



Transgrid Advisory Council

Meeting #6

Thursday 20 July 2023

The Grace Hotel, Sydney, and via MS Teams

People. Power. Possibilities.

Acknowledgement of Country

We would like to acknowledge the Gadigal people as the custodians of the lands and waters of the Eora Nation, on which we meet today.

We pay respect to Elders past and present.



Agenda



Please note: today's workshop is being recorded

Time		No.	Topic	Lead
9.30am - 9.40am	10 mins	1	Welcome and Acknowledgment of Country	Maryanne Graham, EGM Corporate and Stakeholder Affairs
9.40am - 9.50am	10 mins	2	Actions from last meeting	Maryanne Graham, EGM Corporate and Stakeholder Affairs
9.50am – 10.30am	40 mins	3	CEO Update and group discussion	Brett Redman, Chief Executive Officer
10.30am – 10.50am	20 mins		Morning tea break	
10.50am – 11.15am	25 mins	4	Major Projects portfolio update EnergyConnect Project update VNI West Project update Sydney Ring Projects update (Hunter Transmission Project) HumeLink Project update	Nathan Rhodes, Major Project Delivery Director, PTT Harry Mercer, Major Project Delivery Director Harry Mercer, Major Project Delivery Director Mark McEneaney, Project Director, Sydney Ring Projects Jeremy Roberts, Project Director, HumeLink
11.15am – 11.45am	30 mins	5	HumeLink CPA1 (Part 2) & CPA2 update	Stephanie McDougall, GM of Regulation Jeremy Roberts, Project Director, HumeLink
11.45am – 12.00pm	15 mins	6	Waratah Super Battery update	Stephanie McDougall, GM of Regulation
12.00pm – 12.20pm	20 mins	7	Regulatory Policy and Government Relations update	Stephanie McDougall, GM Regulation and Policy Reform Nicole Ryan, GM Community, Stakeholder & Government Emma Ashton, Manager Government Relations
12.20pm – 12.30pm	10 mins	8	Summary and next steps	Maryanne Graham, EGM Corporate and Stakeholder Affairs
TAC close				
12.30pm – 1.30pm	60 mins		Lunch	
1.30pm – 2.30pm	60 mins		Non-network Solutions & Emerging Technologies Roundtable	Maryanne Graham, EGM Corporate and Stakeholder Affairs Fiona Orton, GM Innovation and Energy Transition Kasia Kulbacka, GM of Network Planning

Tracking meeting satisfaction

We will launch a short poll at the end of each meeting to ask:

To what extent do you feel you had an opportunity to effectively engage today?



not effective

very effective

Do you have further feedback on any of the following topics discussed today?

- CEO update and group discussion
- Major Projects portfolio update
- HumeLink CPA 2 Project update
- Waratah Super Battery update
- Regulatory Policy and Government Relations update

We appreciate your feedback

Actions from last meeting

Action	Status
<i>Powering Tomorrow Together Program (PTT):</i> provide the TAC with a more detailed overview of the remaining challenges and a resolution action plan.	In progress
<i>Powering Tomorrow Together Program (PTT):</i> confirm if the cost-efficient towers formed part of the original project and CAPEX approved by the AER or were added later.	Completed
<i>Powering Tomorrow Together Program (PTT):</i> provide more information on the NSW Electricity Infrastructure Roadmap (the Roadmap) and the Priority Transmission Infrastructure Project (PTIP) process	Will be presented at a future TAC
<i>HumeLink:</i> Provide more information on how Transgrid is tracking against the goals you set to justify early work, your hopes to reduce risks for consumers and get a better understanding of costs and your experiences in that market of procurement (particularly LLE items and things we don't make here like 500 kV transformers).	Completed, presented today
<i>HumeLink:</i> Provide further information on the elements in Transgrid's control and where we are tracking to get to the Class 2 estimate, so we are reducing risk to consumers on overspend.	Completed, presented today
<i>Waratah Super Battery (WSB):</i> provide an order of magnitude for the transmission line (greenfield line compared to brownfield).	In progress
<i>Waratah Super Battery (WSB):</i> provide information around how extensive the benefits are of undertaking creative things with old coal power station sites.	In progress
What are the consequences of investors committing greater equity capital (ie. more than the AER 40% benchmark) whilst getting a ROR equivalent to the AER's benchmark	In progress
Provide a copy of Transgrid's submission on the Inquiry examining the feasibility of undergrounding transmission infrastructure for renewable energy projects.	Completed, emailed to TAC members

CEO update and group discussion

Brett Redman, Chief Executive Officer



Morning Tea



Major Projects Portfolio update

Nathan Rhodes, Major Project Delivery Director, PTT

Harry Mercer, Major Project Delivery Director

Mark McEneaney, Project Director, Sydney Ring Projects

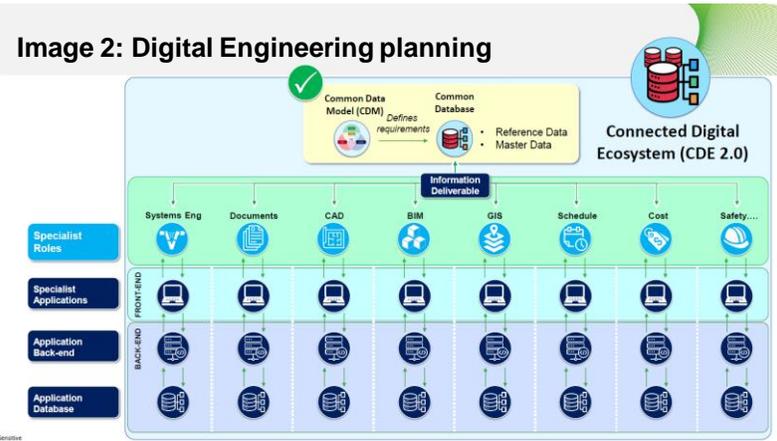
Jeremy Roberts, Project Director, HumeLink



Executive Summary

Delivering on our major projects - commitment to consumers

No.	Description	Monthly Progress	Forward Month Work Plan
1	PTT benefits realisation	<ul style="list-style-type: none"> On track to deliver \$500 million of savings 24-month acceleration holding forecast pending VNIW dispute 	<ul style="list-style-type: none"> Continue to build out the remaining 46 business cases
2	Innovation Initiatives	<ul style="list-style-type: none"> Drone stringing live demo day (image 1) Digital engineering planning (image 2) 	<ul style="list-style-type: none"> Finalise business case for drones stringing commercialisation Identify scalability of proposed digital solutions into BAU
3	Development of TG portfolio-wide Social License Playbook	<ul style="list-style-type: none"> Consolidate individual initiatives and deploy SL Playbook 	<ul style="list-style-type: none"> Present to EGM Major Projects and EGM Community and Policy
4	Integrated Management Team (IMT) tender	<ul style="list-style-type: none"> Tender released to market – Engineering, EIS, commercial 	<ul style="list-style-type: none"> Manage procurement process and confirm shortlist panel
5	PTT LEE Conductors tender	<ul style="list-style-type: none"> Tender closed May 	<ul style="list-style-type: none"> Tender to be awarded end July
6	AER collaboration for funding	<ul style="list-style-type: none"> CESS and Biodiversity Offsets Workshops held and positive Continuing to liaise with the AER on HumeLink CPA2 	<ul style="list-style-type: none"> TAC CESS workshop AER CESS Workshop 2 + Delivery Strategy



