

# The Energy Charter

2021 Signatory Disclosure Transgrid

30 September 2021



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## Have your say

We would like to hear your feedback on our Energy Charter disclosure, and about the service we provide.

If you have any feedback, questions or ideas about how we can improve future disclosures or our service to you, please don't hesitate to contact us.

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Website: [www.Transgrid.com.au](http://www.Transgrid.com.au)

## Who we are



### From our Chair Jerry Maycock

Financial year 2021 has brought with it many challenges and reinforced the essential role energy businesses play in supporting our way of life.

Unfortunately the COVID-19 pandemic continues to impact the lives of people around the world. In Australia, as our major cities live in lockdown and millions of people work from home, the role of an affordable, safe and reliable electricity network is more critical than ever.

As we continue to meet the challenges of COVID-19, the need to address the growing threat from climate change remains unchanged. We know that transmission will be central to a successful transition to a clean energy system and Transgrid is making significant investments to ensure we are driving reliability, affordability and sustainability in our network.

As a proud signatory to the Energy Charter, we will continue to work alongside other like-minded energy businesses to improve our customer service and drive cultural change throughout the industry, so that the benefits of the energy transition can be fully realised by customers.




### From our Acting CEO Brian Salter

I am proud to present our third Energy Charter Disclosure. This document provides an honest assessment of our performance against the principles of the Charter and lays out future areas of focus for our business.

In the coming years, the patterns of electricity supply and demand will change dramatically as Australia transitions from a fossil fuel to a renewable energy based power system, leading to new constraints and challenges for the transmission network. Renewables are transforming Australia's energy system faster than expected, creating congestion on the existing transmission network – a problem that will become more widespread over the next few years. Congestion will be further exacerbated as electricity consumers increasingly become producers, and networks of homes combine to form virtual power plants.

Equally, as consumers begin to trade their own energy, other new business models and types of market participant are expected to emerge, requiring an agile, flexible transmission system to accommodate them.

Our business remains committed to supporting energy transformation by strengthening, expanding and enhancing our network as efficiently as possible, while ensuring we keep our central focus on the needs of all energy customers.



Transgrid operates and manages the high voltage electricity transmission network in NSW and the ACT. The network connects more than three million homes, businesses and communities to a safe, reliable and affordable electricity supply. Comprising 119 substations, over 13,204 kilometres of high voltage transmission lines, underground cables and five interconnections to QLD and VIC, the network is instrumental to the electricity system and economy and facilitates energy trading between Australia's largest states.



## Our customers and communities

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Transgrid is playing a central role in the decarbonisation of the National Electricity Market (NEM). Our network facilitates the connection of new renewable generation and transports electricity from a range of generation sources to large directly-connected industrial customers and the distribution networks that deliver it to homes and businesses.

The market is undergoing a period of rapid transition as the generation mix changes to include more renewables, and technology allows greater consumer participation in the energy market. We are guided by the principles of the Energy Charter and are working with our customers, energy consumers, the energy supply chain and decision making bodies to ensure that all customers see the benefits of this transition.

Our customers and communities are diverse, with differing interests and priorities. We broadly consider our customers in three groups with varying approaches to engaging and working with them.

### End User Customers

There are more than three million households and businesses in NSW and the ACT and we consider each one a customer. Our customers are diverse, living and working in regional, rural and metropolitan areas, and all rely on a safe, reliable and affordable supply of electricity. We plan and operate our network to meet this need for the present and future. Transgrid's services comprise about 6% of the average electricity bill (this excludes large customers which are directly connected to the transmission network). We work closely with customer advocates who represent end users to ensure that customers' current and future needs and views inform all stages of our work – from operation, to design and delivery. We believe working collaboratively with customer advocates improves our decision making by bringing a diverse range of views to the table, including views from customers with culturally and linguistically diverse and lower socio-economic backgrounds.

