

2023-27

POWERLINK QUEENSLAND  
REVISED REVENUE PROPOSAL

Appendix 3.02 – PUBLIC

Post Revenue Proposal Lodgement  
Engagement Plan

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# Engagement Plan Post Revenue Proposal Lodgement

Powerlink Queensland

NOVEMBER 2021

Version 2

2023-27  
REVENUE  
DETERMINATION  
PROCESS



## Purpose

The purpose of this plan is to guide Powerlink's engagement approach between the lodgement of its Revenue Proposal in January 2021 to the Australian Energy Regulator (AER) and the submission of our Revised Revenue Proposal planned for December 2021.

We acknowledge that while significant elements of our Revenue Proposal have gained support from our customers, or conditional support pending AER review, it is important to continue to engage with customers prior to the lodgement of our Revised Revenue Proposal.

Given the significant engagement undertaken to date on our 2023-27 Revenue Proposal, this plan is focused around Customer Panel/Revenue Proposal Reference Group (RPRG), AER and AER Consumer Challenge Panel (CCP23) engagement. We will also undertake broader engagement as necessary and appropriate (e.g. with our directly connected customers on our Proposed Pricing Methodology).

To provide clarity and ease of reference, we developed this separate plan to guide activities post Revenue Proposal lodgement. However, please note that this plan builds on and should be considered in conjunction with our [previous Engagement Plan](#) which guided activities in the lead up to the submission of our 2023-27 Revenue Proposal.

## Our engagement commitment, goals and principles

Engagement on our Revenue Determination process is an extension of our business as usual engagement activities. Our engagement is guided by our commitment to the following:

- [Stakeholder Engagement Framework](#)
- [Powerlink's Customer Service Charter](#)
- [The Energy Charter](#).

We remain committed to our co-design engagement approach with our customers, and our long-standing engagement goal:

*To undertake engagement to deliver a Revenue Proposal that is capable of acceptance by our customers, the Australian Energy Regulator and Powerlink.*

Our goal is underpinned by our engagement principles:

- **Active Engagement** - actively involve customers and stakeholders in developing and refining our engagement approach.
- **Appropriate Influence** - engage at the appropriate level of the IAP2 Spectrum so that customer and stakeholder feedback appropriately influences decisions.
- **Plan Ahead** - communicate timings for key engagement activities well in advance to maximise participation by customers and stakeholders.
- **Efficient Scope** - ensure scope leads to efficient engagement by discussing the elements of Powerlink's Revenue Proposal that have the greatest ability to be influenced and significant impact on Maximum Allowed Revenue (MAR) or improvement of outcomes.
- **Appropriate Resourcing** - provide education and funding support to allow customer representatives to undertake independent research and reviews if required.

- **Accessible Information** - present information in a clear and accessible manner so that customers and stakeholders can meaningfully participate in engagement activities and provide informed feedback.
- **Demonstrate Impact** - demonstrate how engagement has changed Powerlink's positions throughout the process by regularly communicating with customers and stakeholders about how their feedback was taken into account.

## Post Revenue Proposal Lodgement Engagement Activities

### January to November 2021

This plan was updated in November 2021 to outline the engagement activities undertaken between January and November 2021. For reference, we have also included engagement activities undertaken by the AER which several of our customers participated in.

#### *4 March - RPRG meeting*

We provided an overview of key positions in the Revenue Proposal and engagement next steps, and had a detailed discussion on our positions related to the Service Target Performance Incentive Scheme (STPIS).

#### *18 March - Customer Panel meeting*

We discussed the Customer Panel's Statement on Engagement, which was lodged with our Revenue Proposal. In particular, discussions focused on the concept of capable of acceptance, with comments on the potential benefit of starting the conversation earlier about what capable of acceptance looked like and the criteria to be met.

#### *8 April - AER Public Forum*

The AER hosted a Public Forum on our 2023-27 Revenue Proposal, which included presentations from the AER, AER Consumer Challenge Panel 23 (CCP23), our Customer Panel, Energy Users Association of Australia (EUAA) and Powerlink. The overall feedback from presentations at the forum was positive, with the AER CCP23, EUAA and our Customer Panel broadly stating that our Revenue Proposal is reasonable/capable of acceptance, subject to the AER's review.

#### *19 April - Customer Panel meeting (without Powerlink representatives)*

The Customer Panel met without Powerlink representatives to shape its submission to the AER's public consultation process. The Panel identified four areas for further discussion with Powerlink:

- Operating expenditure productivity initiatives;
- Our Cost Allocation Methodology (CAM);
- Demand Management Innovation Allowance Mechanism (DMIAM); and
- Impact of potential future increases in the Weighted Average Cost of Capital (WACC).

#### *12 May - Customer Panel meeting*

We provided further information on the four topics identified by the Customer Panel and answered further questions from Panel members, to help inform submissions to the AER.

#### *19 May - Customer Panel meeting (without Powerlink attendance)*

The Customer Panel met without Powerlink representatives to finalise its submission to the AER's public consultation process.



## *March to May - Submissions to the AER on the Revenue Proposal*

The AER called for submissions on our Revenue Proposal between 24 March and 24 May 2021. The AER received four submissions from our Customer Panel, EUAA, Aurizon Network and the AER's CCP23.

## *17 June - Customer Panel meeting*

We provided a brief overview of the submissions received on our Revenue Proposal and identified potential future engagement activities prior to the release of the AER's Draft Decision in September 2021.

## *August - Response to public submissions*

Powerlink reviewed each submission on our Revenue Proposal and published a summary document in August 2021 which outlined key themes, areas of support/endorsement and topics that require further discussion.

