

## 1.1 HumeLink WWCG Community Consultative Group: 6<sup>th</sup> Meeting 15 September 2022

<b>Time</b>	12 - 2pm
<b>Date</b>	15/09/2022
<b>Attendees</b>	Chair: Brian Elton Secretariat: Ella Burgess Transgrid CCG members: Naomi Rowe Transgrid speakers: Daniel Burn, Carl Charlier, Nathan Rhodes Transgrid project member attendees: Tammy Sinclair, Cameron Walters Guest speakers: Brendan Nelson, Independent Peer Review, MacroPlan Community members: Peter Lawson, Rod Kendall, Matt Dobrovski, Catriona McCaulliffe, Frank Galluzzo Deputy Landowner and Community Advocate (Observer): Barbara El Gamal
<b>Apologies</b>	Serena Hardwick, Cheryl Penrith
<b>Meeting location</b>	Quest Apartments
<b>Meeting materials</b>	Presentation
<b>Purpose of meeting</b>	Meeting 6

Item	Discussion Summary	To note
Welcome and Acknowledgement of Country	<ul style="list-style-type: none"> <li>- The meeting commenced at 12:03pm.</li> <li>- The Chair welcomed all and gave an Acknowledgement to Country.</li> <li>- The Chair asked the community CCG members and the team from Transgrid to introduce themselves and their role in the HumeLink project.</li> </ul>	
Minutes and Matters Arising	<ul style="list-style-type: none"> <li>- No comments made on the previous minutes.</li> </ul> <p><i>The minutes of the previous meeting have been endorsed by the Chair and posted to the Transgrid website.</i></p> <ul style="list-style-type: none"> <li>- Matters arising were noted as being discussed in the agenda for the meeting.</li> <li>- The Chair noted that due to the availability of speakers, the topic timings would not run as outlined in the agenda.</li> </ul>	

## EIS Update

Naomi gave an update on the EIS.

See slide 6 of the presentation.

- Field investigations are continuing, as part of that Transgrid are working to prepare the community for the public exhibition period.
- Community information sessions on the technical reports are being run between now and when the EIS will go on exhibition.
- The EIS is anticipated to go on public exhibition in April 2023, following the election.
- A community CCG member asked what Transgrid will be doing between now and the EIS going public.
- Naomi responded that as part of the EIS planning process, Transgrid need to submit a project description that outlines the project, key issues as well as the scoping report. The project will then be issued the Secretary's Environmental Assessment Requirements (SEARs) with a number of items that must be addressed in the EIS. Transgrid must develop documents that respond to each of requirements and the broader planning requirements. At the back of the report, all technical studies will be included in the appendices.
- A community CCG member asked where impacted stakeholders will have the opportunity to provide comment.
- Naomi replied that specific stakeholders' input into the EIS will come through various opportunities at the both the SEARs phase and throughout the development of the EIS. There are opportunities for people to come forward for comment and feedback and Transgrid will also approach certain stakeholders. Input from stakeholders will be sought through various mechanisms in the development phase through the early engagement where the impacts will be defined in more granular detail. As information becomes available via the technical studies, it will be shared with the community. The EIS will then go on

	<p>formal exhibition for a period of approximately six weeks. Transgrid must then respond to all the feedback. The response submission, alongside the EIS is then considered by the State Government and the Federal Government for approval.</p> <ul style="list-style-type: none"> <li>- The Chair noted that if a technical consultant is engaged as part of the EIS, they will most likely have an engagement aspect to complete before they write their brief.</li> </ul>	
<p><b>Compensation</b></p>	<p>Carl Charlier introduced himself as the Commercial Manager for HumeLink and gave an update on compensation.</p> <ul style="list-style-type: none"> <li>- On 25 August 2022, Transgrid met with representatives from the HumeLink Action Group (HAG), the Australian Energy Infrastructure Commissioner (AEIC) and some impacted landowners. The meeting identified that an update of the Option Deed and Property Management Plan was required. Over the last two weeks, Transgrid has been updating the Option Deed document and Property Management Plan as per the feedback received. The new document is a lot more straightforward. Any landowner who has received a copy of the Option Deed previously used will be issued with the new Option Deed and given the option to consider any changes made in the new Option Deed.</li> <li>- Carl noted that Transgrid is still going through the final feedback. The intent is to make the final updates and send out the updated option deed.</li> <li>- Nathan noted that operations on farms can be very different. Transgrid appreciates that in some cases it will be an intricate process for a valuer to value certain complexities on various farms.</li> <li>- Carl noted that Transgrid understand there is an announcement pending from the government and it's nature will relate to annual payments to landowners for the next 20 years. These payments will be linked back to inflation and will be recognised per km. The payments will be in addition to Transgrid's offers that are being sent out at the moment. Landowners will be receiving a once of payment based on impact as well as the</li> </ul>	

20 year annual payment, which will stay with the land. The payment will be called the Strategic Benefits Payment.