Continuing to address key challenges

- Industry innovation
- Social licence
- Contractors and resources
- Training
- Investment certainty



Project EnergyConnect (PEC) project update

Where we are on the Project Timeline

- ✓ Line 1 (Buronga to SA Border) - tower foundations (52% complete), tower assembly (22%) and erection (12%)
- ✓ Line 4 (Buronga to Red Cliffs) - tower erections (75%)
- ✓ Camps 5, 6 and 7 operational
- ✓ Lines 2 & 5 (Buronga to Wagga Wagga) – pre-construction and surveying – awaiting CEMP approval for construction
- ✓ Buronga Substation – SynCon & Phase Shift No 5 transformers on foundations, SynCon building installation underway

Stakeholder Engagement

Key engagement activities in last month

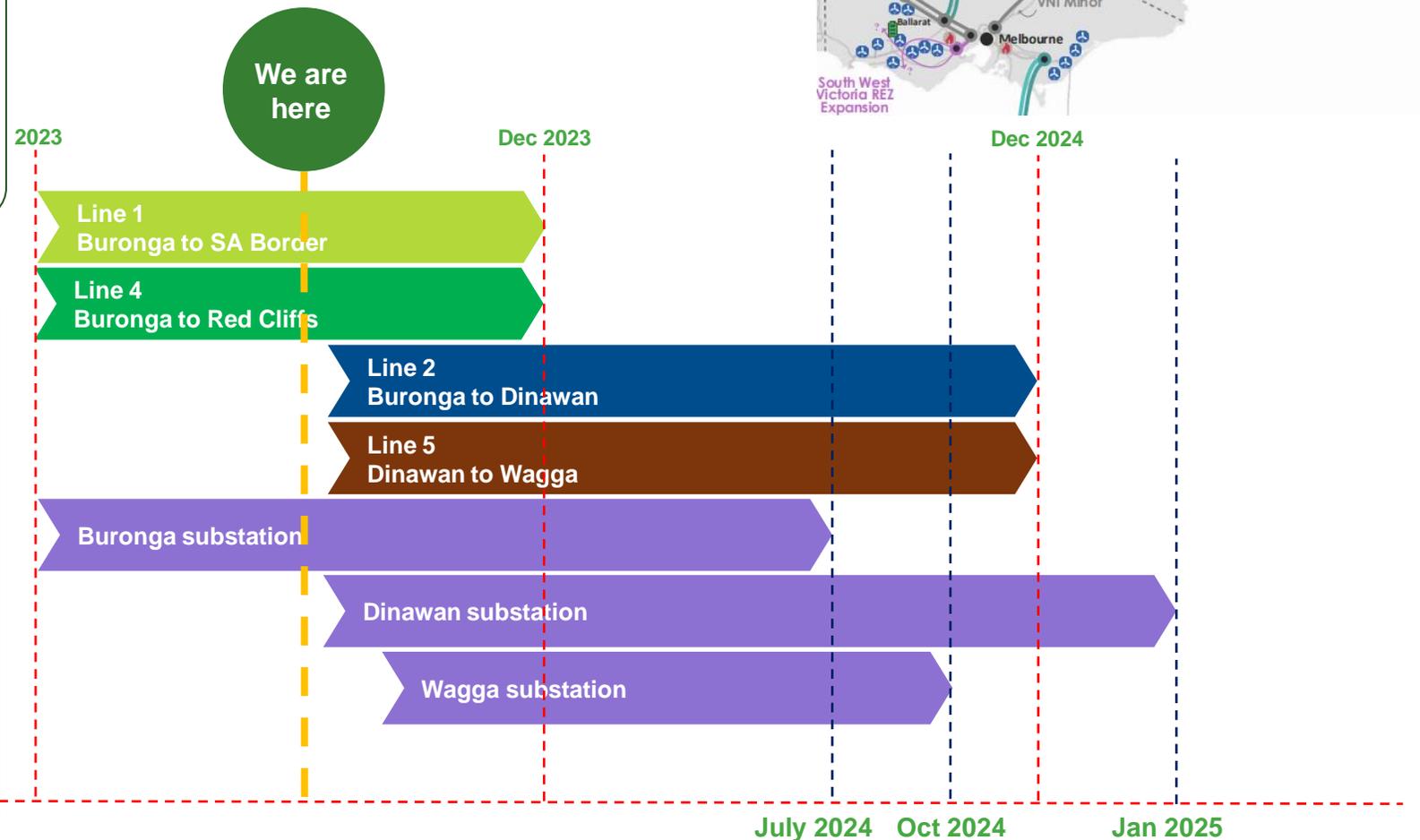
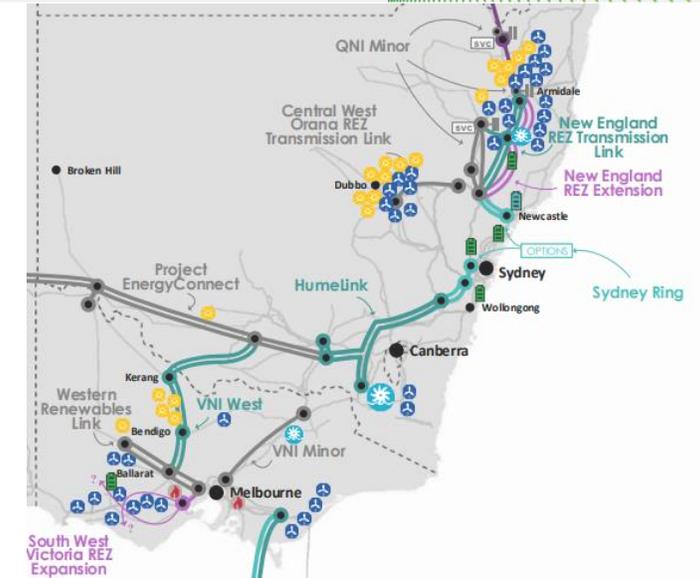
- ✓ 261 interactions for June with 3 incoming enquiries and mostly outgoing communications
- ✓ Stakeholder meetings with Wagga Business Chamber and Committee for Wagga

Upcoming

- ✓ Civil Contractors Federation Mildura Forum
- ✓ Henty Field Days
- ✓ Wentworth Show
- ✓ Pop-up engagements in EnergyConnect communities

Social Licence

- ✓ Total of 17 Transgrid Engineering Scholarships awarded to Charles Sturt University students
- ✓ RDA Riverina have expanded community employment platform Jobs Riverina-Murray as part of Strategic Workforce Development Partnership

