

Meeting Snapshot

New Transmission Connections Deep Dive | Part 2

Tuesday 25 March 2025

Participants		
External participants	Observers	AusNet staff
 Glenn Orgias* (Facilitator) Alex Crosby*, Independent Amlan Karmakar, ACEN Australia Andrew Richards*, Energy Users' Association of Australia Angela Klepac, APA Beau Heath, RES Carolina Mayol, Potentia Energy Charbel Antoun, Spark Renewables Christopher Masson, Jemena Daniel Mapleson, Offshore Infrastructure Registrar Darren Gladman, SMA David Markham*, Australian Energy Council Emin Ozdemir, EMMS Gratian Punchiwedikkarage, APA Harshal Patel*, Beca Hugo Lewis, DEECA James Tin, Aula Energy Jeremy Ellis, Greenleaf Renewables Kaavya Jha, Tesla Lai Nguyen, AEMO Lockie Curran, Flow Power Marco Castro, Vestas Australian Wind Technology Pty. Ltd Marcus Krieger, Octopus Australia Miga Jung, Squadron Energy Neil Gibbs, OnLine Power Peter Higgins, ReFuture Rina Bessaron, AEMO Rizvi Syed, ENGIE Roy Unny,* Independent Ruaridh Cameron, Avenis Energy Rudi Strobel, Acen Renewables Sam Markham, Flurence Stanley Ho, Samsung C&T Tobias Geiger, Westwind Energy Wrieve Madassery, RES Australia Phy Ltd 	 David Prins, Australian Energy Regulator (AER) Consumer Challenge Panel Lotte Scheel, AER Michael Swanston, AER Consumer Challenge Panel 	 Tom Hallam, GM Strategy & Regulation (Transmission) Nigel Turner, Head of Delivery Construction & Commissioning (Transmission) Hitendra Joshi, Head of Regulated Victorian Transmission Connections Jack San, Senior Manager, Policy and Advocacy Luke Clough, Design & Network Engineering Lead Lucy Holder, Customer Engagement Manager Michael Larkin, Price Review Manager Khai Ling Chan, Strategy Lead Charlie Qin, Regulatory Economist Emma Ferrie, Engagement Specialist Nicholas Gathercole, Business Graduate

*AusNet TRR 2027-32 Transmission Stakeholder Advisory Panel member



Overview of the session:

On Monday 11 November 2024, AusNet hosted a workshop on the process for connecting to the Victorian transmission network. The purpose of this session was to help AusNet better understand what good performance looks like, how well it's meeting expectations, and how it can improve the connections process by hearing from developers, distributors, and other key stakeholders. It was attended by parties involved in non-contestable connections projects in Victoria, plus representatives from the Australian Energy Market Operator (AEMO), the Victorian Department of Energy, Environment and Climate Action (DEECA), the State Electricity Commission (SEC), the Australian Energy Regulator (AER), and VicGrid. AusNet invited any stakeholders interested in the topic to register to attend. Twenty-two opportunities were raised in the workshop and AusNet committed to responding to them in a second workshop in 2025. A summary of this meeting can be found on our Community Hub engagement website here.

The follow-up session was held on Tuesday 25 March 2025. The purpose of this workshop was for AusNet to share how it has responded or plans to respond to the twenty two opportunities raised in the workshop held in November 2024. Participants received a summary of the opportunities raised in the first workshop and the slide pack in advance, allowing them to prepare and navigate through the slides at their own pace during the session.

The second workshop was held online to suit the large audience and preference of most attendees.

Agenda

Agenda item	Lead/s	Timings
Welcome and introduction	Glenn Orgias	10:30am 10 mins
Capacity to connect + Effective coordination	Jack San & Luke Clough	10:40am 40 mins
Timelines and visibility + Customer service and technical expertise	Tom Hallam	11:20am 20 mins
Break		11:40am 5 mins
Fair and transparent charging	Hitendra Joshi & Nigel Turner	11:45am 20 mins
Information and education	Hitendra Joshi	12:05pm 15 mins
Next steps and close	Glen Orgias	12:20pm 10 mins
Close		12:30pm