- A community CCG member commented that Transgrid should not be using this as an opportunity to lessen their offers to landowners.
- Carl responded that that Transgrid's offers will have gone out before the announcement has been officially made. Transgrid ensured Knight Frank, their valuers, to be very fair as Transgrid do not want their offers to be interpreted as low. Carl noted that he would like all the offers to be negotiated amicably and quickly without going to compulsory acquisition.
- A community CCG member asked if the additional annual payments directly stem from the state government.
- Carl noted that the state government will change Transgrid's license, requiring Transgrid to make the payments.
- A community CCG member asked if the compensation will take the impact of the easement on the land into account.
- Carl responded that the Just Terms Act will address that. The Strategic Benefits Payment will be a payment for hosting the infrastructure, hence the payment will stay with the land.
- Carl further noted that Transgrid will be running an EOI for landowners to participate in a Biodiversity Offset Stewardship Program.
- A community CCG member if there is compensation for the removal of a potential biodiversity offset along an easement.
- Naomi noted that could be a possibility if the land management practises had changed, where productivity and operations have increased. The increase would be deemed an improvement in the asset however, it is tricky to do without certainty.
- A community CCG member commented that because the parameters around the stewardship program are being capped, it is becoming a murky area of understanding. The assets are being

	<p>forced out of landowners' hands, particularly as Transgrid will cover legal costs for compensation but will not cover an ecologist's fees.</p> <ul style="list-style-type: none"> <li>- Carl noted as part of the EOI process for the Biodiversity Stewardship Program, Transgrid will cover the costs of an ecologist.</li> <li>- A community CCG member commented that Transgrid is using the cost of undergrounding as a reason to go overhead. If the project costs blow out to be larger than expected and it is too late to go overhead, can that be linked to ongoing compensation for landowners?</li> <li>- Naomi noted that there is not a mechanism in the Just Terms Act to cater for that. The undergrounding conversation has moved on to significant stakeholders who have the ability to be the catalysts of change.</li> </ul>	
<p><b>Undergrounding</b></p>	<p>Dan gave an update on the undergrounding feasibility report.</p> <p>See slide 28 of the presentation for an update on the undergrounding feasibility report timeline.</p> <ul style="list-style-type: none"> <li>- Dan noted that since the last CCG meeting, the Undergrounding Report has been finalised by GHD.</li> <li>- Transgrid have published the report, Transgrid's response and the Steering Committee's response on their website, which can be found here: <a href="https://www.transgrid.com.au/projects-innovation/humelink">https://www.transgrid.com.au/projects-innovation/humelink</a></li> <li>- Dan noted that ultimately, the cost of undergrounding HumeLink is estimated to be at least three times more expensive than the entire project's current cost of \$3.3 billion. Based on the current AER framework, undergrounding is not deemed economic.</li> <li>- The other factor Transgrid deems making undergrounding unfeasible is the time it will take to underground the cables along HumeLink, hence not complying with AEMO's determination to accelerate the project.</li> <li>- The Chair thanked Rebecca Tobin for the work she had contributed to the</li> </ul>	

### HumeLink Undergrounding Steering Committee.

- The Chair noted that the community representatives on the Steering Committee and their independent advisor, Les Brand from Amplitude Consultants, issued Transgrid with a separate letter to that which has been published on the website. INCLUDE LINK HERE There are a number of concerns outlined in the letter that Transgrid need to respond to. For that reason, the Chair suggested the Steering Committee continues its work until Transgrid has responded to the community members' letter. There was a request that Transgrid's include a response to the 52 outstanding issues mentioned in the letter.
- It was agreed the Steering Committee would continue until Transgrid has issued a response.

Les Brand, Amplitude Consultants and expert advisor to the community Steering Committee members, gave an overview of the community's position on the published undergrounding report.