The Transgrid Advisory Council (TAC) is a quarterly forum where our CEO and executives meet directly with customer representatives. Through this forum we can better understand the needs and expectations of customers about the affordability of electricity, the transition to a system with more renewable generation, and the need to ensure that risks associated with the NEM's transition are appropriately managed. The TAC is also acting as the central channel for our revenue reset with meetings occurring on a more regular basis.

### Directly Connected Customers

We directly connect a wide range of customers into our transmission network. Directly connected customers are generally medium to large businesses with whom we have a direct billing relationship. They include large electricity generators such as solar, wind, pumped-hydro, gas and coal generators, large energy users such as smelters and mines, neighbouring transmission networks through our interconnectors, and distribution networks. These customers are allocated individual customer managers who work with the customer to ensure we understand their needs, meet their expectations and represent their priorities within our business. Our customers expect us to provide high quality services that represent value. They also expect us to communicate openly with them about network plans that may impact them. We work closely with our directly-connected customers to deliver efficiencies through joint planning, aligning maintenance outages, and undertaking hazard mitigation work.

## Communities and Landowners

Almost 13,000 landowners have our assets or easements on their property. We have enduring relationships with landowners and communities because our assets have long lives. Our communities and landowners expect us to ensure the operation and maintenance of our assets on their properties is undertaken with the highest safety and environmental standards, and in a manner that minimises the impact on their lives. We take this responsibility seriously and have a dedicated property team who works directly with communities and landowners who have our assets on their land, or may be impacted by future works. This will become increasingly important as we develop and deliver the major projects identified by the Australian Energy Market Operator (AEMO) in its Integrated System Plan (ISP). We recognise this plan will disproportionately impact landowners and regional communities. We are committed to improving our engagement practices and to working sensitively and compassionately with landowners and communities to deliver these essential projects for the future energy system.

## FY21 highlights

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### Improving our ways of working with landowners and communities

A key focus in the last 12 months has been to improve the ways in which we work with landowners and communities around our current assets and assets being planned for the future. The transition to a lower carbon future requires expansion of the existing transmission network to ensure more renewable generation can connect to the system. We are committed to developing better ways of working with existing and new landowners and their broader communities to minimise the impacts of new infrastructure, while maximising the delivery of shared community benefits.

We have listened to landowners who have told us our approach and practices have not been good enough. As part of our commitment to improvement, we established the Office of the Landowner and Community Advocate within our business to represent the needs of landowners and communities in the development of new transmission projects. The Landowner and Community Advocate was created in collaboration with the NSW Energy and Water Ombudsman (EWON) and reports to our CEO and Board. Its role is to help us implement the best possible landowner and community engagement practices across all of our major transmission projects. Former NSW Fair Trading Commissioner, Rod Stowe, has taken on this role and has provided guidance on HumeLink, a new 500kV transmission line connecting Wagga Wagga, Bannaby and Maragle. The Advocate prepared a [report](#) for Transgrid in July 2021 which found that our engagement process to date has not met best practice. The Advocate's report provides a path forward for a genuine reset of our processes. We have accepted all 20 recommendations for improvement, including the establishment of independent Community Consultative Groups to provide local communities and landowners with a structured, ongoing forum to provide input about HumeLink. We are also implementing a Landowner Assistance Program to provide confidential support and counselling services to landowners affected by Transgrid's work – across all projects and maintenance activities.

We have participated in the #BetterTogether Landholder and Community Engagement initiative to create a guide to help transmission businesses and landowners navigate the processes of working together in the planning and delivery of new assets. We worked with a number of our signatory partners and representatives from state and national landowner and farming groups to develop the Better Practice Landholder and Community Guide, which was launched with the National Farmers Federation.

## Enabling the transition to a low carbon future

The Independent Accountability Panel in its 2020 report identified that an efficient and fair transition of the energy system is vital as we move to a low cost and low carbon energy future for all customers. We continued to assess the ISP projects identified for NSW. Despite the setbacks of COVID-19, the upgrades to the Victoria-NSW Interconnector (VNI) and the Queensland-NSW Interconnector have been making good progress. These upgrades will boost interstate transmission capacity, making it easier and more efficient for power generation to be shared across the NEM, and putting downward pressure on wholesale energy prices.