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Agenda item	Key discussion points		
Welcome & introduction	Glenn Orgias, the workshop facilitator, welcomed the attendees, provided an overview of AusNet's role in the energy system, and reminded the audience that session is focused only on regulated aspects of the connections process (i.e. the non-contestable work).		
	Glenn spoke through the purpose of the first workshop, the summary of it that attendees received, and the purpose of this workshop as a follow-up – i.e. AusNet responding to the opportunities for improvement raised and hearing attendees' feedback on whether these are the actions they wanted AusNet to take.		
	Glenn highlighted that AusNet is seeking feedback from the audience on its response to the identified opportunities.		
	Glenn provided an overview of the areas for improvement raised in the first workshop for capacity to connection to the transmission network, and AusNet's effective coordination with other parties involved in the connections process.		
	Glenn then handed over to AusNet to share how its responding to those opportunities:		
	Opportunities 1, 3, & 17 raised in Workshop #1:		
Capacity to connect & effective coordination	 Creation of a joint portal between AusNet, AEMO and connecting parties to facilitate centralised communication, provide access to design standards, and outline timelines throughout the entire connections process. 		
	 3: Implementation and creation of: a heat map to allow connecting parties to view the overall capacity on the transmission network. a system or platform that allows connecting parties to view historic megawatts (MW) and megavolt-amperes reactive (MVAR) flows in the transmission network. a system that allows connecting parties to guarantee space for their projects on the transmission network a system that allows connecting parties to have better visibility of progress on their projects. 17: As mentioned under opportunities for 'Capacity to connect', creation of a joint portal between AusNet, AEMO and connecting parties to facilitate centralised communication, provide access to design standards, and outline timelines throughout the entire connections process. 		
	Tom Hallam, General Manager Strategy & Regulation at AusNet, recapped the roles of AEMO, VicGrid and AusNet play in connections. Tom noted VicGrid will take responsibility for Victorian planning and connections from AEMO in July 2025 and that part of the transfer of responsibilities will involve VicGrid setting up new Renewable Energy Zones (REZs), and new access regimes both within and outside of the REZs.		
	 Tom explained AusNet cannot make the decision to establish a connections portal on its own, and that a portal is ultimately a decision by VicGrid. Tom noted that AusNet will advocate for a connections portal to VicGrid and would be heavily involved in its creation if VicGrid chooses to implement this idea. 		
	 As the incumbent Declared Transmission System Operator (DTSO), AusNet can provide a significant amount of information to support a connections portal that customers have requested, in particular relating to the progress of connections projects. 		
	Opportunities 3 (continued) & 5		
	Implement strategies to help prevent land banking and support the construction of connection infrastructure.		
	Tom said AusNet cannot fulfil some of the requests made at the last workshop as it is not responsible for planning. Specifically:		



- AusNet cannot provide a map of network capacity but this will likely be provided by VicGrid as part of the REZ establishment process.
- AusNet cannot guarantee customers space at terminal stations, as VicGrid will determine access arrangements inside and outside of REZs.
- AusNet cannot provide historic MVA flows on the network as this info is held by planners (AEMO now, VicGrid from July 2025) rather than by AusNet.
- AusNet cannot prevent land banking around terminal stations as AusNet has no powers or ability to act in this space.

Despite this, AusNet committed to providing a view of known augmentations and key replacement projects (incl. location and timing if helpful to customers) and shared that customers could contact its regulated connections team for detailed advice on specific connections during the pre-feasibility stage of an individual connection application.

Opportunity 18

Connecting parties to be kept up to date with any changes VicGrid makes to the connections process.

Jack San, Senior Manager Policy and Advocacy at AusNet, explained that VicGrid is pursuing a number of reforms in parallel with the development of the Victorian Transmission Plan (VTP). Jack talked through the overlapping timelines of the VTP, policy and legislative reforms, and related AEMO processes.

Jack called out 4 reform areas that may be of particular interest to generation and storage developers seeking to connect in Victoria: REZ locations, REZ access schemes, community benefits sharing, and the Grid Impact Assessment (GIA) outside of REZs.

- Jack flagged that these reforms are at the consultation stage, and that VicGrid have expressed they are open to feedback from developers.
- Jack flagged that the GIA would be a particularly important policy for developers, and that in May, VicGrid would release their methodology on how they would assess the impacts of non-REZ connections on REZs.

