2024-29
Revenue Proposal Overview

Waratah Super Battery Project (non-contestable)

June 2023

Transgrid

People. Power. Possibilities.

Contents

Acknowledgement of Country

In the spirit of reconciliation Transgrid acknowledges the Traditional Custodians of the lands where we work, the lands we travel through and the places in which we live.

We pay respects to the people and the Elders, past, present and emerging and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW and ACT.

About us and this Revenue Proposal

Transgrid operates the high voltage transmission network in New South Wales (NSW) and the Australian Capital Territory (ACT), which services about four million customers. Our transmission network supplies higher peak loads and transmits more energy annually than any other transmission network in Australia. We are also a network operator for the purposes of the Electricity Infrastructure Investment (EII) Act 2020 (NSW).[1]

On 30 June 2023, Transgrid submitted its Revenue Proposal for the non-contestable component of the Waratah Super Battery Project (WSB) for the regulatory period commencing 1 July 2024 and ending 30 June 2029 (2024-29). This document has been prepared for customers and other stakeholders to provide an overview of our Revenue Proposal.

This is our first non-contestable Revenue Proposal for the WSB Project and the first non-contestable Revenue Proposal under EII Act. Our Revenue Proposal explains our 2024-29 forecast capital expenditure (capex), operating expenditure (opex) and revenue as well as the amount we propose to be paid by the Scheme Financial Vehicle delivering the Project.

The Waratah Super Battery Project

About the WSB Project

The WSB project is part of the NSW Electricity Infrastructure Roadmap. WSB will be the largest standby network battery in the Southern Hemisphere.[2] It is critical to the affordability, reliability, security and sustainability of electricity supply in NSW, given the expected closure of Eraring Power Station in August 2025. WSB comprises contestable and non-contestable components:[3]

- the non-contestable component involves augmentation of our existing transmission network and the installation of the System Integrity Protection Scheme (SIPS) control, and
- the contestable components are the SIPS (battery) and paired generation services.

Australian Energy Market Operator's (AEMO) 2022 Final 2022 Integrated System Plan (2022 ISP) has classified WSB[4] as an Actionable NSW project, which should be progressed urgently.[5] WSB is also part of the NSW Electricity Infrastructure Roadmap.

On 2 August 2022, the NSW Minister for Energy (Minister) appointed EnergyCo as the Infrastructure Planner for the WSB Project (contestable and non-contestable), which constituted a priority transmission infrastructure project (PTIP) under the EII Act. On 14 October 2022, the Minister published an Order directing Transgrid as the Network Operator to carry out the contestable and non-contestable components of the Project.[6]

1 Electricity Infrastructure Investment (EII) Act 2020 (NSW)
2 EnergyCo, Draft Network infrastructure Strategy for NSW, September 2022
3 The Minister directs Transgrid to carry out the WSB Project in accordance with section 32 of the EII Act
4 Both the contestable and non-contestable components
5 AEMO, 2022 ISP, June 2022 p.70
6 The WSB Delivery Plan is set out in the Ministerial Order

Our Revenue Proposal relates only to the non-contestable work, which is referred to as 'the Project' or 'WSB Project'. Where this Revenue Proposal overview refers to the entire project, we use the term 'WSB Project (contestable and non-contestable)'.

Project description and timing

On 14 October, the NSW Government gazetted the *Priority Transmission Infrastructure Project Direction (Waratah Super Battery Project) Order 2022 (Order)* and the NSW Minister directed Transgrid as the Network Operator to carry out the WSB project (contestable and non-contestable).[7] The Order sets out the scope of the contestable and non-contestable elements of the Project. We must comply with the WSB Delivery Plan detailed in the Order in carrying out the project.