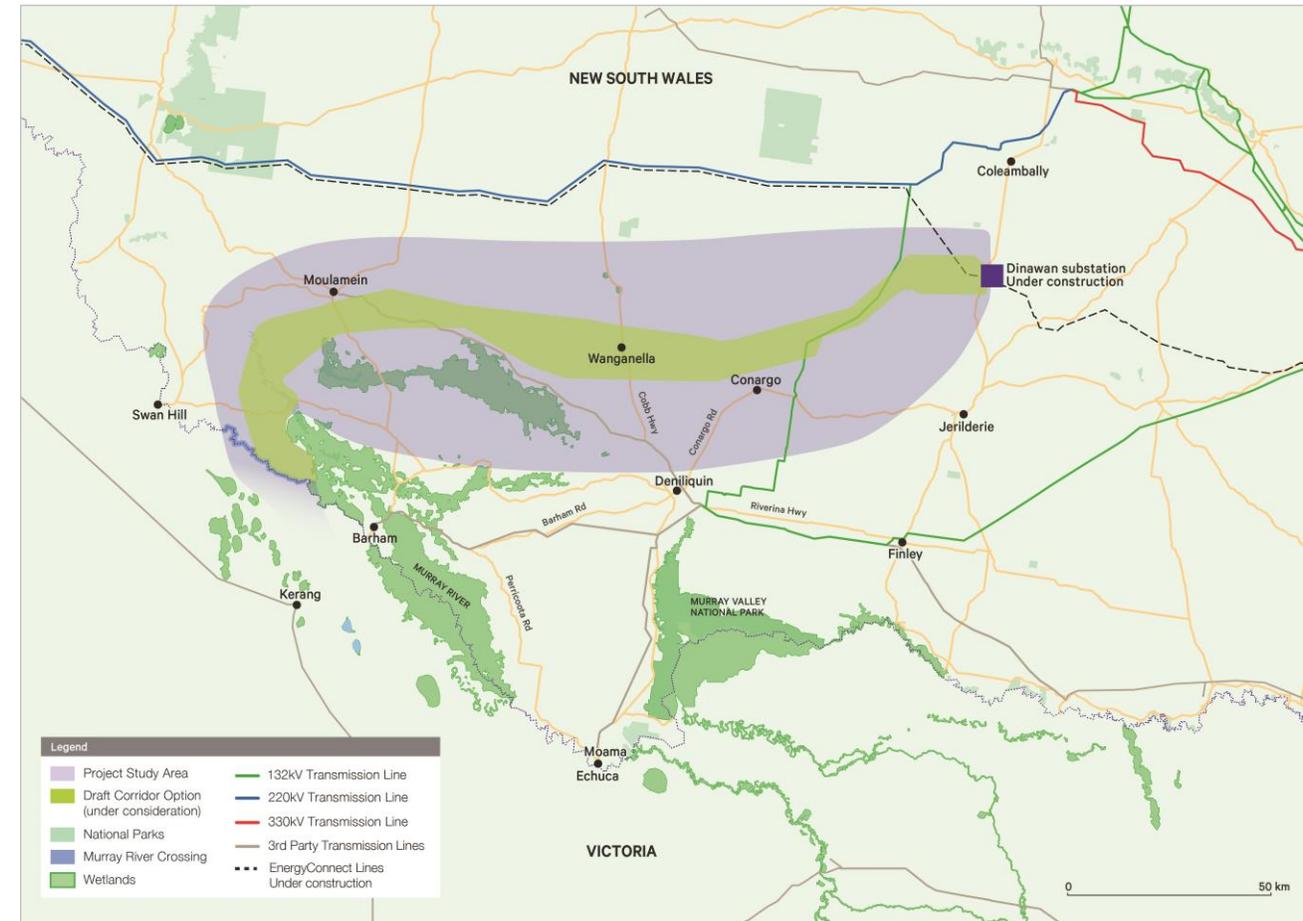


****Note: Line 3 was renamed Line 5 when it was upgraded from 330 to 500kV**

VNI West project update

Community and landholder engagement

- ✓ Community and landholder information session held early - mid-July across preferred corridor
- ✓ Draft Corridor Report exhibition period extended to early August to create opportunities for additional Community Information Sessions
- ✓ Regional Reference Group meeting held mid-July to present Draft Corridor Report
- ✓ Consultation with landholders underway to map properties and gather detailed on the ground feedback to develop the best route for VNI West
- ✓ Dedicated landholder liaison teams will be in place throughout route development and project delivery
- ✓ Initial feedback from landholders and community members is focused on disruption to agriculture, particularly on productive areas south of Moulamein
- ✓ Communities have signaled an expectation of genuine community benefit sharing and investment as part of the project.



VNI West project update

Where we are on Project Timeline

- ✓ Draft Corridor Report released for 4-week submission period
- ✓ Dispute notice lodged with AER from Moorabool & Central Highlands Power Alliance. Discussions underway with AER to address items raised in the dispute

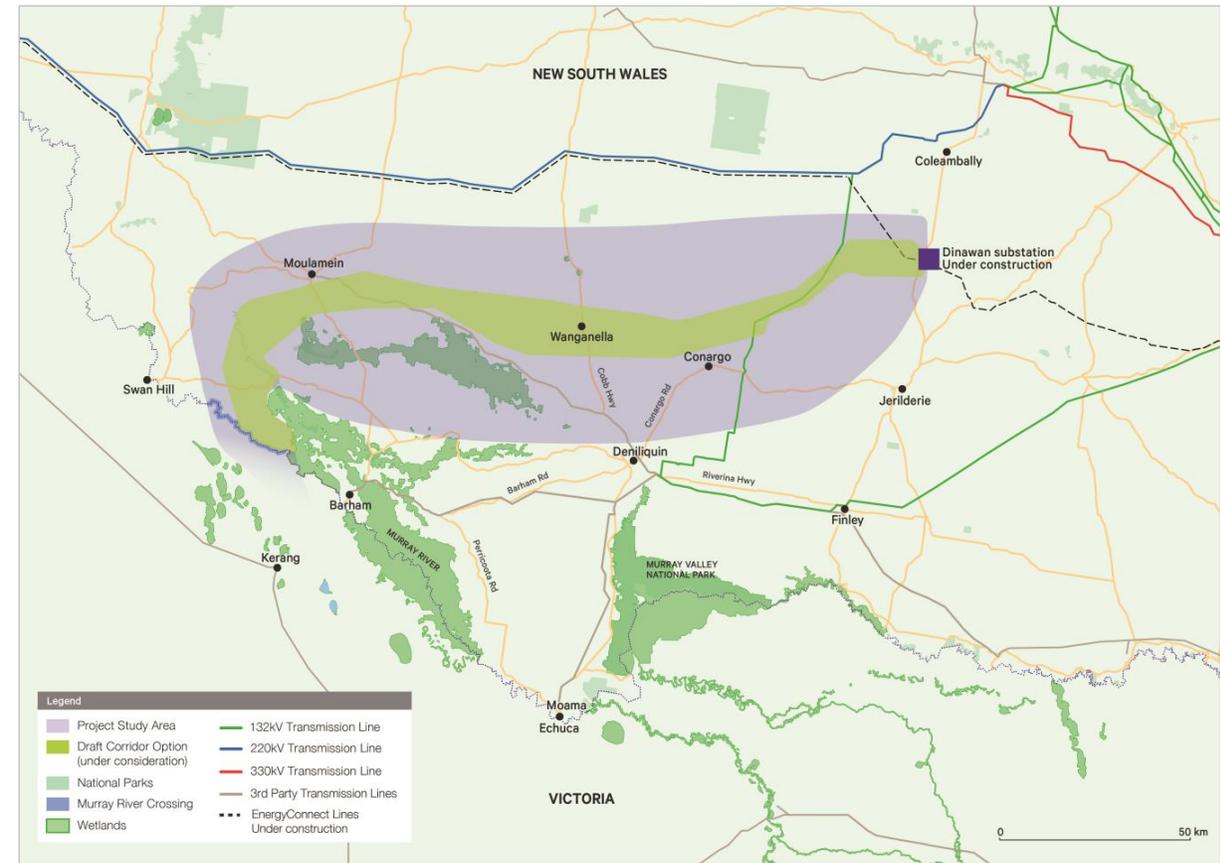
Stakeholder Engagement

Key engagement activities in last month

- ✓ 68 interactions across the project with 24 incoming enquiries and 44 outgoing communications
- ✓ Draft Corridor Report Consultation
- ✓ Regional Reference group meeting
- ✓ Landholder Q&A sessions
- ✓ Traditional Owner field work

