AusNet

TRR 2027-32
Transmission Stakeholder Advisory Panel (TSAP)

Summary Notes for Meeting #1

Details	Members	AusNet Staff
9.30am to 1pm Monday 21 October 2024 **Online (MS Teams)** **Chair:** Tom Hallam (Part A) & Glenn Orgias (Part B) **Secretariat:** AusNet prepared draft, finalised by Chair Glenn Orgias	Glenn Orgias Alex Crosby Tennant Reed Rebecca Xuerub Theodora Karastergiou Richard Robson Harshal Patel Roy Unny (to 11am) **Apologies**: Andrew Richards Gavin Dufty David Markham	**AusNet Staff:** Tom Hallam, GM Strategy & Reglation (Transmission) Lucy Holder, Customer Engagement Manager Michael Larkin, Price Review Manager Rebecca Love, Senior Economist Emma Ferrie, Engagement Specialist Charlie Qin, Economist **Observers:** Nil

Purpose & Agenda

PURPOSE

This meeting was held in 2 parts. The purpose of each session is as follows:

A. 9.30am – 10.45am | **Brief TSAP members on the background to the AusNet transmission network and Transmission Revenue Reset (TRR) process.** The purpose of this item was to establish a base level of knowledge among all TSAP members, noting many are new to the process. This segment was optional for existing members, but all chose to attend (with the exception of the apologies noted above).

B. 11am – 1pm | **TSAP Meeting #1 Kick-Off**

AGENDA

Agenda item	Lead/s	Timings
**Part A	Pre-Meeting Background briefing (for new members)**		
• **Brief introductions** • **Background on AusNet**	Ownership, transmission business set-up, transmission network overview • **Background on the TRR process**	Timelines, roles & responsibilities, what is controllable • **Our operating environment**	The sector more broadly, establishing and emerging challenges and opportunities	**Tom**	**9.30am**	75 mins
Morning tea		**10.45am**	15 mins
**Part B	TSAP #1 Kick-Off**		
• **Full introductions** • **Scope of the TSAP**	Reconfirming roles & expected outputs, What topics / types of	**Glenn**	**11am**	90 mins

topics should the TSAP be focussing on, how you'd like to engage with AusNet			
• **Working together** | E.g. meeting frequency, communications channels etc			
Postponed due to agenda overruns | *Lunch & Discussion with Liz Ryan, EGM Transmission*	*Liz*	**12.30pm** | *30 mins*	
Close		**1pm**	

Summary of discussion

PART A | PRE-MEETING BACKGROUND BRIEFING

Topics	Discussion points
Welcome	Emma opened the session and handed to Tom to speak through the purpose of the session and facilitate brief introductions.
Background briefing	Tom & Michael spoke through the slides, highlighting key points on: 1. Introduction to AusNet and its transmission network 2. Introduction to the Transmission Revenue Reset process 3. Introduction to the network
Discussion	Tom opened the floor for questions & discussion. **Discussion included:** • Confirming AusNet only creates growth and invests in the transmission network if there's no other option. AusNet is the "augmenter of last resort". • The Australian Energy Regulator's (AER's) assessment of the proposal – confirming they use some external specialists to help them assess certain aspects. • Discussion about the role of VicGrid and the potential transition from AEMO Vic. This included resourcing for VicGrid and how they will get the expertise they need. • Policy-driven vs market-driven decisions in transmission. Policy drivers were the main factor early on, then it shifted to market-driven, and now it's back to policy-driven. • Discussion about AusNet's large customers, and the certainty/uncertainty of load. • State Electricity Commission of Victoria (SECV) role – they are a customer of AusNet (as a generator) and a retailer but not formally part of this process. They share a name with the former SECV but their role is very different. • A significant proportion of transmission charges being easement land tax – Most noticeable to large customers but everyone pays it. Hard to see anything changing. Hasn't historically inhibited spending in Vic but if there was a constraint in government appetite for transmission investment it may restrict spending. • Benchmarking & growth – how does not being the planner impact AusNet's benchmarking? Clarified that others networks' regulated asset bases (RABs) have been growing faster than AusNet's but at the same time their utilisation hasn't been in the same way AusNet's has. • Noted that the Victorian network planer has historically been AEMO, but this is set to change to a state entity Vic Grid during the TRR process in mid 2025. Vic Grid's planning may have interactions with the TRR. • Major issues currently impacting the network include: limited hosting capacity, increased variability in load profile (i.e. lower minimum demand), system strength, reliability, climate change impacts (i.e. higher wind velocities, increased risk of bushfire events). In this context

it was noted that the intention is to add additional renewable generation to the grid while removing coal fired power generation. Noting also that historically the network has had ten large generators but now expects to accommodate > 100 generators.

- Noted that the prior TRR was setting the rate of return when interest rates were at historical lows.

PART B | TRANSMISSION STAKEHOLDER ADVISORY PANEL KICK-OFF MEETING

Topics	Discussion points
Welcome & introductions	Glenn opened the session and facilitated a longer member introduction session.

Scope of the TSAP	Taking most as read, Glenn, Tom, Lucy & Emma spoke briefly to the slides recapping the engagement process and timelines, reconfirming role & expected outputs, and discussing topics – what's in/out of scope?
	
	 Discussion included:
	
	 • **The role of the TSAP** | All agreed that all are clear on and comfortable with the role of the TSAP as described.
	
	 • **What criteria makes for a good topic for TSAP discussion?** Criteria suggested include:
	     • Opportunity for panel to influence (i.e. AusNet having "room to move").
	     • Sequencing/deferring decisions on topics where regulatory or other operating environment change might occur through process to avoid re-work.
	     • Issues that affect more stakeholders / stakeholder groups – e.g. capex & opex step changes (and drivers behind them).
	     • Demand-side projections – rate and nature of growth and shape of loads so we can right-size transmission infrastructure.
	     • Impact vs time to implement. Opportunities for quick wins.
	     • Principle-based discussions (i.e. not limiting conversations to things with $ directly attached).
	
	 • **Specific conversations you'd like to have that aren't on slide 53?**
	     • Social licence and network operability/buildability.
	     • Capex, including new categories of proposed expenditure, such as resilience.
	     • IT system upgrades to manage increasing complexity of the network.
	     • Cost allocation & who pays for what.
	     • Criteria rules of contingent projects.

Working together	Glenn introduced this item. **Key points of agreement included:** • Aiming for face-to-face meetings as a default, approximately monthly. • AusNet putting together a list of reading materials, incl. some examples of independent reports, for those who want to do additional reading. • AusNet sending out polls to set up meetings. • Glenn updating then finalising minutes with the TSAP, using draft notes prepared by AusNet.

Next Steps	Lucy noted high-level plan for the upcoming New Connections Deep Dive and asked for feedback on the format and agenda.	
Q&A with Liz	*Postponed to Meeting #2 due to agenda overruns*	
Close	Glenn closed the meeting	

Action items

	Action	Assigned to	Status	Due
1	AusNet to send additional reading material	AusNet Engagement Team	Complete *(attached to pack)*	XXX
2	AusNet to set up next meeting for late November/early December	AusNet Engagement Team	Complete	XXX