The WSB Project involves increasing the thermal ratings of specific transmission lines, allowing existing generation to transmit more energy to meet demand in the Sydney, Newcastle, Wollongong region. The Project will form an integral part of our existing transmission network once operational and involves:

- uprating existing transmission lines and substations. This involves:
  - uprating transmission lines 3L, 4 and 5 to operate at 85°C and line 39 to operate at 120°C. This requires the installation of new structures, modification of insulator arrangements and tower strengthening activities to ensure appropriate ground clearances are maintained, and
  - uprating equipment at 22 substations from Dumaresq near the Queensland border down to Upper Tumut in the Snowy Mountains near the Victorian border to unlock the potential capacity of the existing network. This requires the replacement of HV terminal equipment and modification of secondary systems.[8]
- designing, installing, commissioning and operating the SIPS control. The SIPS control will monitor the transmission lines for overload conditions and, subject to any overload, engage the SIPS (battery) and paired generation services.[9] The SIPS control will be one of the most complex schemes of its type installed in the NEM and will be critical to the reliability and security of the NSW power system into the future.

The WSB Project has two delivery stages (otherwise known as commissioning dates):

1. deliver SIPS control and complete the first portion of network augmentations by 1 November 2024, and
2. complete all network augmentations by 1 August 2025.

Table 1 provides further details on the non-contestable works and the milestone dates.

Our Revenue Proposal is consistent with the Minister's direction and our contractual arrangement relating to the WSB Project, in particular the Network Operator Deed.[10]

[7] NSW Government Gazette No 473, 14 October 2022
[8] This will remove constraints on 20 transmission lines increasing the ability to transmit energy over the network.
[9] EnergyCo, Waratah Super Battery, March 2023
[10] Network Operator Deed – Waratah Super Battery Project, 17 October 2022. Schedule 2 and Schedule 3 of the Network Operator Deed detail the scope of the WSB Project.

Table 1: Scope and timing of the Project

Work element	Definition of the works	Milestone date	Category of capex
Network Augmentations – Northern Works	Feasibility assessment, augmentation and delivery of substation works associated with: • Line 81 Liddell to Newcastle • Line 82 Liddell to Tomago • Line 83 Liddell to Muswellbrook • Line 84 Liddell to Tamworth • Line 85 Armidale to Tamworth • Line 86 Armidale to Tamworth • Line 88 Tamworth to Muswellbrook • Line 8C Dumaresq to Armidale • Line 8E Sapphire to Armidale • Line 8J Dumaresq to Sapphire	1 November 2024	Substations
Network Augmentations – Southern Works	Feasibility assessment, augmentation and delivery of transmission lines and substations works associated with: • Line 39 Bannaby to Sydney West • Line 3L/4 Yass to Marulan • Line 5 Yass to Marulan	Line 39 – 1 November 2024 Lines 3L/4 and 5 – 1 August 2025	Transmission Lines
	Feasibility assessment, augmentation and delivery of substation works associated with other southern transmission lines.	1 August 2025	Substations
SIPS Control	Planning, design, coding, installation, delivery, commissioning and operation of the SIPS control and communications systems and interfaces.	1 November 2024	SIPS control

Customer benefits

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

- unlock the potential capacity of the existing network through the network augmentation works allowing more existing generation to be shared, and
- 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 bush fires or lightning strikes.[11]

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

[11] EnergyCo, Waratah Super Battery, March 2023

Customer and stakeholder engagement

Our engagement approach

Our focus is on delivering better outcomes for electricity customers as Australia transitions to a clean energy future. The Transgrid Advisory Council (TAC), which is our customer consultative committee, has been our primary forum for engagement on this Revenue Proposal. TAC members represent consumer and business advocates, renewables generators and large customers. Our TAC meetings are facilitated by our Executive and Leadership team to ensure customer and other stakeholders' views are shared broadly across our business.

The TAC met monthly from February to June 2023, allowing us to seek members' views and positions on the WSB Project, the EII regulatory framework and key positions and proposals in this Revenue Proposal. The TAC has been generally supportive of our proposed approach. Where we have received specific feedback from the TAC, we have reflected it in this Revenue Proposal. The Australian Energy Regulator (AER) attended and participated in our TAC meetings, and so responded directly to TAC members' questions, where relevant.