Upcoming

- ✓ Community Information Days
- ✓ Community Consultation Group establishment
- ✓ Rolling landholder meetings
- ✓ Publish Final Corridor Report



Timeline



Social Licence

- ✓ Scoping and early engagement phase

Hunter Transmission project update

Where we are on Project Timeline

- ✓ Formal Request For Proposal (RFP) received from Energy Corporation of NSW (EnergyCo) in June. Technical proposal submitted to EnergyCo 17 July 2023
- ✓ Continued work with EnergyCo on development and RFP submission responses through July as we support planning for early development activities
- ✓ Continue to work toward Ministerial Direction of Network Operator to carry out the Priority Transmission Infrastructure Project (PTIP) with EnergyCo

Stakeholder Engagement



Ongoing engagement with EnergyCo and AEMO to clarify the need and timing for further update in the draft ISP 2024, due for publication end 2023

Timeline



Hunter Transmission indicative project location



Source: EnergyCo Network Infrastructure Strategy

Social Licence

- ✓ Working with EnergyCo to develop programs to establish social licence

CPA-1 Part 2 lodged with AER on 23 May 2023

- On 23 May 2023, we lodged our CPA-1 (Part 2) with the AER to enable us to recover the costs of purchasing LLE as part of early works
- Purchasing LLE as part of our Stage 1 activities maximises benefits to customers by:
 - providing greater cost certainty for customers by locking in prices now
 - protecting against future inflationary pressure to ensure the Project is delivered at lowest sustainable cost
 - securing supply-chain availability, in a competitive global market, in order to meet AEMO’s target delivery date of July 2026.

LLE	Booking fee CPA-1 Part 1	Full cost of LLE	CPA-1 Part 2	Basis of forecast
	(A)	(B)	(B)-(A)	
Transformers and Reactors				Agreements with suppliers, which contain the number of transformers and reactors as well as the associated unit rates
Steel and Conductors	27.2	253.9	226.7	Rates and quantities contained in a report from Fission, who has been appointed as the independent estimator for the Project during the ECI process

We are on track to submit draft CPA-2 in October 2023

Collaboration Point

Would you like to see more about the key challenges these projects are currently facing, such as what are the risks and how are we addressing them?

HumeLink CPA 1 (Part 2) & CPA 2 Project update

Jeremy Roberts, Project Director, HumeLink



HumeLink Project update – Status of CPA1 activities and spend

Commercial & Procurement

Implementing a procurement strategy that provides certainty of equipment and optimises costs

- ✓ Contract finalisation with Preferred Contractors close to completion the key challenge is closing out all remaining issues with the Preferred Contractor for West (UGL)
- ✓ Purchase order for Hyosung transformers issued
- ✓ Purchase order for Hitachi shunt reactors ongoing due to adjustments to delivery dates
- ✓ Negotiations underway with shortlisted supplier for HV conductors

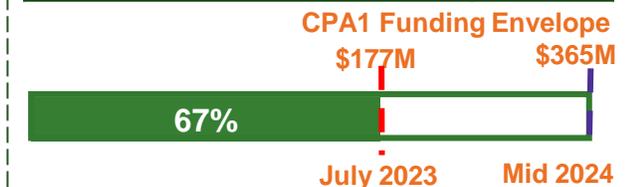
Integration & Engineering

Reducing risk and uncertainty through well-progressed design

- ✓ Technical evaluation of tender confirmation submissions completed for both packages
- ✓ Finalisation of the Employer's Requirements in progress
- ✓ Review of Pre-agreed variations in progress

CPA1 Funding Summary

Actuals to end of Aug-22 (Pre-CPA1 Approval)	\$66.4M
Total (since CPA1 approval)	\$110.6M
Total cost to date as at end Jun 2023	\$177M



- ✓ Response provided to AER following request for clarification in some areas of CPA1 (Part 2) submission

Land Acquisition

Focusing on progressing activities on the critical path to achieve completion as planned

- ✓ Consent to enter: 70.6% of line length
- ✓ 99.6% offers of compensation issued to landholders
- ✓ 45% compensation agreed in principle
- ✓ 13.6% Option Deed fully executed
- ✓ Preparation for the compulsory acquisition process has commenced

Environmental Approval

Ongoing biodiversity risk assessment to drive down Project costs

- ✓ Soft lodgement of the EIS to DPE for 'adequacy review' completed
- ✓ Reviewed the first iteration of the Digital EIS
- ✓ Scoping and preparatory work for the EIS Amendment report assessment has commenced
- ✓ Biodiversity offset delivery strategy has been finalised

Community & Stakeholder

Strong and early to ensure positive social, community and Project delivery outcomes

- ✓ Preparation for EIS stakeholder briefings and public exhibitions in progress
- ✓ Parliamentary inquiry into undergrounding conducted 18 July
- ✓ Media plan developed and announced of updated project costs that will be published by AEMO in July
- ✓ Addressing the announcement of updated cost estimate increases

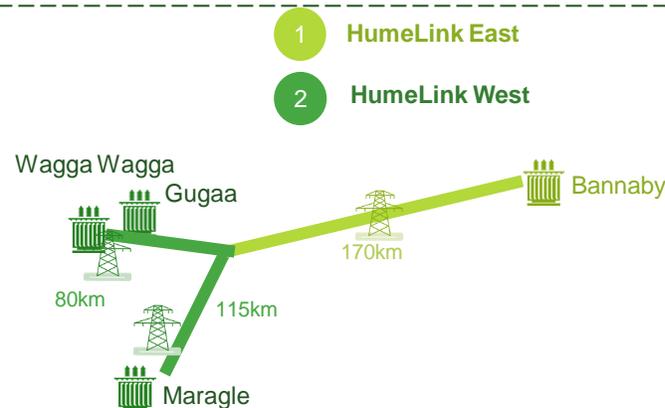
HumeLink CPA-2 project update

Where we are on Project Timeline

- Phase 1 Early Contractor Involvement (ECI) tender evaluations concluded in February with CEO approval of shortlist two bidders. ECI Phase 2 is nearing completion
- Project centre line finalised, All impacted landowners contacted, easement negotiations on track (45%)
- EIS submitted to DPE for preliminary review, exhibition late August early September