- Les noted his dissatisfaction with the report. When the Steering Committee was formed, it was stated they were to be considered as the for the Study Les noted that he does not believe a professional organisation should produce a final piece of work with 52 of 100 comments left outstanding from the client.
- Les also noted that many of the responses that were given by GHD, were not given by an expert which is unsettling when considering the validity of the report.
- Les noted the methods used for costings in such an expensive and long study were surprisingly vague, particularly when two overseas examples were cited for undergrounding. Amplitude believes the costings should have been done using a bottom up approach.
- Les noted that he does not endorse the final undergrounding report.
- Recently, Les was in Paris for a technical conference where he spoke with several undergrounding HVDC experts. Les recounted that in every conversation he had with these HVDC experts, they were

flawed with the high numbers outlined in GHD's undergrounding report.

- Les further noted, when two trenches of cabling are paralleled with each other, the cost per km does not double as stated in GHD's report and shows a complete lack of understanding of the installation of cables. There are many efficiencies that come from paralleling cables which have not been accounted for.
- Les noted there are many HVDC experts in Australia and overseas who are concerned this inaccurate report is in the public domain. If this report is used as a reference for future undergrounding, it will delay efforts to underground on a global scale.
- Naomi noted that Transgrid has received the specific letter from the Steering Committee outlining all their concerns. Transgrid is putting together a response.
- Naomi commented that Transgrid respect the contribution of the Steering Committee, however there will still be a difference of opinion in many instances regarding the final report.
- Nathan noted that the undergrounding report was a key topic when they met with the AEIC. There are a number of factors that must be taken into consideration from both the economic regulator, the AER and the timeframe regulator, AEMO. Based both frameworks, the report doesn't meet the economic or time constraints, even if Amplitude's reviews are further taken into consideration.
- Nathan commented that the project is in its early stages, there are many things that need to be considered, for example ground conditions. Australia's costs do not benchmark well globally. There are many issues with a bottom up approach from a costing perspective. Overall, Nathan noted that the numbers do not meet the economic and timing parameters of the regulators.
- Dan responded that GHD have said they are happy to publish the report, even knowing about the issues, it is their opinion they have been addressed.

- Dan further noted that when making the final decision on undergrounding, Transgrid took both costing considerations into account.
- Les commented that GHD and Transgrid have a duty to the industry to be certain what they are publishing is accurate because the numbers have the potential to be extremely damaging. Regardless of the outcome, there is a duty to address the outstanding issues raised by the Steering Committee.
- Les noted in terms of bottom up costing and terrain, the size of the trench needs to be determined and then needs to be referred to Rawlinson's handbook which gives a cost per cubic metre. The costings of the handbook were last updated in June 2022. When Amplitude were calculating their costs, they used a bottom up approach assuming the worst case scenario. No matter how many worst case assumptions were made, they could not reach the approximate \$11 million per km that GHD have outlined in the final report.
- Les further noted that the current schedule in the report determines 6.5 years for HVDC. Amplitude's determination is that it would take 4 years for delivery and 1 year for procurement. There are also questions surrounding commissioning, Les noting it will not take 6 months to commission but rather 2 to 3 months.
- Les noted that most of the outstanding issues on the report can be grouped into two main categories, cost and timing.
- There are items that need to be addressed such as what values were used to scale the number to determine costing.
- Les noted that a lot of the comments have been ignored and it is worrying GHD cannot clarify what numbers were used to scale the costings.
- Les commented that Transgrid's decision was based on cost and timing, both of which the Steering Committee has several outstanding concerns with. If Transgrid were to begin undergrounding today, they could be finished by 2027.



- Les noted that from the outset, everyone knew undergrounding would be more expensive, at what cost would Transgrid have agreed to actually underground?
- Nathan noted that while cost is an important factor, AEMO has stated HumeLink must be complete by July 2026.
- Les questioned if Transgrid would be able to install a double circuit 500kv line above ground line in that time and stated Amplitude believe it is possible to install undergrounding cables in that time.

Peter Lawson, community representative on the Steering Committee gave an overview of the community position on the published undergrounding report.

- Peter thanked Les and Amplitude for their work on the undergrounding study. Peter also thanked Dan for his work on the study and his proactive approach taking the community's feedback back to GHD.
- Peter noted the report was unbalanced, particularly in how it assessed the non-market benefits. The community members on the Steering Committee do not believe that GHD's report takes how the community feel at all. The whole report comes across as a tick box exercise on Transgrid's behalf. There was not an additional assessment of other routes for undergrounding, apart from the route along the Hume Highway, this was outlined in the brief given to GHD.
- Peter asked if GHD will not give further consideration to the 52 outstanding issues the Steering Committee has with the undergrounding report, what will then happen to the outstanding issues?
- Dan responded that Transgrid has taken into account the Steering Committee's position on cost and timing. Transgrid acknowledges the time and effort put into the study, particularly from Les and the additional consultant, Peter Robinson. There are external drivers that Transgrid cannot surpass.
- Dan acknowledged the Steering Committee's 52 outstanding comments, and noted the GHD report was not what

he expected and he was hoping for a better report.