We have also met regularly with the AER and the Energy Corporation of NSW (EnergyCo) in preparing our Revenue Proposal. Feedback from the AER and EnergyCo has informed the content and structure of our Revenue Proposal and supporting documentation.

We welcome the constructive and positive approach adopted by all stakeholders and appreciate the input and views received, noting that this is a new revenue-setting process for all parties. We welcome feedback on our Revenue Proposal as we maintain our on-going engagement with the TAC and other stakeholders in the next phases of the revenue determination process.

Our engagement activity and feedback and how we have responded

Transgrid Advisory Council

As noted above, our TAC is the primary forum for engagement on our WSB Revenue Proposal. Since February 2023, we have held monthly meetings with the TAC, where members were invited to discuss and provide their views, input and perspectives on the following matters:

- the NSW regulatory framework, in particular EII Chapter 6A
- the need (driver), scope and timing for the WSB Project
- our approach to determining prudent, efficient and reasonable forecast capex, and
- our proposals and positions on key elements of this Revenue Proposal.

NSW regulatory framework

We discussed with the TAC that the EII Chapter 6A substantially replicates Chapter 6A of the NER and that, given the close alignment between them for most elements of this Revenue Proposal, we have aligned our positions and approaches with those approved by the AER in its 2023-28 Revenue Determination, which was published on 28 April 2023.

The TAC was generally supportive of this approach and expressed its overall support for the Revenue Determination process, which is similar to the process under the NER and notwithstanding that the timeframes are truncated. Similar to the NER process, it:

- invites stakeholder submission on our initial Revenue Proposal
- involves an AER Draft Decision on our initial Revenue Proposal
- involves us submitting a Revised Revenue Proposal, and
- requires the AER to publish its Final Decision.

The TAC acknowledged that the development of the EII Chapter 6A is led by the NSW Office of Energy and Climate Change (OECC) and is therefore outside of our control. As a result, there is little opportunity for collaboration or influence with the TAC on the nature of the regulatory framework.

Our engagement with the TAC on the regulatory framework therefore focused on informing rather than involving or collaborating.

Need, scope and timing for the Project

We discussed with the TAC that the need (i.e., driver), scope and timing of the Project is determined by the Ministerial Order. The TAC acknowledged that given this, decisions on these matters are outside of our control and as a result, there is little opportunity for collaboration or influence with the TAC on these matters. Our engagement with the TAC on need, scope and timing for the Project, therefore, focused on informing rather than involving or collaborating.

Forecast capex

We discussed with the TAC that:

- we developed our capex forecast using a bottom-up build for each category of capex, and
- more than 70 per cent of our forecast capex is based on market prices determined by our competitive procurement process.

We explained that our forecast capex is prudent and efficient, noting that it reflects our best estimate of the market-tested costs that we will incur.

The TAC was generally supportive of our forecasting approach and our forecast capex.

Managing cost uncertainty

We discussed with the TAC three key areas of cost uncertainty during the 2024-29 period:

The Capital Expenditure Sharing Scheme (CESS) – We explained that we do not support the application of the CESS to the WSB project because it the uncertain operating environment conditions and project characteristics, which are beyond our control, give rise to asymmetric risk. This means the probability of overspending the AER's capex allowance is greater than the probability of underspending it. It would therefore not be in the long-term interest of consumers to apply penalties or rewards for differences between actual and forecast expenditure where these differences are driven by factors other than true efficiency savings or losses. We invited the TAC members to share their views on whether they support our proposal or consider that the CESS should apply.

At our meeting on 3 May 2023, a TAC member representing the Energy Users Association of Australia (EUAA) requested that we provide a summary of the pros and cons of not applying the CESS. On 25 May 2023, we circulated a paper addressing this request and discussed it at our TAC meeting on the

same day. On 7 July 2023, at the TAC's request, we will hold a deep dive to further discuss this matter and better understand the TAC's views and positions.