## *10 August - RPRG meeting*

We discussed our response to public submissions, this engagement plan and engagement next steps, the DMIAM and capital productivity - a topic of interest raised by our Customer Panel, the EUAA and CCP23.

## *17 September - RPRG meeting*

Discussions focused on the application of the DMIAM in Powerlink's Revised Revenue Proposal. We proposed to engage at the 'Empower' level in the International Association for Public Participation (IAP2) Spectrum and enable the Customer Panel to decide whether Powerlink should seek to apply the DMIAM in the 2023-27 regulatory period. An updated version of the Business Narrative was also discussed and provided to Customer Panel members for feedback.

## *29 September - Customer Panel meeting (without Powerlink attendance)*

The Customer Panel met without Powerlink representatives to discuss and provide a formal recommendation on how Powerlink should apply the DMIAM in its Revised Revenue Proposal. This recommendation was provided on 29 October.

## *30 September - AER Draft Decision*

The AER released its Draft Decision on Powerlink's Revised Revenue Proposal.

## *14 October - AER Public Forum*

The AER held a Public Forum on its Draft Decision. The Forum included presentations from the AER, Powerlink and CCP23.

## *22 October - Customer Panel meeting*

A session was held with the Customer Panel to provide an overview of the AER's Draft Decision and seek input on Powerlink's preliminary Revised Revenue Proposal positions. A discussion was also held with panel members on their decision with regards to application of DMIAM and commitment to making a statement on capable of acceptance.

## *26 October - Directly-connected customer engagement*

We wrote to our directly-connected customers and offered one-on-one discussions on our Revised Proposed Pricing Methodology.

## 15 November - Transmission Network Forum

Powerlink's annual flagship engagement event provides the opportunity for customers and stakeholders to gain greater insights into the energy system transformation and latest information on our Revenue Determination process. A dedicated display stand was held at the Forum for customers and stakeholders to learn more about Powerlink's revenue determination process, engagement activities and Revised Revenue Proposal positions.

This year's event was held in a hybrid format, with more than 150 attendees in person while also being live streamed. This reflects Powerlink's focus on providing regional and interstate customers and stakeholders with the opportunity to be involved in our engagement activities.

## Post lodgement of Revised Revenue Proposal

After the lodgement of our Revised Revenue Proposal, the AER will call for public submissions on its Draft Decision and our Revised Revenue Proposal. We will discuss with our customers what engagement activities may be required after this point.

This *may* include:

- an RPRG/Customer Panel meeting to clarify any points in the Revised Revenue Proposal prior to the close of public submissions and for customers to provide their views on the Revised Revenue Proposal to Powerlink;
- post public submissions closing on the Revised Revenue Proposal, a discussion on any material matters raised; and
- a final wrap-up session with the RPRG/Customer Panel in May 2022, which will include an overview of the AER's Final Decision and a lessons learnt session to capture potential areas for improvement for the next Revenue Determination process or as part of BAU engagement.

## Evaluation

In its Draft Decision, the AER stated our Revenue Proposal was capable of acceptance and accepted all major aspects of it, including our capital and operating expenditure and Proposed Pricing Methodology.

The extensive engagement undertaken with our customers, stakeholders, the AER and the AER's Consumer Challenge Panel (CCP23) has been a key driver in achieving our overarching goal to deliver a Revenue Proposal that is capable of acceptance by our customers, the AER and Powerlink. Our engagement is built on the strong foundations we undertake in the normal course of business.

Powerlink's engagement approach has been commended by the AER, customers and industry – winning the 2021 Energy Network Consumer Engagement Award, run jointly by Energy Networks Australia (ENA) and Energy Consumers Australia.

Powerlink's Customer Panel will submit its own statement on capable of acceptance as an appendix to our Revised Revenue Proposal.

## Business as Usual engagement

In addition to the activities outlined in this plan, which focus on engagement on our Revenue Determination process, there are a range of BAU engagement activities which provide opportunities for customers and stakeholders to influence Powerlink decision-making. These activities include:

- Customer Panel meetings – which focus on a range of topics including network investment, community engagement approaches, Integrated System Plan (ISP), Powerlink Strategy.
- Regional engagement – we are committed to engaging with regional customers and stakeholders. As part of this commitment, Powerlink planned to host an engagement forum in Cairns in May 2021. Unfortunately, this event had to be cancelled due to low customer interest. We are currently working on a format for regional engagement forums in 2022.
- Local Government engagement – we regularly meet with Mayors, Councillors and senior executives of Local Government Areas (LGAs) to discuss Powerlink operations.
- Direct stakeholder briefings – briefing sessions are regularly organised with stakeholder groups.

## Powerlink’s Post Lodgement Engagement Schedule

The following outlines at a high level the proposed timings of key engagement activities from lodgement of our Revenue Proposal in January 2021 up to lodgement of our Revised Revenue Proposal in December 2021 against key regulatory milestones. This schedule will be reviewed and updated as required.

	2021											
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
<b>Regulatory milestones</b>	Powerlink lodges Revenue Proposal		AER releases Issues Paper and calls for public submissions	AER Public Forum	Closing date for public submissions				AER Draft Decision	AER Pre-determination Conference		Powerlink due to lodge Revised Revenue Proposal
<b>Engagement activities</b>			RPRG meeting Customer Panel meeting	AER Public Forum Customer Panel meeting <sup>#</sup>	Customer Panel meeting and Customer Panel meeting <sup>#</sup>	Customer Panel meeting		Response to public submissions RPRG meeting	RPRG meeting Customer Panel meeting <sup>#</sup>	AER Public Forum Customer Panel meeting	Transmission Network Forum	
	One-on-one briefings as required											

# Meeting was without Powerlink attendance.



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