Jack summarised AusNet's thoughts proposed reforms, as follows:

- On the VTP: AusNet's publicly available submission to the VTP covers its concern for system risk and minimising delivery risk for implementing REZs.
- On the access regime: AusNet notes the importance of developing a practical method to calculate access limits, and the challenge of maximising efficiency in a meshed network.
- On community and traditional owner benefits: AusNet is eager for Victoria's REZ funds to provide the right spending in the right place and be governed in an efficient way.
- On the Grid Impact Assessment: AusNet notes that it is important to protect REZ generators from excess curtailment, but in a way that also provides certainty to non-REZ proponents.

Connecting parties asked how the transition between AEMO and VicGrid would work for current connection applications. AusNet responded by saying it understands VicGrid is currently considering transition arrangements and will release a consultation paper in approximately May 2025.

Opportunity 2

Connecting parties to have access to a list of planned upgrades to the Victorian Transmission Network.

Jack responded to the opportunity identified for AusNet to provide a list of planned upgrades to the transmission network, by sharing an example graphic that aggregates public information and AusNet's replacement plans.



He invited feedback on whether the visual is of value to developers, and what information would be most useful – e.g. location of upgrades, type of upgrade, timing, non-capacity projects.

Opportunity 4

More proactive network replacements, and strategic placement of terminal stations to help enhance capacity and streamline future connections

Luke Clough, Design & Network Engineering Lead at AusNet, responded to the opportunity identified for more proactive network upgrades by first reiterating that AusNet is not the Victorian planner, and therefore generally cannot plan for capacity upgrades.

However, Luke expressed that AusNet can improve capacity through joint planning with AEMO & VicGrid, by considering augmentations in tandem with asset replacements. For example, at Keilor Terminal Station, AusNet is considering the options to replace existing 750MVA transformers like-for-like, or with 1000MVA transformers.

As well, where directed by AEMO or VicGrid, AusNet can upgrade the existing network to increase capacity. Luke shared that through joint planning with distribution businesses, AusNet can identify solutions and make suggestions on network modifications that may be implemented by VicGrid to help unlock capacity.

Luke added that some of AusNet's replacement work reduces the cost of connections even if it does not directly increase network capacity. He gave the example of AusNet replacing aged communications equipment with new equipment bringing down the cost of augmentation work triggered by a connecting party.

Michael Larkin, Price Review Manager at AusNet, shared some examples of how these sorts of capacity upgrades would be included in AusNet's Major Station Projects for the next Transmission Revenue Reset (TRR), in particular through transformer replacement programs.

Opportunity 6

Implement innovative strategies and tools used by other TNSPs and integrate feedback and ideas from connecting parties to help increase capacity on the network.

Luke responded to the opportunity 6 by stating that AusNet is actively open to implementing innovative strategies and tools. Luke furthered this point by sharing historical and recent innovations on AusNet's network, including:

- Dynamic line ratings: AusNet implemented dynamic line ratings (DLR) on its' network ~40 years ago, which allows it to capture real-world conditions to unlock extra capacity. AusNet started DLR with monitoring temperature for just a few lines but have since expanded this program to 140 transmission lines. This allows for increased asset utilisation, unlocking 10–20% more capacity in the network.
- Wind monitoring: In 2004, AusNet added wind telemetry to its dynamic ratings. Since then, AusNet has deployed wind monitoring across 35 lines in its 220 kV network. AusNet is currently working with the Bureau of Meteorology (BOM) to improve its wind monitoring by collecting more accurate weather forecasts, which in turn will be used to improve its dynamic line ratings.
- Smart Aerial Image Processing (SAIP): In 2015, AusNet introduced SAIP, which is a
 visual inspection technique that captures high-resolution conductor and hardware
 images from a helicopter and uses automatic image recognition to locate and
 prioritise maintenance works. This allows for greater network reliability through early
 detection and proactive defect management, and potential automation
 opportunities.
- Network Capability Incentive Parameter Action Plan (NCIPAP): AusNet cannot pursue innovation relating to major augmentations, as that is AEMO/VicGrid's remit. However, it can pursue minor improvements to network capacity through the NCIPAP scheme, which forms part of the AER's Service Target Performance Incentive Scheme (STPIS). For example, AusNet used this scheme to expand wind monitoring in



Terang, Moorabool, Red Cliffs, Ballarat and Horsham to support dynamic ratings on those lines, allowing it to create more capacity from its existing assets.