- **Costs arising from future rounds of contestable paired generation** – At our TAC meeting on 22 March 2023, we discussed three options to address this cost uncertainty including:
  - Option 1 – forecast the cost based on the expected number and location of future paired generators and include this in our forecast capex
  - Option 2 – include a nominated cost pass through event with no materiality threshold
  - Option 3 – include a revenue adjustment mechanism for either the entire amount of the difference between the forecast (per option 1) and the actual cost

  During the meeting, some TAC members sought clarification on proposed contract arrangements and associated risks, and whether the project would form part of our existing Regulatory Asset Base (RAB). We invited TAC members to submit any further feedback on the three options via email. However, we did not receive any responses. Nor did we receive any feedback when we revisited these issues at our next TAC meeting on 3 May. On 4 May, we emailed the TAC member seeking their feedback on these options. We did not receive any feedback from the TAC on these options.

- **Adjustment mechanisms** – At our TAC meeting on 25 May, we outlined our approach to our proposed Adjustment mechanisms noting that we propose to include three automatic and three non-automatic adjustments. TAC members seemed reasonably supportive of our proposal.

Our engagement with the TAC has provided valuable feedback to inform the development of this Revenue Proposal. We are committed to continuing to engage with our TAC on this Revenue Proposal throughout the post-lodgement period.

Pre-lodgement engagement with the AER

We have met regularly with the AER in preparing this Revenue Proposal. We have kept the AER abreast of our competitive procurement process and sought the AER's feedback and views on our draft regulatory models and key positions, including on matters that are specific to the NSW framework.

We also discussed with the AER the nature and scope of our engagement activity with the TAC noting the following challenges:

- this is the first non-contestable Revenue Proposal under the NSW regulatory framework
- the EII Regulations were amended in December 2022
- the AER's Guideline was only finalised in April 2023
- the tender process for the contestable works (paired generations) has not yet been finalised and it has direct implications for the non-contestable forecast capex for SIPS controls, and
- the tender process for Augex (substations and transmission line works) was only completed in May 2023.

AER staff acknowledged these challenges and accepted that, given these timeframes, it was not possible to publish a draft Revenue Proposal ahead of submitting our Revenue Proposal to EnergyCo on 26 May 2023. AER staff attended our TAC meetings to observe first-hand our engagement and hear the views and preferences of TAC members.

Pre-lodgement engagement with EnergyCo

We have met regularly with EnergyCo in preparing our Revenue Proposal, noting the:

- interrelationship with the contestable elements of the project, and
- need to meet the delivery timeframes set out in the Ministerial Order

On 26 May 2023, in accordance with the NOD, we provided EnergyCo a draft version of our Revenue Proposal. We received EnergyCo's approval of this Revenue Proposal on 20 June 2023 and have incorporated its comments relating to minor wording changes.

Our approach to this Revenue Proposal

The EII Chapter 6A[12] substantially replicates Chapter 6A of the National Electricity Rules (NER or Rules). To greatest extent possible, we have therefore aligned our positions and approaches in this Revenue Proposal with those approved in the AER's 2023-28 Revenue Determination (made under the NER) for our prescribed transmission services.[13] For example, we have adopted the decisions in the AER's 2023-28 Revenue Determination for:

- labour and materials escalation rates[14]
- nominated pass-through events
- standard asset lives with two exceptions, being to add new asset classes for SIPS control and financeability
- straight-line depreciation method for all asset classes, except for the financeability asset, where we propose to accelerate depreciation to ensure that the project is financeable
- debt raising cost unit rate (as a placeholder), and
- equity raising cost parameters.

As required under the EII regulatory framework, we have also adopted the most recent version of the AER's Rate of Return Instrument (RoRI) to determine the rate of return that applies to the Project. We have therefore used the 2022 RoRI to calculate our return on capital allowance in this Revenue Proposal.