In 2021 the Australian Energy Regulator (AER) approved the costs for the construction of Project EnergyConnect, a new interconnector to between SA and NSW. Project EnergyConnect will be the largest transmission asset built in the last 15 years. It will improve affordability for customers in NSW, Victoria and SA by driving competition through an expanded wholesale electricity market across the three states. It will also facilitate the connection of new low-cost renewable generation and thereby help reduce Australia's carbon emissions. The project will deliver 1500 jobs, largely in regional and rural areas. We will work with customer advocates to establish a Stakeholder Monitoring Committee to provide oversight of the project's delivery, just as we have done for the Powering Sydney's Future project.

We continued to investigate route options for HumeLink, a new 500kV transmission line that will carry electricity to customers from new generation sources, including the expanded Snowy Hydro scheme. We are also working with the NSW Government to plan new transmission infrastructure for the development of Australia's first coordinated Renewable Energy Zone (REZ) in the state's Central-West Orana region. By connecting multiple energy generators and storage at the same location, REZs can capitalise on economies of scale and deliver affordable, reliable and clean electricity for NSW.

## Aboriginal and Torres Strait Islander Engagement

We recognise we have an important role to play in creating a more equitable future. Our Innovate Reconciliation Action Plan journey is well underway and we have been able to enhance our organisation's level of cultural awareness by implementing a Cultural Learning Strategy for our staff. We have partnered with two First Nations owned businesses to provide this training and it has been well received at all levels across the organisation.

We continue to progress our Aboriginal and Torres Strait Islander Engagement and Participation Policy, including through the appointment of two Indigenous Engagement staff members to support our Major Projects. Their role includes establishing relationships with Indigenous Australian leaders and communities early in the engagement process, identifying the key decision-makers within communities, and building trust and credibility through ensuring their participation in any decision-making about issues at a community level.

To help us advance reconciliation, we have partnered with several organisations including CareerTrackers, Supply Nation, the UTS Galuwa Experience and the Clontarf Foundation. We also sponsor the 7 News Transgrid Indigenous Achievement Award which aims to acknowledge young Indigenous people who are using their life experiences to give back to their community.

## FY22 customer objectives

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We have set ourselves three key objectives to continue to improve the value we provide to our customers in the coming year. Each of these objectives represents a stretch target and is articulated as the customer experience we wish to achieve.

**1. Landowners and impacted communities trust us to take their needs and concerns into account when planning works, and to minimise any impacts.**

In the last 12 months, we have made structural changes to improve our performance against this objective that was set in 2020. We know there is more work to be done to lift our performance so we will continue this objective as a focus for FY22.

**2. Deliver a revenue proposal that represents the needs of our customers and positions our business to facilitate the orderly transition of the energy system.**

Our revenue is set by the AER on a five-year cycle. We are committed to ensuring our business understands the needs of our customers and that we are positioned to meet those needs in the upcoming revenue period 2023-2028. We will incorporate the views of our customers into our regulatory proposal to ensure it that delivers safety, security, reliability and affordability of energy services that customers need as the energy transition continues.

**3. Directly-connected customers trust their needs are respected and reflected in our business practices, and they consider us a strong and consistent partner on projects.**

We will continue to improve the service we provide to our directly-connected customers, and build upon the progress we have made over the last 12 months.

## Our disclosure process

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Our 2021 Energy Charter disclosure provides honest insights into our performance and our plans for the future. We have reflected on our business performance, and feedback from our customers and stakeholders, and have carefully considered the learnings from the 2020 disclosure and recommendations made by the Independent Accountability Panel. We have also sought and incorporated feedback from our TAC on this disclosure.

