

# Transgrid

## ▼ Revenue Proposal 2023-24 to 2027-28

**CCP presentation to AER Public Forum 4 April 2022**  
**CCP25: Elissa Freeman, Rob Nicholls, Mike Swanston**

## Acknowledgement of Country

- **We are all on the lands of many Indigenous nations**
- **We recognise the traditional owners of these lands**
- **We pay respect to the knowledge embedded forever within the Aboriginal Custodianship of Country**

# Consumer Challenge Panel

- **The objective of the CCP is twofold:**
  - To advise the AER on whether the long-term interests of consumers are being appropriately considered in regulatory proposals and the AER's decision making; and
  - To provide an assessment of networks' consumer engagement, including the extent to which proposals reflect consumer preferences
- **Appointed in December 2021**
- **Review limited to documents, rather than observation**

# Engagement

- Nature of engagement
  - Genuine desire for engagement
  - Accountability
  - Leveraging BAU
  - Engagement on reset started later

# Engagement

- **Depth and breadth**
  - Shift from “inform” to “engage”
  - Timing issues
  - Right people in the room
  - Limited resources

# Engagement

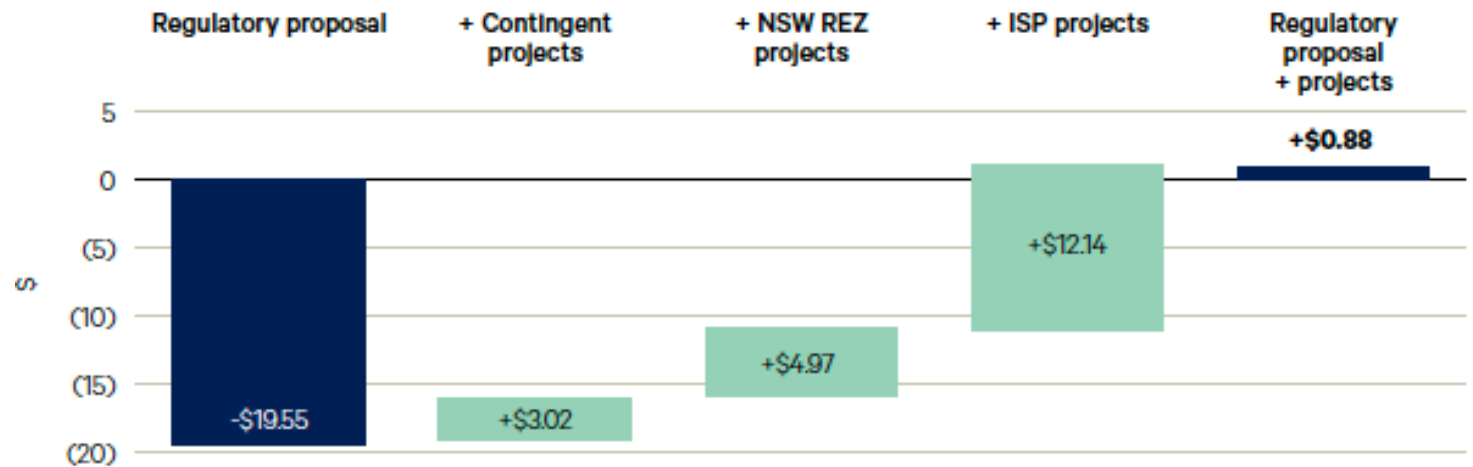
- **Impact of engagement**
  - **Stakeholder Engagement Report**
  - **Two direct impacts of the TAC**
    - **Narrative**
    - **Capex to contingency**

# Capital Expenditure 1

- ✓ We have no significant concerns regarding Transgrid's reset capital proposal, and believe the planned expenditure was reasonably considered by the TAC
- ✓ After TAC engagement, a 5% reduction since the preliminary proposal
- \* Significant contingent project costs of \$4 billion was discussed in the TAC, but more clarity on the potential price impact would help.
- ✓ Acknowledge the ISP and REZ capex

# Capital Expenditure 2

- We are keen to see transparent and meaningful engagement on all investments that may add to the asset base (RAB) and place upward pressure on prices
- Significant increase in capex driven by non-reset issues
- Transparency for the ‘true price impact’ for consumers





# Operational Expenditure

- Engagement on Opex
  - Benchmarking
  - TAC was briefed (informed)
  - Upward pressure on opex costs (e.g. insurance)

# Some Learnings

- **From our review:**
  - Engagement journey and destination
  - Issues outside of the reset
  - Engagement culture
  - TNSP stakeholder engagement
  - Customers need clarity on price impacts for works that transcend industry 'silos'. For Transgrid, that means the price fall for regulated works is of very limited use for consumers.

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