



TransGrid



**ENERGY
CONSUMERS
AUSTRALIA**

Powering Sydney's Future Stakeholder Monitoring Committee

Committee proposal and purpose

Details of the involved parties.

Name TransGrid
Address Level 1, 180 Thomas Street, Sydney, NSW 2000

AND

Name Energy Consumers Australia
Address Suite 2, Level 14, 1 Castlereagh Street Sydney
NSW 2000

Powering Sydney's Future Stakeholder Monitoring Committee

1. Project need and engagement overview

Sydney is Australia's largest city and a key centre of national economic activity. A reliable electricity supply to inner Sydney, which includes the Central Business District, is crucial to the economic prosperity of the entire country, as well as the lives of those who live and work in the area. Key elements of the current electricity network supplying inner Sydney are deteriorating and in need of replacement.

TransGrid and Ausgrid have jointly proposed the Powering Sydney's Future (PSF) project, which will replace aging cables with a single new 330kV cable from Rookwood Road substation to Beaconsfield West substation.

PSF has been subject to the Regulatory Investment Test requirements of the National Electricity Rules. PSF was significantly amended following extensive engagement with consumer groups and the Australian Energy Regulator (AER). The final proposal is to build a single cable, but install the conduit for two cables, meaning capacity can be increased in the future with a reduced requirement to dig up roads and undertake other major civil engineering along the 20km cable route. Staging the project in this way will help guard against premature investment and provides option value to customers.

PSF is a unique project, due to its numerous drivers and complexities, especially related to the failure rate of the current cables and future electricity demand in inner Sydney. In light of stakeholder views regarding the uncertainties inherent in forecasting such matters, TransGrid has made a commitment to ongoing consumer engagement with stakeholders on the project. This innovative and unprecedented approach to project oversight will ensure transparency of implementation and that the best interests of consumers are kept at the forefront of important decisions.

2. The Stakeholder Monitoring Committee – proposal and purpose

The needs of consumers should be at the heart of all decisions. In response to the concerns raised regarding the implementation of the project, Energy Consumers Australia (ECA) and TransGrid have agreed to create a Stakeholder Monitoring Committee (the Committee) for the implementation of PSF.

The creation of the Committee represents a commitment to provide ongoing engagement with consumers on key aspects of the project's development. The Committee will provide consumers with transparency of the project rollout. The Committee reflects the unique nature of the PSF project.

3. Stakeholder Monitoring Committee structure and operation

- A. The Committee will be created by ECA, in partnership with TransGrid. The details of governance for the Committee will be developed by the Committee and published by ECA.
- B. The role of the Committee is to:
1. Meet with TransGrid to monitor the costs and timing of the PSF project.
 2. Provide consumers with a mechanism for continued engagement with the PSF project rollout. Reports and recommendations of the Committee will be public and carefully considered by TransGrid, who will maintain full decision making responsibility.
 3. Where it is agreed that the project can be deferred or substantially reduced in scope, the financial benefits would be passed through to consumers in full.
- C. The Committee will meet on a bi-annual basis to receive updates and feedback from TransGrid for the duration of the PSF project. Additional meetings may be convened if deemed necessary for specific elements of the project rollout.
- D. Membership of the Committee will be coordinated by ECA, in consensus with TransGrid.
- E. TransGrid will support the Committee by providing the information that is required for the Committee to perform its function, and by being responsive to reasonable requests for additional material. TransGrid is committed to providing the Committee with access to all relevant information. In return, the Committee members will commit to respecting confidentiality constraints as defined by executed confidentiality agreements.
- F. The Committee may engage independent expert advice. The funding of any independent advice commissioned by the Committee will be agreed with TransGrid.
- G. TransGrid will facilitate Committee meetings at its offices and provide information to the Committee regarding the relevant stages of the project. Information and updates provided by TransGrid (if not bound by confidentiality) may be communicated externally by the Committee as part of the commitment to a transparent process. TransGrid will also provide separate project updates in line with its project plan and community engagement objectives.



Rosemary Sinclair
CEO
Energy Consumer Australia



Paul Italiano
CEO
TransGrid