- Les noted that he does agree that it is safe to assume installing infrastructure in Australia is more expensive than anywhere else in the world. Most of the costing benchmarks used to come up with Amplitude's number were based off Australian benchmarks, while GHD based their numbers off overseas based projects.
- Dan responded that he did not agree all GHD's numbers were benchmarked off global examples – **TAKEN ON NOTICE.**
- Les asked how the delay to Snowy 2.0 will impact the request from AEMO to have HumeLink completed by mid-2026.
- Dan responded that it is taken in account. The ISP came out just before the announcement of Snowy 2.0's delay. The early closures of coal fired plants along the east coast are driving the need for HumeLink to be delivered faster. HumeLink also allows for around 1500 megawatts of extra generation, it is not just Snow 2.0 that is impacted by HumeLink.
- A community CCG member commented that all the undergrounding costing for HumeLink seems to be upfront capital costs.
- Dan responded that operational costs have been included in the overhead costing estimates. Les is of the opinion the operational costs included in the costing are overstated.
- A community CCG member commented that the overhead costing does not take into account the whole of life costing eg. bushfires. The pricing seems to be an upfront capital cost, which very few major infrastructure projects are priced that way.
- Dan noted that it is more about the costing is more about the benefits. The costing for whole of life would not really impact the costing as the risk level posed is within the tolerance range, granted that
- The Chair noted that the two key drivers for Transgrid's decision on undergrounding are cost and time. If the

	<p>policy landscape changes, the procurement process has been flexible enough for the project to pivot.</p> <ul style="list-style-type: none"> <li>- A community CCG member asked why the project cannot be completed in stages. For example, build the connection from Snowy Valley to Sydney first.</li> <li>- Dan noted the link to Wagga would need to be built first, which would be 310km of the 360km route.</li> </ul>	
<p><b>HumeLink Progress Update</b></p>	<p>Nathan gave an overview of HumeLink’s progress See slide 12 of the presentation for an update on HumeLink’s progress.</p> <ul style="list-style-type: none"> <li>- <b>Regulatory space:</b> The Australian Energy Regulator (AER) has approved early works funding of \$322 million. Transgrid has been working with the AER since the approval has been made. The approval is staged. This initial funding is for stage 1, early works, which is about 10% of the project’s total value. Stage 1 includes items such as procurement, geo-tech studies, early works etc.</li> <li>- <b>Route Refinement:</b> The 200m corridor for the majority of the route has been refined. Nathan noted that community engagement was factored into the route refinement decisions. There are three key regulators Transgrid must operate under the guise of: <ul style="list-style-type: none"> <li>o The Australian Energy Market Operator (AEMO) who operate the energy market. Since the last CCG meeting, the ISP has been updated. AEMO is concerned about the security of the energy space and all larger energy infrastructure projects have been accelerated. HumeLink’s timeline has been accelerated by 6 months to completion in July 2026.</li> <li>o The Australian Energy Regulator (AER) is the economic regulator and ensures that HumeLink is delivered with the most prudent and cost-efficient outcomes for the project.</li> <li>o The Department of Planning and Environment requires the project</li> </ul> </li> </ul>	<p>-</p>

to focus on people, place and the environment.

- Route refinement is the intersection between all three regulators. The Red Hat Review, as conducted by MacroPlan, tested the trade offs that have been made in that process. It has been a worthwhile exercise with many learnings. Nathan noted that many communities welcomed the Red Hat Review.
- **Environmental Impact Statement (EIS):** Field survey work is continuing, to inform the drafting of the initial chapters of the EIS. Community engagement on the EIS and technical studies has commenced.
- **Procurement:** Transgrid has gone to the market for expressions of interest to identify a suitable major contracting partner. Nathan noted that given the number of large infrastructure projects in Australia, it is a heated market. Transgrid is very sensitive to choosing the right contractors who will operate in local communities with social license. Three firms will be shortlisted in approximately a fortnight. They will not be contracted on fixed prices as there are many complexities within HumeLink that the contractors must work flexibly with.
- A community CCG member commented that it would be good to procure locally however that can also make it difficult for local service providers to find workers. Transgrid should look into upskilling and training workers for the area.
- A community CCG member commented that in many areas there are already housing shortages, if people outside of the region are brought in for the work that exacerbates the situation.
- Nathan responded that Transgrid has been working with councils on their 20 year strategy to respond to this, it is also a key part of the EIS.
- **Property:** On 25 August 2022, Transgrid met with representatives from the HumeLink Action Group (HAG), the Australian Energy Infrastructure Commissioner (AEIC) and some impacted landowners. The meeting identified that an update of the Option Deed and

Property Management Plan was required. Over the last two weeks, Transgrid has been updating the Option Deed document and Property Management Plan as per the feedback received. The new document is a lot more straightforward. Any landowner who has received a copy of the Option Deed previously used will be issued with the new Option Deed and given the option to consider any changes made in the new Option Deed.