As discussed with the AER, to ensure the Project is financeable, we have calculated depreciation on the basis of 'as-incurred' capex rather than 'as commissioned' capex. We have also adopted the AER's existing TNSP PTRM with minimal adjustments to calculate our 2024-29 revenue. Where we have made changes to the PTRM, we have aligned with the AER's PTRM guidance note.[15]

Operating expenditure

Our total forecast opex for the 2024-29 regulatory period is $24.9 million (including debt raising costs). This has been determined using a bottom-up-build because no base year is available from a preceding regulatory period, which means that we are not able to apply the base-step-trend approach. Our forecast opex comprises:

[12] The Economic regulation of NSW non-contestable revenue determinations under Part 5 of the EII Act 2020, as set out in Appendix A of the AER's TET and Revenue Determination Guideline for NSW non-contestable network infrastructure projects - Final, April 2023

[13] AER, Final Decision Transgrid Transmission Determination, 1 July 2023 to 30 June 2028, 28 April 2023.

[14] Given that the AER's 2023-28 Determination does cover 2028-29, we have extrapolated the forecast by setting the 2028-29 real labour escalator equal to the average of that adopted by the AER for 2023–24 to 2027-28.

[15] AER, Final Guidance note – Amendments to NER PTRM for determinations under the Electricity Infrastructure Investment Act and Regulations (AER EII Act PTRM Guidance Note), June 2023.

- maintenance costs, which are estimated based on the routine inspection and maintenance regimes for substations, transmission lines and SIPS control
- operating costs, which reflect the labour costs needed to meet our obligations under the Network Operator Deed, SIPS service agreement and Paired Generation service agreement, and
- insurance expenses for the WSB assets once they are commissioned.

Capital expenditure

Our total forecast capex for the 2024-29 regulatory period is $254.7 million (excluding equity raising costs).[16] To ensure that customers are paying no more than they should be for the services that they will receive we have forecast capex using:

- detailed scopes of work, which have been independently assessed by GHD, and
- to the greatest extent possible, market-tested costs from our competitive procurement process, which has been undertaken in accordance with our compliance and governance requirements.

We expect that at least 70.8 per cent of the capex for the Project will be based on market prices obtained through competitive tender processes. Our total capex forecast for the 2024-29 period is $254.7 million (excluding equity raising costs)[17,18] and comprises:

- $69.8 million for the transmission line network augmentation works, which comprises the uprating of transmission line 39 Bannaby to Sydney West and lines 3L/4 and 5 Yass to Marulan
- $108.4 million for the substation augmentation works, which comprises the uprating of equipment across 22 substations located in north and south NSW
- $19.3 million for the SIPS control works, which involves design, installation and commissioning works. It also includes the costs of future rounds of paired generation being integrated into the scheme[19]
- $57.2 million for our labour and indirect costs, which comprises project management required to establish and manage the Project, project support roles and other labour and indirect costs, such as stakeholder and community engagement and insurance costs.

The delivery of the Project is required to meet the strict delivery milestones set out in the Ministerial Order:

- deliver SIPS control and complete the first portion of network augmentations by 1 November 2024, and
- complete all network augmentation by 1 August 2025.

GHD has independently verified that the scope of the Project is reasonable and realistic to meet the requirements in the Ministerial Order and considers that the forecast capex for the Project is prudent, efficient and reasonable and likely to sit within a reasonable level of accuracy.

[16] Total forecast capex including equity raising costs of $0.7 million is $225.5 million.
[17] This is development and construction capex.
[18] This includes pre-period capex incurred prior to 1 July 2024.
[19] We will deliver the SIPS control using internal resources due to the highly complex and highly specialised nature of the SIPS control design, installation and commissions works. These costs are included in our SIPS control cost category.

Incentive schemes

A key feature of incentive regulation is that the AER's incentive schemes that are intended to promote efficient cost and service performance over time. We support incentive regulation where it will be effective, given the particular circumstances of the project.

For this Project, the AER's non-contestable Guideline explains that the AER intends to:

- apply the same expenditure incentive schemes, being the Efficiency Benefit Sharing Scheme (EBSS) and Capital Expenditure Sharing Scheme (CESS) that currently apply under the NER
- develop an EII specific Service Target Performance Incentive Scheme (STPIS), which would apply only from the second regulatory control period
- not apply either the NER small-scale incentive scheme or the demand management innovation allowance mechanism.