Our report includes information that we believe is of relevance and interest to our customers and stakeholders and we welcome all feedback on our disclosure. We recognised the feedback of the Independent Accountability Panel that greater comparability of information reported between signatories would be of benefit to customers. As such we have worked with our Queensland transmission counterpart, Powerlink Queensland, to report on similar measures and metrics where possible.



## FY21 Maturity self-assessment overview

As part of our Energy Charter process for 2021, we have reviewed and updated our self-assessment of the maturity of our approach to the principles of the Energy Charter. Through this assessment we have sought to call out areas of progress in the last 12 months while also identifying areas where we are still establishing the necessary internal structures to justify improving our rating. We recognise that these improvements only reflect that we are moving in the right direction, not that we have achieved our goals. Further detail on our self-assessed performance and objectives for improvement can be found in the following pages of our disclosure.

FY21 Maturity Self-Assessment					
	Elementary	Emerging	Evolved	Empowered	Exceeding
Principle 1 – We will put customers at the centre of our business and energy system		●	●		
Principle 2 – We will improve energy affordability for customers		● ●			
Principle 3 – We will provide energy safely, sustainably and reliably					
Safety			● ●	(maximum rating 'Evolved')	
Environment		●	●		
Shift to cleaner energy system			● ●		
Connection, service and reliability			● ●		
Principle 4 – We will improve the customer experience					
Fair customer outcomes		●	●		
Customer communication		●	●		
Complaints		● ●			
Principle 5 – We will support customers facing vulnerable circumstances		● ●			

● 2020 ● 2021

## Principle 1. We will put customers at the centre of our business and the energy system

As a transmission network provider, we must never lose sight of the fact that the energy system exists to serve the needs of customers. We recognise that we have work to do to ensure we identify the benefits to customers in all our decision making processes, and we are committed to this path of continued development.

### Maturity Assessment

In 2020 our business set three customer objectives to guide our efforts:

1. Customers and stakeholders trust that the assessment of planned major capital works is transparent and customer-centric, and understand the processes to determine the scope, benefits and cost.
2. Directly connected customers trust their needs are respected and reflected in our business practices, and they consider us a strong and consistent partner on projects.
3. Landowners and impacted communities trust us to take their needs and concerns into account when planning works, and to minimise any disruption to their lives.

We have made progress against each of these objectives. However there is still work to be done before we can be satisfied that these objectives have been achieved. More details can be found below and in Principle 4. We have received feedback from our customers and in particular from landowners and community members that they expect more from our business in the way we interact with them. We accept this feedback and are committed to continuing to improve our services.

### Maturity Assessment

Current Maturity: Emerging - evolved

3 -Year target: Evolved

### Overall Customer Metrics

> Net Advocacy score +12% (+28% in 2020)\*\*

> Reputation score 77% (92% in 2020)\*

> Trust score 75% (72% in 2020)\*\*

\* 2021 Transgrid Stakeholder Reputation Research

\*\* Information similarly reported on by Powerlink

### Leading the Energy Transition

The energy system is transitioning to a renewables based power system faster than previously envisaged. We note the Accountability Panel's recommendations in its 2020 report on the need to focus on what the transition means for electricity customers. The need for a stable, least cost and fair energy transition is at the forefront of our thinking and we have made a number of positive contributions to this end, as outlined in this report. As the single transmission service provider to NSW and the ACT, we are in a unique position and have a responsibility to plan and operate our network to not only meet the needs of customers today, but ensure that our network is fit-for-purpose to meet future needs. The delivery of transmission infrastructure is a long term exercise, and we must get the balance right to ensure that customers pay no more than necessary.

### Engagement and Accountability

It is essential that our business is accountable to our customers. We have progressed a number of changes initiated in 2020 to improve our accountability. We have continued to engage customer advocates directly through the TAC, ensuring that our CEO and relevant executives are present at meetings to answer

questions and provide updates on our business and decisions under consideration. Members of our Board including our Chair have also participated in TAC meetings and will continue to do so through our revenue reset period.