Technical

- Refining the technical proposals from the preferred delivery partners, including access tracks, foundations and optimising substation design

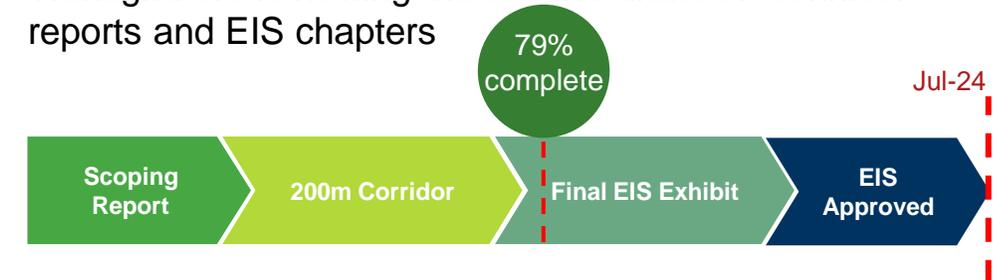


Social Licence

- \$659,510 total project Community Investment expenditure March 2022 to March 2023
- Largest community participation to date in CPP grants. HL contributed \$131,534 in last round

Environmental Approvals

- Transgrid are reviewing the second drafts of technical reports and EIS chapters



Stakeholder Engagement

- 70% consent to enter
- 99% of initial offer letters have been sent to private landholders
- 45% properties have agreed to option agreements (either in principal or already executed)
- More than 80% of landowners have engaged independent professional services (lawyers)

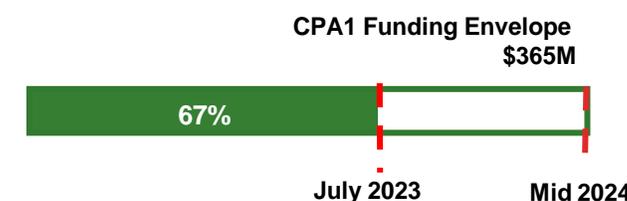
Key engagement activities in last month



- Consultation with DPE and DCCEEW on the planning approval pathway
- Community outreach via RACH
- Progress engagement with NSW RFS
- Agreement to participate in Energy Charter undergrounding transmission infrastructure paper

CPA1 Funding Status

Actuals to end of Aug-22 (Pre-CPA1 Approval)	\$66.4M
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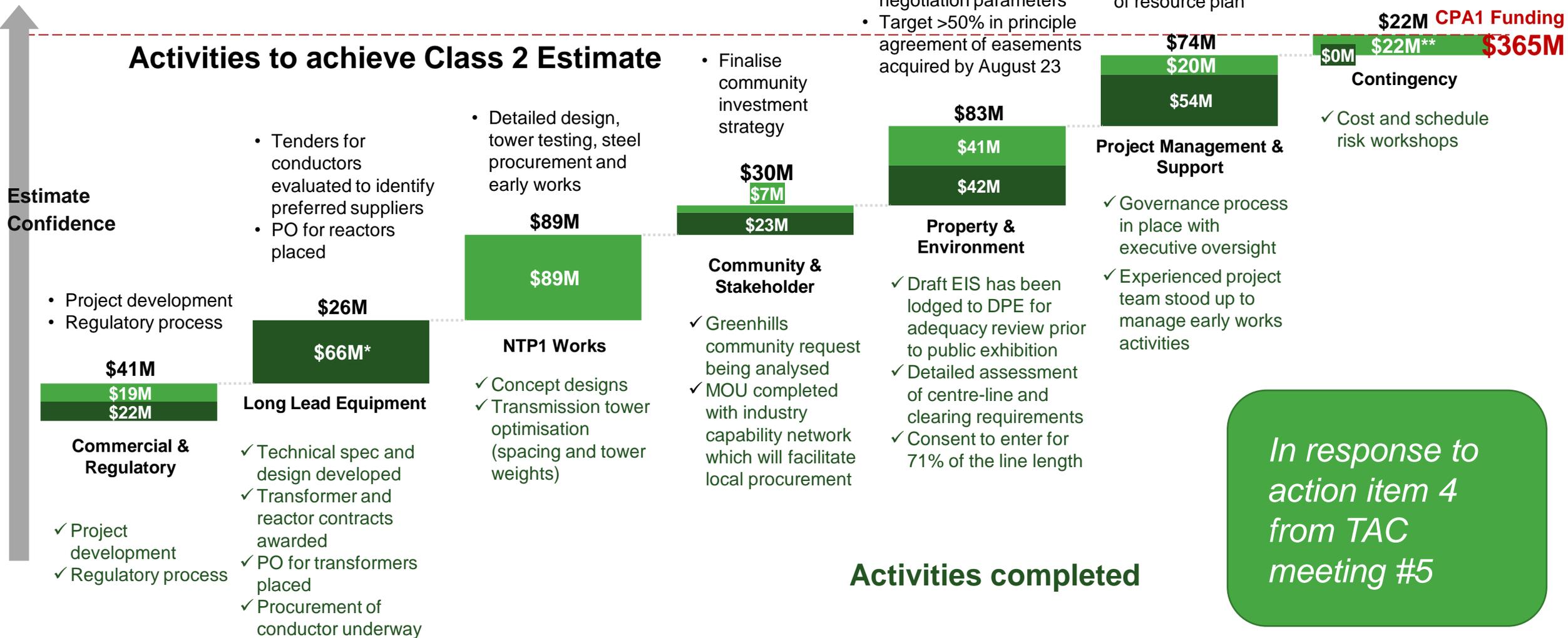


- Notice to Proceed payments for transformers occurred in June and reactor payments expected to occur soon
- Potential for Delivery Contractors to request higher upfront cashflows in CPA1 than anticipated in order to secure resources, plant and materials in current high demand market

Estimate refinement

■ Forecast (CPA1)
■ Spend to Date

Activities to achieve Class 2 Estimate



* Higher spend than budget (\$26M)

** Pending approval (drawdown for increased NTP1 costs)

Long Lead Equipment

De-risking supply chain with early procurement

Against a backdrop of **unprecedented global demand** as nations look to decarbonise their grids, and a lack of local Australian high voltage equipment manufacturing ability and capacity – the programmatic approach of Powering Tomorrow Together has enabled Transgrid to aggregating requirement volumes for the PTT program to **drive commercial savings and deliverability certainty** in a highly constrained labour and equipment supply chain market.