We agree with the AER's position, with the exception of the proposed application of the EBSS and the CESS. We do not support the application of the EBSS and CESS to the NSW Roadmap or AEMO's ISP projects. This is because in an inflationary and uncertain operating environment with high value, complex and specialised projects, these incentive schemes introduce an asymmetric risk. This is because the probability of overspending the AER's capex allowance is greater than the probability of underspending it.

A key driver of this asymmetric risk is that design and construct (D&C) contractors are currently not willing to provide fixed price contracts. To safeguard against potential losses (i.e., risk costs) caused by labour shortages, increasing materials costs and supply chain disruption, D&C contractors require some cost components in their contracts to be variable. This allows them to offer a lower contract price than they otherwise would if they were forced to price in the risk costs though a fixed price contract. By way of example for the WSB Project, the D&C contract cost of $166.0 million included in this Revenue Proposal for transmission lines and substations reflects a variable contract cost.[20] If, however, the contractor was required to offer a fixed price contract, then the D&C contract cost is expected to increase by around $30 million or 20 per cent. The variable contract cost in this Revenue Proposal therefore provides consumers with a higher probability of a lower price outcome.

A variable contract price means, however, that Transgrid is holding the residual risk costs, which have not been fully priced into our Revenue Proposal. Accordingly, the probability of overspending the AER's capex allowance is greater than the probability of underspending it. If the CESS applies with a variable contract price as proposed, these projects would generate less than the benchmark rate of return. Investors may therefore not be willing to commit capital to these projects, which is not in the long-term interest of consumers, because these projects are critical to:

- the urgent energy transition, which in turn will drive down energy prices
- support the Australian and NSW Government's commitment to a net-zero future, and
- ensure consumers continue to receive reliable and secure electricity.

It would therefore not be in the long-term interest of consumers to apply penalties or rewards for differences between actual and forecast expenditure where these differences are driven by factors other than true efficiency savings or losses..

[20] The $166.0 million comprises $68.3 million for transmission lines and $97.7 million for substations.

Forecast revenue, payment schedule

Our total 2024-29 forecast revenue of $137.7 million (nominal) will fund the delivery of the Project in accordance with the Ministerial Order to ensure the continued reliable secure and sustainable supply of electricity supply in NSW. The table below shows in $Nominal the year-by-year breakdown of the forecast.

Maximum allowed revenue over the 2024-29 regulatory period - Detailed breakdown ($M, Nominal)

	2024-25	2025-26	2026-27	2027-28	2028-29	Total
Return on capital	7.4	16.5	17.0	16.6	16.2	73.7
Return of capital	8.0	6.4	5.8	5.8	5.7	31.6
Operating expenditure	3.9	5.2	5.8	6.5	5.9	27.2
Revenue adjustment	3.5	-	-	-	-	3.5
Corporate income tax	1.0	0.1	0.1	0.2	0.3	1.7
Maximum allowed revenue	23.7	28.2	28.7	29.1	28.1	137.7
NPV (as at 30 June 2024)						113.0

We have calculated a schedule of quarterly payments that we propose to be paid by the Scheme Financial Vehicle for delivering the Project based on our forecast MAR for the 2024-29 regulatory period. We have done so by converting our MAR into quarterly payments.[21] The table below shows the forecast quarterly payments for the 2024-29 regulatory period. The total revenue differs slightly from the table above due to the impact of the NPV conversion.