Our communities have sent us a clear message that we must improve the way we work with them in the delivery of major projects. We have made structural changes to improve the transparency and processes for engagement with landowners and communities through the establishment of the Office of the Landowner and Community Advocate and a commitment to implement all 20 of the Advocate’s recommendations.

## Embedding the customer within our business

We have completed our internal culture review, as reported in 2020, and have formally adopted a customer-centric culture model within the business. This includes a new set of corporate values to better align our work practices with a focus on customer outcomes. Employee and executive performance will in part be assessed against these values. Further to this, we are in the early stages of commencing research to better understand the needs of end-use customers and how we can support these needs as a transmission business.

## Principle 2. We will improve energy affordability for customers

Delivering affordable electricity to customers in the short and long term is a priority focus for our business. Transgrid’s services comprise about 6.1% of the average electricity bill or 1.2 cents per kilowatt hour (this excludes large customers which are directly connected to the transmission network). As the penetration of low-cost renewable energy increases, wholesale electricity prices will fall, providing benefits to consumers. Transmission will provide a vital platform for wholesale market competition to minimise costs for consumers.

### Maturity assessment

There are many dimensions to affordability. We are working to reduce the price of electricity for customers by connecting new low-cost generation and improving the ability to trade electricity between states through our interconnector projects. We are also focused on ensuring that our business operates efficiently and delivers savings to customers through lower operating cost. Transgrid has recorded productivity improvements over the last three consecutive years as measured by multilateral total factor productivity (MTFP) in the AER’s annual benchmarking report<sup>1</sup>.

Our Transformation program in FY21 continued to operationalise our strategy and drive effectiveness, productivity and performance across the business. To date we have achieved a 5.9% reduction in Opex from FY17 to FY21 and enacted operating model changes, capital efficiency programs, digital transformation and cultural transformation processes to ensure our business is operating efficiently with a focus on customer outcomes.

### Maturity Assessment

Current Maturity: Emerging

3 -Year target: Evolved

### Affordability Metrics

- > Overall Value of Services score 81% (79% in 2020)\*
- > 1,477 MW of new renewable generation committed to connect since June 2020<sup>∞</sup>
- > 1.2 c/kWh cost to distribution-connected customers

\* 2021 Transgrid Stakeholder Reputation Research

<sup>∞</sup> Information similarly reported on by Powerlink Queensland

<sup>1</sup> AER Annual Benchmarking Report, Electricity transmission network service providers, November 2020 p. 27

## Delivering major projects

Transgrid's major projects will support the energy transformation in NSW by strengthening, expanding and enhancing the network, increasing system stability and underpinning competition within the wholesale electricity market that will drive down prices for consumers. We are currently constructing a number of major transmission projects in line with AEMO's ISP that will improve affordability for all energy customers:

- Project EnergyConnect has been approved and construction will start in 2022. It is expected to deliver an annual average saving of around \$180 million for NSW energy consumers.
- The approved upgrade of the Victoria-NSW interconnector is underway utilising innovative 'SmartWires' technology to unlock spare transmission capacity, allowing cheaper generation to be transferred between the two states and putting downward pressure on customer bills.
- The upgrade of the Queensland-NSW interconnector is nearing completion. This project will boost interstate transmission capacity, allowing easier and more efficient sharing of generation, and will deliver net benefits of up to \$170 million to electricity consumers.

## Customer oversight of project delivery

Work is nearing completion on our Powering Sydney's Future project - a new 20 kilometre underground 330kV cable to ensure a safe, reliable electricity supply for Sydney's CBD and surrounding areas. The project's Stakeholder Monitoring Committee (SMC), chaired by Energy Consumers Australia, has continued to provide a valuable forum to share information about the project, yielding learnings for both our business and Committee members. The SMC has met with Transgrid to monitor the costs and timing of the project, and provide consumers with a mechanism for continued engagement with the project rollout. Given the value the SMC has provided to the PSF project, we are working with customer advocates to expand the SMC to include other major projects including Project EnergyConnect.