Secure production slots early	<ul style="list-style-type: none"> • Priority access to production facilities • Flexibility and customisation – greater flexibility to refine end requirements and reprioritise without jeopardising production windows
Confirm delivery schedules	<ul style="list-style-type: none"> • Improved logistics and distribution planning • Synchronising production timelines with logistics and inventory management • Early local staging – providing projects more optionality and removing delivery bottlenecks
Enhance key vendor interfacing	<ul style="list-style-type: none"> • Established a strong interface with key suppliers providing: <ul style="list-style-type: none"> - Greater visibility - Improved responsiveness - Flexibility and customisation
Commit early	<ul style="list-style-type: none"> • Enabled Transgrid to make material financial commitments ahead of key regulatory approvals for these projects due to Commonwealth underwriting

Long Lead Equipment Procurement program update

Category	Benefits (Current PTT Projects)	Status
Transformers	7-11% vs budgeted	<ul style="list-style-type: none"> • PTT Contracts Awarded and first orders placed (01/05/2023)
Reactors		
Conductors	3 - 4%	<ul style="list-style-type: none"> • RFT closed in May 2023; on schedule for imminent contract award(s) (July)

In response to action item 3 from TAC meeting #5

CPA 1 progress against goals

CPA-1 activity tracking to achieve expected outcomes

CPA-1 outcomes

CPA-1 activities complete to achieve outcomes

Still to go

How we're tracking



Determine prudent and efficient construction cost for Stage 2



Identify, explore and manage our project risks



Achieve AEMO's target delivery date

Procurement

- ✓ ECI procurement process near complete
Responsiveness maximised through contract model and risk allocation to meet market
- ✓ Preferred East and West Tenderers determined and contracts near finalised
- ✓ Contacts for transformers and reactors executed

- Payment for LLE production slots (submitted CPA1 Part 2 in support)
- Award contract (giving commitment to NTP1)
- Steel tower assembly design and prototype testing
- Detailed design equipment specification, project documentation



Land acquisitions

- ✓ Completed 270 desktop valuations and 143 detailed valuations
- ✓ 42% Option Agreements agreed in principle, 13.6% execute
- ✓ 8 landowner applications issued to OECC
- ✓ Agreement in principle to secure Gugaa substation property

- Completion of detailed valuations
- Acquire options agreements to outstanding properties (target 60-80%)
- Remainder of PAN packages issued to OECC by November 2023
- Execution of agreement for Gugaa substation property (2 weeks)



Project team resources

- ✓ Tender for service partners for Integrated Management Team (IMT) services tenders out to market including project management, land and environmental activities

- IMT tender assessment and contract award
- Integration of resources into project team



Project development

- ✓ Technical surveys, geotechnical reports and concept designs for contractors to prepare their pricing
- ✓ Engagement of Owners Engineer to oversee technical due diligence of the project
- ✓ Engaged legal advice to support procurement and land acquisition
- ✓ Detailed risk register in place

- Refine risks to as low as reasonably possible



CPA-1 activity tracking to achieve expected outcomes (cont.)

CPA-1 outcomes



Determine prudent and efficient construction cost for Stage 2



Identify, explore and manage our project risks



Achieve AEMO's target delivery date



What we have achieved to deliver outcomes

Land and environment

- ✓ Undertaken surveys to identify and protect places of cultural heritage significance along the route
- ✓ Soft lodgement of the EIS to DPE for 'adequacy review'
- ✓ Strategy for biodiversity offsets

Community & stakeholder engagement

- ✓ Engagement with community and local councils to determine needs and priority
- ✓ Aligned HumeLink Aboriginal Engagement with Transgrid stretch RAP
- ✓ Finalised Community Investments benefits plan
- ✓ Implemented HES
- ✓ Completed 14-months of engagement on undergrounding vs overgrounding

Still to go

- EIS exhibition and approval
- Finalise biodiversity offset costs

- Implementation of Aboriginal Participation Plan
- Continued implementation of Community Investment Plan
- Ongoing engagement and justification on community spending to ensure social licence is maintained
- Continued communication for EIS exhibition
- Continued engagement , with community stakeholders and Delivery Partners for smooth transition

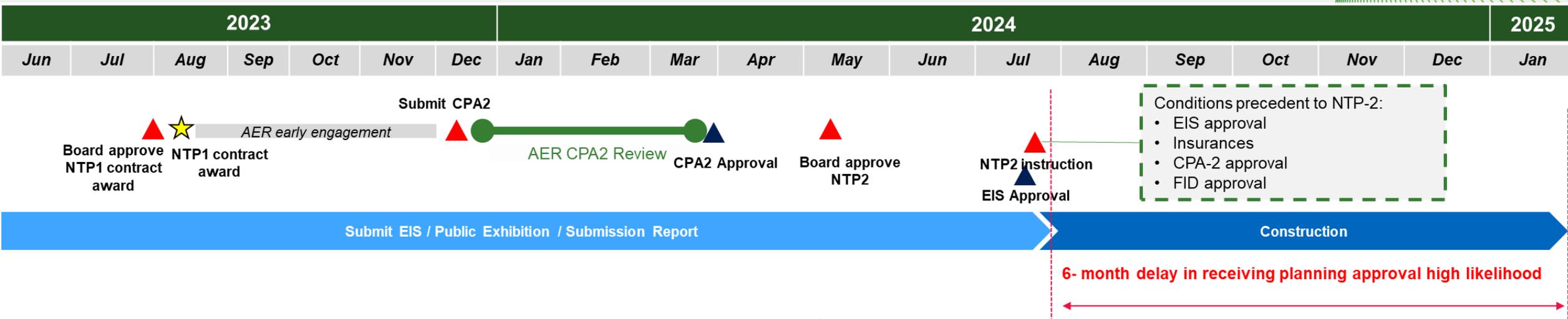
How we're tracking



Transgrid continues to focus on progressing activities on the critical path to meet the accelerated program and mitigate key risks that will delay the Project and cost consumers. These include significant engagement with the AER, DPE, and the community to mitigate risk of CPA2, planning approval and construction commencement delays.

Early commitment required to avoid exposure to delay and related costs

Our commercial risk is high due to cumulative risk of delay and high CESS penalties



Transgrid is executing contracts now to provide cost certainty and lock in critical resources to deliver the project to meet the ISP timeframe.

Due to this early commitment to de-risk the program, Transgrid is exposed to significant delay costs that have a high likelihood of occurring.

Given the level of residual risk that is involved we believe that providing for a prudent and efficient contingency allowance and the removal the CESS for HumeLink is essential, when compared to the counter-factual.

Cost of delay

Scenario: 6-month EIS delay estimated to cost \$229m

Planning Approval / EIS delay	Value	Basis
Contractor delay costs	\$103m	High likelihood of 6-month delay based on PEC (4.5-month delay), Snowy Hydro 2.0 (12-month delay) \$21.6m per month x 6 months
Subcontractor potential escalation	\$72m	\$12m per month x 6 months
Transgrid delay costs	\$54m	\$9m per month x 6 months
Total	\$229m	

Waratah Super Battery update & recap

Stephanie McDougall, GM of Regulation



Overview of Waratah Super Battery (WSB) project and regulatory timeline

Timeframes

- Our WSB non-contestable Revenue Proposal is subject to the EII regulatory framework
- **It is the first non-contestable Revenue Proposal under the EII regulatory framework and the first Revenue Proposal for the WSB project**
 - Draft Revenue Proposal was provided to EnergyCo by 26 May
 - Draft Revenue Proposal to the AER on 8 June
 - Final Initial Revenue Proposal was submitted to the AER by 30 June 2023

WSB regulatory timeline:



Days means business days from submission of IRP to AER on 30 June 2023

Benefit for customers

The Project will play an essential role in meeting the needs of electricity customers at the lowest total cost.