Summary

Glenn summarised the actions that AusNet has already done and has committed to do in future.

Connecting parties asked whether AusNet has explored using batteries as virtual transmission. AusNet confirmed it has, and that it considers batteries in its market modelling and evaluates these solutions relative to network-based investment. Luke said as an example that the Victorian Big Battery helps AusNet make more use of the Victoria-NSW Interconnector (VNI), through its ability to help control overload. However, Luke expressed that it is still unclear if true virtual transmission "stacks up", but that use cases may emerge in VicGrid's upcoming plans.

Timelines and visibility & Customer service and technical expertise Glenn provided an overview of the areas for improvement raised in the first workshop regarding timelines and visibility, and AusNet's customers service and technical expertise.

Glenn then handed over to AusNet to share how its responding to those opportunities:

Opportunity 12

AusNet to be involved earlier in the connections process to help streamline the connections process and be better across the details in connection parties' initial requests.

Tom shared that over the last 18 months, AusNet has seen a significant increase in generators and storage seeking to connect to stations that were previously managing only residential load. He expressed that this was raising issues that were not covered under the existing regime, and as a result AusNet is allocating resources to support joint planning with distributors to fill that gap.

- AusNet has drawn clear lines of separation between the contestable and regulated arms of its business, making it clear to proponents who they are dealing with, and when their information is protected by ringfencing rules and competition law.
- AusNet has established the joint planning function under a dedicated planning manager and has joint distribution business planning meetings to reflect the complexity of planning, particularly at the 66kV level.
- AusNet has focused on priority locations where these issues are most prevalent, particularly in Western Melbourne, and has begun joint discussions on land use, site layout, and engineering to improve the process going forward.
- AusNet is also working through pricing issues arising for these connections, which will be addressed through the TRR process, as the rules do not allow changes to pricing methodology in the middle of a regulatory period unless associated with a rule change.

Tom provided an overview of the investment in human resources AusNet has made to support these changes, sharing a graph of headcount that supports regulated connections over time. AusNet has added resources to its Network Planning, Regulated Connections, and Delivery teams to deal with the huge increases in connections volumes and the added complexity they bring – so that it can improve timelines, bring forward decision making, and uplift service levels.

Opportunity 13

Increase and improve visibility and transparency of the connections process including:

- the specific roles and responsibilities of AusNet, AEMO, and connecting parties in the connections process
- project and construction schedules
- aspects of the contract that are negotiable the difference between funded augmentation and prescribed services.



Jack responded to feedback from customers requesting improved visibility of the connections process by presenting example flowcharts detailing the roles of AusNet, AEMO/VicGrid, customers, and contestable providers – for generation and storage connections, and for distributors' connection to the 66kV transmission network.

Jack highlighted that AusNet is keen for feedback on whether this provides useful information for customers.

Hitendra Joshi, Head of Regulated Victorian Transmission Connections at AusNet then provided information about when AusNet provides project and construction schedules, recognising there is room for AusNet to improve its communication of key milestones and activities.

- Hitendra first shared an example of a high-level schedule that would be provided at the connection application stage, showing intermediate milestones and a timeline for project completion.
- Hitendra then shared an example of a Level 3 schedule that would be provided at the contract negotiated stage showing detailed activities. This detailed schedule provides milestones that can be monitored closely through weekly/monthly catchups and progress reviews.
- Hitendra mentioned that AusNet can provide schedules earlier than stated here, however if they are provided early when projects are less certain, there is likely to be significant change and revisions needed. Customers can request more detailed, earlier provision of schedules through a Letter Agreement with AusNet.

Tom then finished by providing a brief overview of the different types of regulated transmission services, as requested by customers – namely excluded prescribed services and negotiated services.

- Excluded prescribed services: When AEMO, VicGrid or DNSPs need connection works from AusNet, these are excluded prescribed services. These services are paid for through Transmission Use of System (TUOS) charges, and these assets eventually "roll into" AusNet's regulated asset base (RAB).
- Negotiated services: When non-distribution customers (i.e. generation and load) connect to the shared network or an existing terminal station, it is a negotiated service that is paid for fully by the customer.

Tom committed to making this information available and clear on AusNet's website.

Opportunities 13 (continued), 14, 15, 16 & 22

14: Review of the accuracy of AusNet's prescribed timelines and factors that may be causing delays.