Forecast quarterly payments for the 2024-29 regulatory period ($M, Nominal)

Year	Quarter 1 (September)	Quarter 2 (December)	Quarter 3 (March)	Quarter 4 (June)	Total
2024-25	5.6	5.7	5.8	5.9	23.2
2025-26	6.7	6.8	6.9	7.0	27.5
2026-27	6.8	6.9	7.1	7.2	28.0
2027-28	6.9	7.0	7.1	7.3	28.4
2028-29	6.7	6.8	6.9	7.0	27.4
Total	32.8	33.3	33.9	34.4	134.3
NPV (as at 30 June 2024)					113.0

The EII regulatory framework allows us to include symmetrical adjustment mechanisms to update our payment schedule for certain pre-defined events that are beyond our control. These events can change our expenditure within a regulatory period and the cost impact may be positive or negative.[22] We propose:

[21] The net present value (NPV) of the schedule of payments matches the NPV of MAR

[22] Clause 51 of the EII Regulations and AER, AER non-contestable Guideline, April 2023, section 5.5.

- automatic adjustments to address annual updates to revenue for actual inflation, the return of debt update to the allowed rate of return (consistent with the NER and our 2023-28 Revenue Determinations), and any additional contractual payments to EnergyCo,[23] and
- 'non-automatic' adjustments for changes in paired generation cost, unavoidable contract variations, and contractor force majeure events. In relation to these adjustments, the AER would be required to review or remake its revenue determination.

In addition to these defined events,[24] we have proposed nominated pass-through events consistent with the AER's 2023-28 Revenue Determination for our prescribed transmission services.

[23] While no future contractual payments to EnergyCo are forecast, we have included an automatic adjustment should this arise in the future.

[24] In accordance with EII Chapter 6A rule 6A.6.9(a)

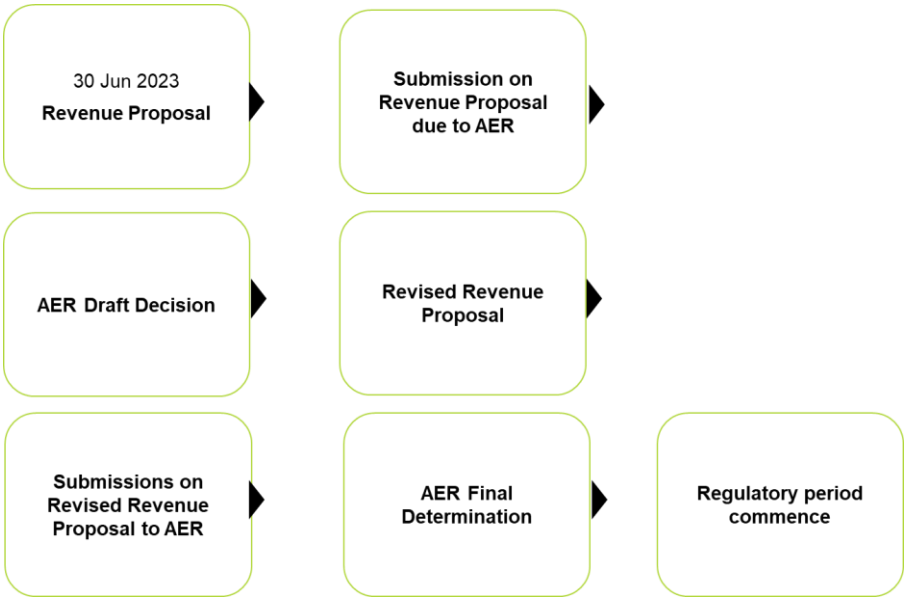
Next steps

We welcome the views of customers and other stakeholders on this Revenue Proposal. Please share your feedback with us by:

- Email: revenue.reset@transgrid.com.au
- Phone: 02 9284 3431

The AER's review process and the next steps are shown in the figure below. This Revenue Proposal will be submitted by 30 June 2023 to enable the AER to make a Final Decision by 22 December 2023. The new regulatory period will commence on 1 July 2024.

Figure 1: AER's review process and next steps



The AER will invite submissions on our Revenue Proposal until 20 July 2023. We will continue to engage with our customers and other stakeholders on our Revenue Proposal up to and after this date, including through the TAC.

Transgrid

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NSW Electricity Networks Operations Holdings Pty Limited (ACN 609 169 959),
as trustee for NSW Electricity Networks Operations Trust (ABN 70 250 995 390).
Registered business name is TransGrid (ABN 70 250 995 390).