The WSB Project will deliver the following benefits to electricity customers:

- Unlock the potential capacity of the existing network through the network augmentation thereby **allowing more existing generation to be shared**
- Through the SIPS, allow power flows across the network to be monitored and control the operation of the battery energy storage systems (BESS) and paired generators. The SIPS will act as a 'shock absorber' in the event of any sudden power surges, including from bushfires or lightning strikes.

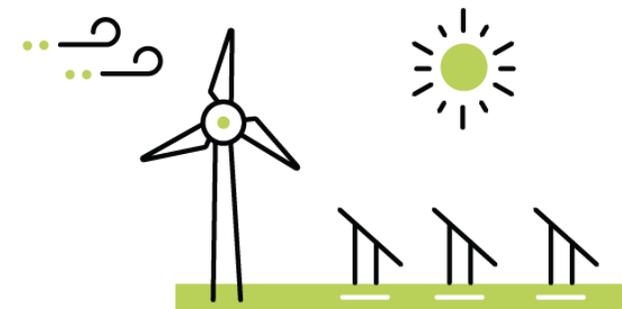
Affordability



Safety, security and reliability



Support the transition



Forecast opex and capex

This shows our total forecast opex of c. \$24.9 million, including debt raising costs and our total capex of \$255.4 million including equity raising costs.

We expect that at least 71 per cent of the capex for WSB will be based on market prices obtained through competitive tender processes

Opex

Opex category	\$ Million Real 2023-24	Basis for Opex forecast
Maintenance costs	2.1	Maintenance unit rates X volumes of activities
Operating costs	20.2	Labour requirements X Labour rates
Insurance	1.7	Independent report
Real input cost escalation	0.6	AER's 2023-28 Revenue Determination
Debt raising costs	0.5	EII PTRM (opening annual RAB value X debt raising benchmark)
Total forecast opex¹	24.9	

Capex

Capex category	\$ Million Real 2023-24	Basis for Opex forecast
Transmission lines	69.8	D&C contract and rates from our procurement panel
Substations	108	D&C contract and rates from our procurement panel
SIPS control	19.3	Quotations, rate from our procurement panel and internal estimates
Labour and indirect costs	56.9	Ellipse and internal bottom-up build
Real input costs	0.3	Internal bottom-up build
Equity raising costs	0.7	Benchmark calculation
Total capex	255.4	

Notes: 1. Totals may not add up due to rounding

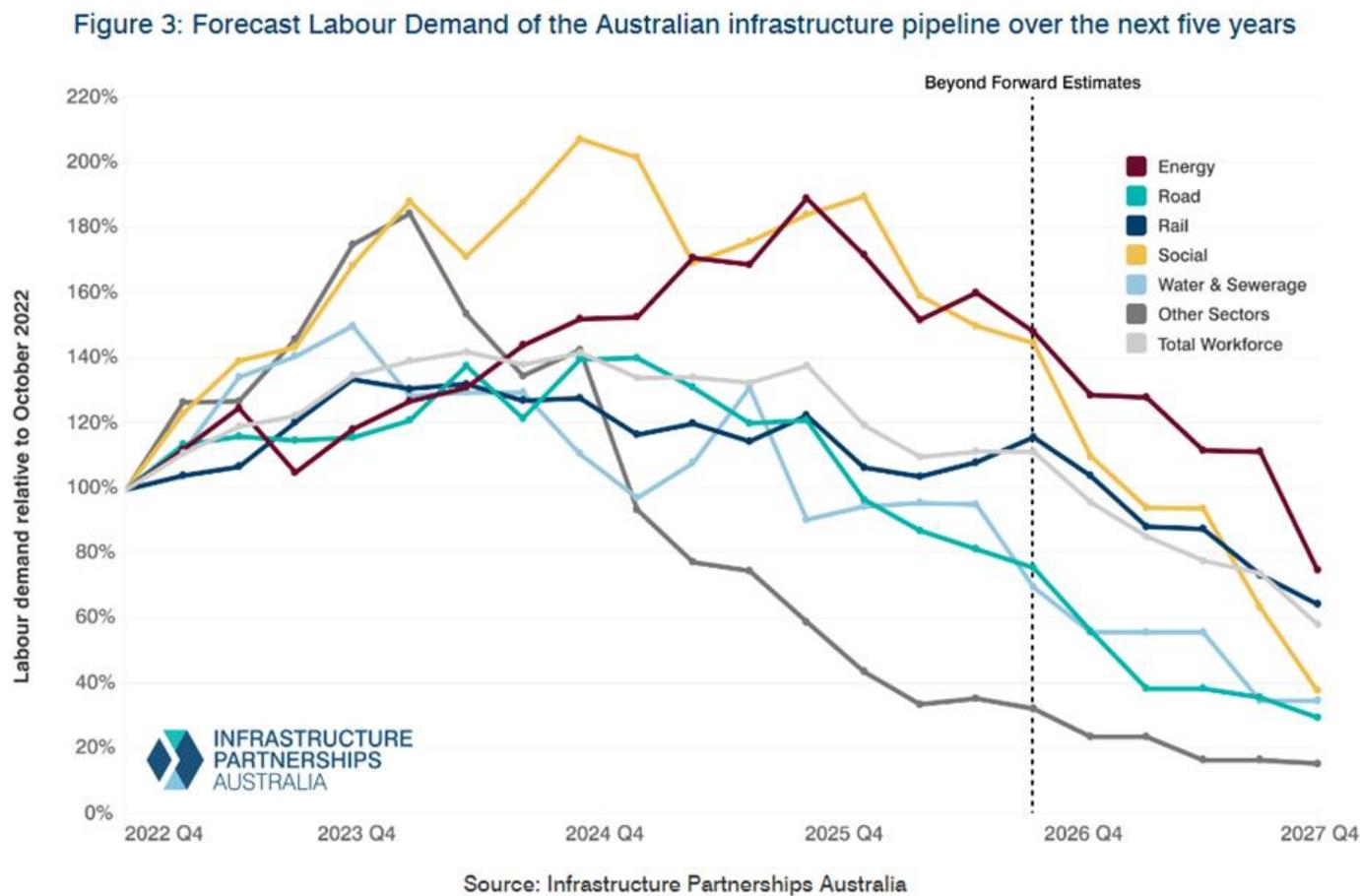
Application of the Capital Expenditure Sharing Scheme (CESS)

- Capex for NSW Roadmap and ISP projects is extremely challenging to accurately forecast due to the scale, complexity of each project
- Probability of overspending against the AER's allowance is greater than the probability of underspending – risk is asymmetric
- With NSW projects, no ability to reprioritise capex – this means the CESS penalties could be large
- If faced with large CESS penalties, the project would generate less than the return that investors would reasonably require to invest
- The characteristics of ISP projects and the current market conditions that give rise to the asymmetric risk are:
 1. **Increasing labour costs** – labour costs are increasing due to the surge in construction activities / demand for construction workers
 2. **Increasing materials costs** – the cost of materials required to build ISP projects are also soaring and volatile due to surge in construction activity globally, supply chain disruptions resulting in materials shortages, the war in Ukraine driving up fuel costs, and fluctuations in global commodity market prices for raw materials
 3. **The inflation outlook remains uncertain** - actual inflation over the 12 months ending June 2022 –
 - headline CPI increased by 6.1% **highest year-ended CPI inflation since early 1990s**
 - RBA forecasts CPI inflation of 6.3% for 12 months to June 2023, **which is even higher**
 - **Producer Price Index (PPI)** for the manufacturing sector increased by **17.7% over 12 months to June 2022**
 3. **Contractors are unwilling or unable to offer fixed price contracts** – they are presently offering contracts with flexible pricing and risk-sharing arrangements to accommodate changes and unforeseen circumstances and safeguard against potential losses

We have proposed that the CESS is not applied to this project. Additional CESS consultation to be held

Application of the CESS

The IPA forecasts that the infrastructure labour force in NSW will be required to grow by 56 per cent by 2024 to deliver the pipeline of infrastructure projects across NSW and Australia.