15: Technical and contractual workstreams to run in parallel.

16: Allow for greater flexibility in the terms and conditions, as well as increase visibility on what aspects currently have flexibility.

22: Connecting parties to receive clear, timely and consistent updates, particularly on changes that impact their project's connections process.

Hitendra first responded to customers' desire for more information about delays.

- Hitendra noted that some of the key drivers for delay were time spent for offer development, contract finalisation, and stakeholder alignment. As well, customers have a lot of work to do to support timely connection processes, including reaching financial close, final investment decision, organising investors, etc.
- As a result of the long times that can be needed for these activities, offers from AusNet often expire and need to be revalidated (note: AusNet provides limited time offers in accordance with generally accepted industry standard).
- Even when scopes do not change, revalidation can require a fair amount of groundwork to account for market changes, delivery partner considerations, etc. The time needed to do this can contribute to delay.



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	 AusNet may be able to improve delay timelines if customers engage regularly and flag that revalidation may be needed, rather than waiting for the offer to actually expire before informing AusNet. Hitendra urged customers to contact AusNet intermittently as they work through their critical activities, which may help shorten response times. 				
	 AusNet may be able to provide advice on potential challenges and delays if connecting parties engage early. Often, AusNet only becomes aware of projects when they have been developed to a fairly mature stage. However, if engaged early, AusNet may be able to use its technical expertise and knowledge of the network to pick up on hurdles that may influence timing or technical solutions. 				
	 AusNet is developing standard terms and conditions for connections contracts to allow contracts to be developed more quickly. This will involve a standard set of non- negotiable terms, and annexures for project-specific/negotiable terms. 				
	 Hitendra also reiterated that AusNet has increased resourcing to support increased connection volumes and the growing complexity of connections. 				
	Summary				
	Glenn summarised the actions that AusNet has already done and has committed to do in future and asked for more clarity about when standard terms and conditions would be available. AusNet responded that draft standard terms and conditions would be provided to key stakeholders by Q3/Q4 of 2025. Standard Terms and Conditions would be finalised following that.				
Break	During the break, attendees asked for clarification about the roles of AEMO and VicGrid in managing connections within and outside of REZs. AusNet clarified that AEMO currently manages all generator and storage connections, and that from July 2025 onwards, VicGrid would manage all generator and storage connections.				
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provides fixed prices for individual projects but cannot provide "standard" prices for connections.

- This is because there are many unknowns in AusNet's network that affect how it connects customers to the transmission network including the station configuration, asset age profiles in the station, and location of the station.
- Providing a unique price for each connection also means AusNet can avoid last risk allowances and can reflect market fluctuations as much as possible by using current market rates as input for its bottom-up estimates.

Opportunity 11

Continuous efforts to optimise AusNet's KPIs to minimise the potential of high costs from AusNet's delivery partners being passed directly through to connecting parties.

AusNet's prices to be benchmarked against third parties and TNSPs in other states.

Nigel then spoke to the processes that support these bottom-up price build-ups.

- AusNet uses a panel of three pre-qualified design delivery partners (DDPs) and a panel of 8 pre-qualified construction delivery partners (CDPs).
- Each project goes through a tender process, once AusNet have an understanding of the scope and an internal cost estimate.
- The tender responses are then benchmarked against AusNet's estimate, to ensure there is a competitive process.

Nigel furthered by sharing that materials are usually procured through a period order supply that is negotiated every ~5 years based on expected volumes. AusNet procures in this way to drive a better deal. The exception for this is transformer procurement, which requires a more bespoke approach.

Nigel spoke to AusNet's contracts with Design Deliver Partners (DDP) and Construction Deliver Partners (CDP), which include incentives and penalties for delivery partners based on their performance with respect to various measures including price, efficiency, quality and safety.

Finally, he mentioned that AusNet can be engaged through an Early Works Agreement (EWA) to understand certain additional activities that provide higher certainty by validating certain assumptions from its scoping estimates.

Summary

Glenn summarised the actions that AusNet has already completed and the actions AusNet has committed to do in future. An attendee asked AusNet to confirm its plans to offer fixed price connections, unique to each point of connection. AusNet confirmed that it currently offers fixed price contracts for each point of connection.

