study.

Transgrid informed the TAC of improvements in areas of performance, including the delivery of major projects, being forward thinking and corporate responsibility. A summary of the performance scores for each stakeholder segment was shared. Transgrid noted that a business wide action plan will be developed to address the issues and recommendations from the study. We will update the TAC on this.

The final update summarised the recent Energy Users Association of Australia (EUAA) event held at Transgrid. TAC member Andrew Richards thanked Transgrid for hosting the event and highlighted that it was an important opportunity for their members to better understand the energy transition journey. Transgrid noted that we would welcome any TAC member represented organisations for a similar visit.

TAC members were thanked for their attendance and input and the meeting was closed.

## 2. Action items

Action	Responsible	Due date/ status
Arrange a follow-up session with the TAC on the topic of financeability	Cassie Farrell	By next TAC meeting
Clarify the policy reform priorities by providing a holistic view and demonstrating consistency with the NEO	Cassie Farrell	By next TAC meeting
Provide an update to the TAC on Transgrid's business plan to address issues and recommendations from the 2024 Engagement and Expectations Study	Cassie Farrell	Once plan is completed

## 3. Next meeting

The next meeting is a focus area meeting to occur on **29 October**.

## 4. Contact details

If you require any information on this summary or in relation to TAC meetings, please contact:

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