- A community CCG member commented that the land access officers have portrayed Transgrid paying the costs of legal advice and valuers as though Transgrid is trying to play the Just Terms Act. It seems as though Transgrid is happy to use the Act as a way out rather than discuss options with landowners. The Option Deed said Transgrid would cover any legal fees, but no advice or figures were given.
- Carl responded that Transgrid stand by the commitment to cover reasonable costs. Most proposals that have come through have been fine, however there have been some which have been incredibly high and Transgrid has had to have conversations with those firms.
- A community CCG member asked if Transgrid has the right to reject a proposal from a firm.
- Carl noted that under the Just Terms Act they only have to pay the costs as per the Valuer General who will determine what those costs are. Transgrid is acting in good faith paying the costs during the voluntary negotiation period. At the end of the day if negotiations do go to the Valuer General, the Valuer General will be the one who determines the fees Transgrid has to pay.
- A community CCG member commented that certain areas with limited services may have higher fees.
- Carl responded that Transgrid does not think there is a shortage of firms along the route and they want to stay independent of the appointment. The Law Society has a list of appropriate firms and the Property Council has a list of valuers.

	<ul style="list-style-type: none"> <li>- The Chair noted that the firms that are chosen should have experience with the Just Terms Act.</li> <li>- <b>Engineering:</b> Geotech, ground condition, studies will commence later in 2022. These studies are crucial to gain a deeper understanding of the ground conditions.</li> </ul>	
Agenda setting for subsequent meetings	<p><b>Next meetings</b></p> <p>October</p> <ul style="list-style-type: none"> <li>- Tuesday 11 or Wednesday 12</li> </ul> <p>The Chair noted the October meeting will mark one year since the establishment of the Humelink CCGs. The next meeting will be an opportunity to reassess membership, processes, functionality, protocols etc.</p> <p>November</p> <ul style="list-style-type: none"> <li>- Wednesday 23 or Thursday 24</li> </ul> <p>December</p> <ul style="list-style-type: none"> <li>- Tuesday 6 or Wednesday 7</li> </ul>	
<b>Meeting close</b>	The meeting closed at 2:02pm.	

<b>Action</b>	<b>Status or comment</b>
Secretariat is to follow up with members on administrative details including signed Code of Conduct Agreements and sharing of contact details.	Ongoing
Transgrid to institute the \$50 reimbursement for eligible members	Ongoing
Transgrid to provide CCG members with a diagram presenting how planning and regulatory processes relate	Underway
Transgrid to provide a timeline/diagram of HumeLink progress as it currently stands and a timeline of HumeLink progress if undergrounding or Option 2F are deemed feasible	Underway
HumeLink EIS and SEARs to be circulated to CCG members	Underway
Transgrid to follow up with GHD for more insight into their value scoring methodology and reasoning, including the difference in value between agricultural land compared to State Forest.	Underway
Transgrid to follow up with GHD for more insight into the social and environmental matters included in its model InDeGo (Infrastructure Development Geospatial Options), how they are weighted and the scoring methodology.	Underway
Transgrid to request the value of the multiplier from GHD used in their report.	Underway
Transgrid to provide the CCG with technical information explaining how the structural integrity of the transmission lines is maintained in windy conditions.	Underway
Transgrid to confirm with the CCG if any of the transmission 500kv lines between Bannaby and Bayswater have come down.	Underway
Transgrid to confirm with the CCG if any of the transmission 500kv lines between Bannaby and Bayswater have come down.	Underway
Transgrid to determine if there are barriers to technological advancements with undergrounding cables	Underway
Transgrid to respond to the Steering Committee's letter and the 52 outstanding issues within 4 weeks of the meeting.	Underway
Transgrid to supply the exact number the 2022 undergrounding figures were based on	Underway
Transgrid to check the parameters for covering ecology studies for landowners	Underway

Transgrid to supply their proposed biosecurity processes for the geotech investigations.

Underway