## Delivering a revenue proposal that provides value for customers

The prices that we charge as a transmission network service provider are regulated by the AER under the National Electricity Rules (NER). We are currently developing our Revenue Proposal for the 2023-28 period. Input from our customers and other stakeholders is critical to our proposal. This input has been obtained through consultation with the TAC (including deep dives on specific topics), customer research, a stakeholder perception survey and a dedicated page on our website to keep stakeholders up to date on progress.

## Principle 3. We will provide energy safely, sustainably and reliably

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Transmission will be central to the transition to a clean energy system. It is also integral to the stability and reliability of the power system. As we strengthen, expand and enhance the network to meet the challenges of a transforming energy system, the safety of our staff, customers, contractors and communities is our highest priority.

## Maturity Assessment

As a transmission business we contribute positively to the decarbonisation of the electricity network and have continued on our journey to improve the sophistication with which our business approaches the areas of Environmental, Social and Governance (ESG) and Climate Change.

## Safety

Since our 2020 disclosure, Transgrid's health, safety and environment key performance indicators have improved, with the exception of one lagging indicator. Transgrid has implemented a 'Felt and Visible' Leadership program to capture the safety conversations our leaders are having with teams and delivery partners in the field. FY20 also saw the highest number of hazards reported in Transgrid's history with 2074 hazards reported, demonstrating the expanding risk awareness of our staff and delivery partners, and an improvement in our culture of reporting.

## Sustainability

We are focusing on improving the sustainability of our infrastructure and ability to respond to the increased risks presented by climate change. This focus will ultimately mean less disruption and cost to consumers due to issues caused by ill-adapted infrastructure. In 2020 Transgrid achieved a score of 92 out of 100 points in the global real estate sustainability benchmark (GRESB) survey and was ranked 21 out of 406 infrastructure assets management around the globe, placing us in the top 6% of the businesses.

Since the 2020 disclosure, we have progressed the development of our ESG Program, including the identification of three material ESG issues for the business to focus on. The top three priorities for the business are closely aligned to Transgrid's vision to *Lead the transition to a clean energy future* and purpose of *Making a better power system for Australians*:

1. **Be a leader in the energy transition**, including advocating for the transition to a clean energy future and improving our environmental impact.
2. **Work closely with our customers and communities**, including listening to our customers, strengthening our community partnerships program and investing in local community development.
3. **Be a trusted and ethical organisation**, including increasing voluntary reporting, continuing to operate with integrity and being known as a trusted and ethical organisation.

We look forward to including updates against these priorities in subsequent disclosures.

In FY20 Transgrid generated 14,429 tonnes CO<sub>2</sub>-e of direct (Scope 1) and 1,351,048 tonnes CO<sub>2</sub>-e of indirect (Scope 2) emissions (mainly through transmission line losses). We are currently looking at emission reduction targets we can commit to for both Scope 1 and Scope 2 emissions.

## Transition of the energy system

We are working closely with customers, stakeholders, regulators and governments to ensure the energy transition, including our ISP projects, occurs in the best interests of energy consumers. In 2020 we started development of our Network Vision in partnership with the CSIRO and ClimateWorks Australia. The TAC was introduced to our Network Vision scenario planning project in late 2019 with subsequent workshops to provide feedback on assumptions, analysis method and results of the scenario modelling. Our final Network Vision will be released in FY22.

### Maturity Assessment

Overall Maturity: Evolved

3 -Year target: Evolved - Empowered

### Safety, Sustainability and Reliability Metrics

- > Network Reliability 99.9999% (99.9997% in FY20)
- > Lost time injury frequency rate (LTIFR): 1.8 (1.0 in FY20)
- > GRESB score of 92 out of 100 points



We are currently undertaking detailed analysis to better understand how climate change will impact our asset base and our operations so we can optimise expenditure and ensure resilience in the network. We are working alongside the BoM, CSIRO and AEMO on their Electricity Sector Climate Information (ESCI) Project. The ESCI project is designed to deliver information and data based on projections of the future climate to the electricity sector to help better manage weather and climate risks to electricity supply in the NEM.