Glenn asked how AusNet uses the AEMO transmission cost database in its project development. AusNet responded that it benchmarks from the AEMO transmission cost database within its estimate build-ups that form its bottom-up pricing model.

Information Glenn gave an overview of the opportunities for improvement that were raised in the first workshop regarding AusNet providing information and education to parties connecting to the transmission network.

Glenn then handed over to AusNet to share how its responding to those opportunities:

Opportunities 9, 19, 20, 21

9: AusNet to provide connecting parties with information on what is driving uncertainty where applicable.

19: Fact sheets to be shared either on AusNet's website or through a tech portal similar to Ausgrid's that outline:

the responsibilities and steps connecting parties need to take (highlighting what 'good looks like')
how connecting parties can establish early engagement

• the roles of AusNet and AEMO at every stage in the connections process.



20: AusNet to investigate how it might provide technical workshops to help educate and upskill connecting parties.

21: Connecting parties to be provided with a clear overview of who the decision maker is for each step in the connections process to help reduce uncertainty if an AusNet employee leaves the project midway. _AusNet to review its internal handover procedures to ensure that customers are well informed and to maintain seamless knowledge transfer when staff changes occur on projects.

Hitendra shared that AusNet would develop a landing page on the AusNet website to clarify the roles and responsibility of each party throughout the connections process. He welcomed feedback from attendees on any other content they would like to see on the landing page and flagged that the aim is for AusNet to make the page available by the end of the year.

He then shared some ideas for fact sheets that AusNet could add to the landing page – with topics including:

- connection process overview
- overview of roles and responsibilities of AEMO, AusNet and VicGrid in the Victorian Transmission Network
- overview of transmission service types
- early engagement opportunities
- sources of uncertainty.

about the transition period to VicGrid.

Finally, Luke responded to customers' request for AusNet to run technical workshops by clarifying that AusNet is not resourced to deliver technical courses for engineers. He stated that customers may consider offerings from AEMO or other providers.

Summary

Glenn summarised the actions that AusNet has already completed and has committed to do in future.

Glenn suggested that it may be worthwhile for AusNet to share these stakeholder concerns

Next steps and Glenn reiterated that AusNet is open to further ideas to improve the connection process, noting that the connections process is in the midst of change. close He then stated that AusNet's intention for next steps is to integrate attendees' feedback into ongoing efforts, and share an updated plan with some timelines once the final VTP is released. AusNet has agreed to provide regular updates on the action plan and continue to welcome feedback on these actions. AusNet offered a yearly forum for developers and DNSPs to meet to address these connection ideas. Michael spoke about the how transmission improvements will be funded, noting most of the costs will be incurred in the next couple of years, but there will be some implications for the 2027-32 Transmission Revenue Reset process. Michael briefly explained these, and noted AusNet will go into more detail with the Transmission Stakeholder Advisory Panel in its next meetina. Before closing, an attendee asked whether existing early-stage projects currently supported by AusNet will be run by VicGrid from July. AusNet responded that transition arrangements from AEMO to VicGrid are not yet set, but that it is a consideration that will need to be made.

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Action items

Action	Assigned to	Status	Due date
AusNet to pass on customers' concerns about transition arrangements between AEMO and VicGrid, in particular for ongoing connection projects.	AusNet	Open	Prior to transfer of connections responsibility to VicGrid (July 2025)
AusNet to pursue minor improvements to network capacity through the Network Capability Incentive Parameter Action Plan (NCIPAP).	AusNet	Open	
AusNet will work through pricing issues arising for connections through the TRR 2027-2032 process.	AusNet	Open	31 October 2025
AusNet will develop a new connections page on its website which will:	AusNet	Open	December 2025
 Share an updated action plan highlighting its ongoing efforts to improve the connections process on its website. 			
 Define the difference between excluded prescribed services and negotiated services. 			
Share fact sheets on the following topics:			
 connection process overview 			
 overview of the roles and responsibilities of AEMO, AusNet and VicGrid in the Victorian transmission network 			
 overview of transmission service types 			
 early engagement opportunities 			
 sources of uncertainty. 			
AusNet will share draft standard terms and conditions for connections contracts to key stakeholders by Q4 2025.	AusNet	Open	December 2025
AusNet will begin implementing new cost breakdown, going into greater detail of overheads, financing charges, insurance costs and tax contributions.	AusNet	Open	June 2025