Labour costs are increasing due to the surge in construction activities

Commonwealth and State Government infrastructure programs - hospitals, roads, bridges and water infrastructure projects

- large transmission projects on AEMO's ODP, NSW Roadmap and state government agendas:
 - > Project EnergyConnect, VNI West, Marinus Link, Sydney Ring
 - > NSW Government's REZs such as Central-West Orana REZ, New England REZ or Hunter-Central Coast REZ, and
 - > CopperString which is which is supported by the Queensland Government and is being built by Powerlink in north Queensland

Source: Infrastructure Partnerships Australia (IPA), Infrastructure Election Monitor NSW – Red Book, Figure 3

Regulatory Policy and Government Relations update

Stephanie McDougall, GM Regulation and Regulatory Reform

Emma Ashton, Government and Stakeholder Relations Manager



Regulatory Policy update

Financeability rule changes:

- Commonwealth and Energy Networks Australia (ENA) financeability rule changes consolidated by the AEMC
- Submissions due 3 August 2023

Concessional finance rule change:

- Transgrid made a submission to the AEMC's consultation paper on the rule change suggesting a transparent and streamlined three step process for the treatment of concessional finance in the National Electricity Rules
- The AEMC will now prepare a draft rule determination (due 21 Sep 2023)

Nationally Significant Transmission Projects framework:

- Transgrid has been engaging with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) on a nationally significant transmission projects framework which was announced at the Energy Ministers meeting in October 2022
- We understand DCCEEW is working towards providing an update to Energy Ministers for the November 2023 meeting.

Government Relations Update

- NSW Parliamentary inquiry into feasibility of undergrounding transmission infrastructure
Hearing currently occurring
- The Federal Government's newly announced Community Engagement Review to bolster reforms in community engagement around renewable energy infrastructure upgrades and new developments – to be led by the AEIC
- CEO meetings with the NSW Minister for Agriculture, The Hon. Tara Moriarty and NSW Leader of the Nationals, Dugald Saunders
- HumeLink pre-EIS meetings with Local Councils, Members of Parliament and Departments
- VNI West meeting updates for Members of Parliament on recent community engagement and further discussion on the Draft Corridor Report

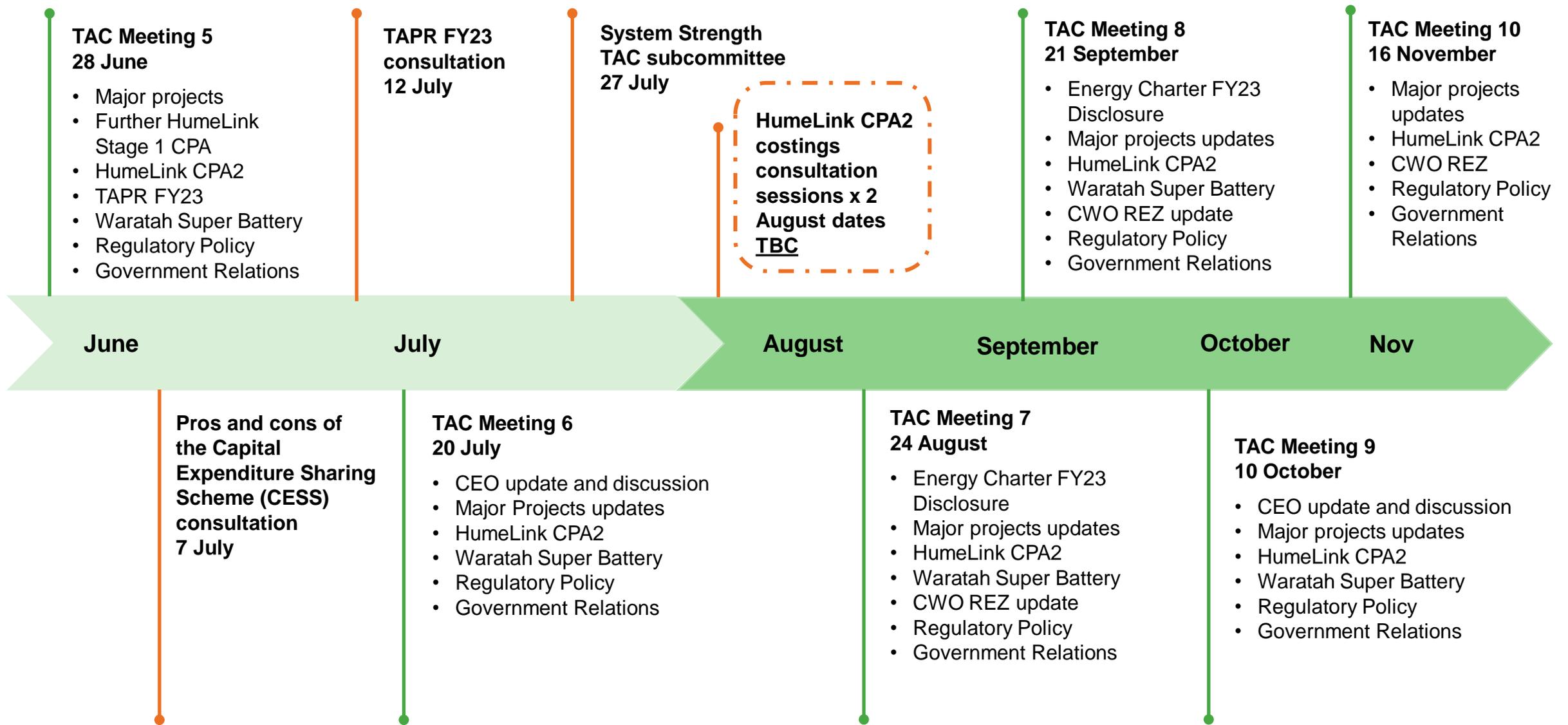
Summary and next steps

Maryanne Graham, EGM, Corporate and Stakeholder Affairs



TAC meeting program for the next 6 months

**8 consultations since March 1, 2023.
Thank you for your participation**



Tracking meeting satisfaction

A reminder to complete our short poll

To what extent do you feel you had an opportunity to effectively engage today?



not effective



very effective

Do you have further feedback on any of the following topics discussed today?

- CEO update and group discussion
- Major Projects portfolio update
- HumeLink CPA 2 project update
- Waratah Super Battery update
- Regulatory Policy and Government Relations update

We appreciate your feedback

Would you like to join us for a tour of the Wallgrove Grid Battery and Control Room?



Thank you

Contact details

For further information or discussion, please contact:



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