We are continuing to develop innovative solutions for the future grid that will improve our ability to efficiently operate the system in the face of falling levels of inertia as thermal plant leaves the system. We are trialling the first large-scale battery in NSW to provide fast-frequency response and synthetic inertia to help keep the network stable. Optimising the use of batteries will help address problems associated with falling inertia and also provide more dispatchable power to the energy market.

### Connection, service and reliability

The connection of generation, and provision of a secure and reliable flow of electricity, is central to Transgrid's role in the energy supply chain and the service that we provide to all our customers. We monitor and measure the reliability and security of our service 24 hours a day, and our executive management team and Board are regularly updated on our performance and any disruptions to customers. In FY21 we achieved 99.9999% reliability with no outages exceeding 0.05 system minutes.

## Principle 4. We will improve the customer experience

The energy transition will require new transmission lines, and we will work with landowners and communities to identify the best ways for these projects to be delivered. Improving the experience of communities and landowners and reducing the impact of these projects is an essential part of delivering Principle 4.

### Maturity assessment

In 2020 we set ourselves an objective to improve our processes for working with landowners. Based on feedback we have received from communities and landowners who may be impacted by a proposed transmission project, it has become clear that more work is needed to improve our performance in this area, and for this reason, we have revised our previous maturity down. To continue our focus on this important area, we have made a number of structural changes to enact long term improvement.

### Improving the experience of landowners and communities

In recognition of our need to improve, we have created the Office of the Landowner and Community Advocate reporting directly to our CEO and Board. The Landowner and Community Advocate undertook an evaluation of our current practices on the HumeLink project and delivered a report to Transgrid's Executive and Board, providing 20 recommendations for improvement which were published on our website. We have committed to implementing all recommendations made in the report and we are tracking progress against each action.

### Maturity Assessment

Overall Maturity: Emerging  
3 -Year target: Evolved

### Customer Experience Metrics

- > Direct customer Reputation Score 64% (86% in 2020)\* ∞
- > Affected landowners Reputation Score 73% (90% in 2020)\* ∞
- > Large energy users Reputation Score 70% (100% in 2020)\* ∞

\* 2021 Transgrid Stakeholder Reputation Research

∞ Information similarly reported on by Powerlink

We have worked with landowner and farming representatives and fellow Energy Charter signatories to develop a Better Practice Landholder and Community Guide. The Guide is designed to help transmission businesses and landowners navigate the processes of working together in the planning and delivery of new projects.

We have also been working with the Australian Energy Infrastructure Commissioner, Andrew Dyer, to help improve the practices and processes for project consultation within the business and to develop more effective collateral. The objective is to provide landowners and local communities with clear and easily accessible information about our projects, including how they can be involved throughout the planning process.

### **Working with our directly connected customers**

We work closely with our directly connected customers through our dedicated Customer Team to ensure that our business is accessible and any concerns can be quickly addressed. In 2020, a new committee was established to improve customer outage coordination and communications. The committee involves senior leaders from across the business and its focus is on identifying customer needs and expectations related to Transgrid's outage planning methodology, and to optimise internal system management to improve alignment of outage information. We are also exploring ways to improve awareness of outage planning and the considerations needed for customer connections and the outage impacts.

An example of an outage-related scenario was observed late in 2020. A solar farm generator customer was faced with a planned three month network outage that would have had a significant financial impact to the customer, in excess of \$9 million of lost revenue. Once made aware of this impact, Transgrid was able to look at options and provide flexibility in our planned works. The result was to shift works to the night-time, allowing the customer to generate during the day-time. This change dramatically reduced the financial impact on the customer.

We have also developed a Major Projects Quarterly Newsletter to provide customers with an ongoing update on the progress of all our major projects. This also provides a vehicle to allow customers to give feedback and ask questions.

### **Improving our communication and complaints management**

As part of our approach to improving our communication and complaints management, we engaged an external consultant to audit and review our complaints management system. This was a commitment in our 2019 and 2020 disclosures. The audit found that more than 90% of complaints recorded for FY21 were resolved within 14 days. We are looking at implementing improved geo-spatial software applications to make it easier for work teams to record customer interactions, complaints, resolution measures and landowner requests in real time. We are also focussed on centralising our complaints and enquiries process to better track how we are managing these issues.

## Principle 5. We will support customers facing vulnerable circumstances

Support for vulnerable customers has traditionally been considered by transmission businesses in terms of our directly connected customers, and our communities and landowners who host our assets on their land.

### Maturity assessment

As a transmission business, we understand that a major area of impact is the way we work with landowners and communities in the delivery of new transmission lines. This remains a focus area for improvement as outlined in Principle 4. We continue to explore how we can provide broader community benefits through the delivery of our major transmission projects.

### Landowner assistance program

Transgrid recognises that some of our work, such as the development of new transmission lines, may increase the level of stress and anxiety on landowners. To support wellbeing, we have engaged an external service provider to provide short-term support and counselling. There is no cost to access this service, which is available to landowners and community members affected by any of Transgrid's activities – across all projects and maintenance activities. This is a key recommendation of the Landowner and Community Advocate.

### COVID-19 support

In times like these we are acutely aware that our customers, both on the load and generation sides, are large employers upon which thousands of Australians rely for employment. Our ability to assist our customers to manage their finances in difficult times ultimately helps to keep people employed. An example of this assistance is the establishment of a 12 month extension of payment terms for one of our large load customers to support their continuing business.

We also provided support to customers impacted by COVID-19 by waiving the transmission charge of bills through the Energy Networks Australia relief package. Transgrid's contribution was \$459,000 (incl. GST).

We have also set up a Small Business Support Program for some businesses located in Sydney's Inner West who were affected by high impact construction for the Powering Sydney's Future project. We have engaged a business coaching service, Realise Business, to provide a six month program which will help these small businesses deepen their expertise in innovation, digital marketing, strategic planning and business continuity.

We have continued to actively support the creation of local jobs through the planning and delivery of our major transmission projects. Construction of VNI and QNI has continued through this last 12 months, providing jobs in local areas as well as economic stimulus. Project EnergyConnect will create 1,500 jobs and deliver wider economic benefits for NSW worth \$4 billion. We have also structured the delivery of EnergyConnect to provide specific benefit to Aboriginal Communities within the project areas, with a minimum of 2.5% of the contract sum directed to Aboriginal workforce participation and procurement opportunities.

### Maturity Assessment

Current Maturity:  
Elementary - Emerging

3 -Year target: Emerging - Evolved

### Community Support Metrics

- > \$140,000 of funding to NSW community groups
- > Corporate responsibility (includes Sensitivity to the needs of vulnerable customers) 89% (89% in 2019)\*

\* 2021 Transgrid Stakeholder Reputation Research

## Community Partnerships Program

Through our Community Partnerships Program we have invested in a range of initiatives that will have a tangible and lasting impact on local communities in areas where our assets are located or under development. These carefully targeted initiatives include providing defibrillators to remote rural communities, a grant to the local Rural Fire Service to buy lights to assist with their work in attending road accidents, and a grant to Ronald McDonald House in Wagga Wagga to help beautify the space shared by families with children in care at the hospital.

### Who we are

Transgrid operates and manages the high voltage electricity transmission network in New South Wales (NSW) and the Australian Capital Territory (ACT). Transgrid's network transports electricity from generation sources such as wind, solar, hydro, gas and coal power plants to large directly connected industrial customers and the distribution networks that deliver it to homes and businesses. Transgrid is committed to providing safe, reliable, and affordable electricity.

### CONTACT DETAILS

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