<table>
<tr><td>Date:
Thursday 5 December 2019</td><td>Start time:
10.30am</td><td>Finish time:
12.30pm</td><td>Venue:
Whittaker Room
Powerlink
33 Harold Street
Virginia QLD 4014</td><td>Meeting no:
2</td></tr>
<tr><td colspan="2">Chair: Matthew Myers (Powerlink)</td><td colspan="3">Minutes: Kiara Bowles and Tanya Fowler (Powerlink)</td></tr>
<tr><td><u>Attendees</u>
Customer Panel representatives (in person):
Kerry Connors (Energy Consumers Australia)
Henry Gorniak (CS Energy)
Mark Grenning (Energy Users Association of Australia)
Sam Pocock (Energy Queensland)

Customer Panel representatives (attendance by telephone):
Georgina Davis (Queensland Farmers' Federation)

Other stakeholder representatives (attendance in person):
Mark Henley (AER Consumer Challenge Panel)
Bev Hughson (AER Consumer Challenge Panel)

Other stakeholder representatives (attendance by telephone):
Slavko Jovanoski (AER)
Evan Lutton (AER)
David Prins (AER Consumer Challenge Panel)
Claire Preston (AER)
Michael Wydeveld (AER)</td><td colspan="2">Apologies:
Ayden Rye (Shell)</td><td colspan="2">Powerlink members:
Jenny Harris
Matthew Myers
Gerard Reilly

Powerlink presenters:
Darryl Rowell
Matthew Myers
Greg Hesse
Dana Boxall</td></tr>
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Item	Discussion	Action	Due date	Who
1	**Welcome, introductions and governance** – Matthew Myers, Manager Revenue Reset Summary: • Confirming the meeting will be electronically recorded to assist with minute-taking, with the recording to be deleted once the minutes are finalised. • Discussion on the suitability of the previous minutes and one-page overview document. • The status of outstanding action items i.e. providing a full bottom-up analysis example and associated documentation, and the quantum of projects that are not being done as full bottom-up and how this equates to electricity prices. **Comments (C), questions (Q) and Powerlink response (R)** Q: In terms of the meeting minutes that were sent out last time, you may have noticed that we did things a bit differently for the RPRG. We sent out a one-page overview as well as full minutes about the same length and detail that we typically do for Customer Panel meetings. What were your thoughts on these documents – do they meet your needs? C: Yes, they were just the right length. I like the two forms available to members. C: I endorse that. Nothing struck me in terms of anything that was missing or too much detail. C: One thing we're mindful of is obviously our full Customer Panel can't be here so it's that balancing act to make sure they can see the flow of conversation. C: And we wanted to provide the overview sheet for anyone who just wanted a really quick precis about what was going on.			

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	C: In relation to one of our outstanding items from the last meeting, we indicatively talked about roughly 40% of the forecast capex not being done bottom-up. Rough calculations suggest that translates to less than 1% of Maximum Allowed Revenue (MAR) within the period. Would you like more information around that? R: No, I'm happy with that. I think what it was is that I'm conscious there was a large chunk of capex that wasn't going to be looked at in the same level of detail and I wanted to know how much that capex contributed to MAR.			
2	**Interactive session: benchmarking** **–** Greg Hesse, Stream Lead Capital Expenditure Summary: • Powerlink's performance in the AER Annual Benchmarking Report for TNSPs. • Influencing factors for benchmarking performance. • Seeking input into what areas Powerlink should focus on to improve benchmarking outcomes. Q. What does deterministically mean? R: It means that I take this number and this specific number goes into our formula. Q: Do you *[the AER]* do the 'not materiality inefficient' benchmarking story on TNSPs as well as DNSPs? R: I suppose consistent with what's been said we do things in less deterministic ways for TNSPs. So we're still looking for the efficiency of a provider but because we feel at this stage we're less able to rely on benchmarking, we don't apply the results of the benchmarking in a specific number-driven way. *[Response from AER]*			

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	C: So while this year's RIN data won't be published into a benchmarking report until next year, we know what our RIN data submitted was for 2018/19. And one of the tasks I've got is how might we look at next year's benchmarking report based on RIN data from this year. Q: Do you also look at your comparative position and how that might change over time, and try to forecast what other networks might be tracking? R: Yes, but there are some challenges with how that's done. It gets into details such as individual RAB compositions between lines and substations, and how that might shift over time and proportions. It's certainly more art than science, I would suggest at this point.			
	Q: What are your 2019 actuals for Powerlink? R: I haven't got those figures just yet, I've not put them into the models at this point. But we can provide them and an updated view of the model. C: My memory is your forecast opex is above your allowance in the current revenue period? R: These results only include the first year's opex from the current regulatory period. C: I understand that but if your forecast opex in the current regulatory period is above your allowance then won't that reverse the opex-driven improvement in 2018? C: If it's above the allowance but still below the previous period, it will still represent an improving trend. C: But potentially less improving than what it would otherwise have been.	Provide benchmarking information based on 2019 figures.	31 January 2020	Matt Myers

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	Q: Do the other TNSPs listed in the AER report use energy throughput or ratcheted maximum demand for transmission? R: They use both. Ratcheted maximum demand represents the highest maximum demand seen to date, so even if maximum demand in a year is less than the year before, the ratcheted maximum demand won't come down, but it's actual energy throughput year on year. So if that is trending down year on year, then it will be going down. C: In relation to inputs, it's the quantity of input that matters, not what it costs to provide that input. If we get more offered capacity, even at a lower cost, our benchmarking performance suffers. Q: How often does the manufacturer offer you more for less? R: It could be that they have a standard unit that's larger than the one we're after, so it would cost more for them to build a custom product. In transformers, the bulk of the cost is the unit itself and incremental capacity is very small. Q: Given your energy throughput forecast which is going down, you're going to have to pedal a lot faster through your opex and capex to meet your productivity targets? R: Yes, I think it's the same for all networks and DNSPs. Q: *[On the slide: 'Demonstration of Powerlink's benchmarking model']* Just to be clear, are you referring to a 10% opex reduction in the final year of the current regulatory period? R: It's the final year of the benchmarking analysis. Q: Are you comparing last year to the prior year?			

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	R: No, all years are taken into account and we had a particular result for 2017/18. C: If opex in 2017/18 was $100, it got that result on the previous slide. But if it was $90 (i.e. 10% lower), it's been captured in the updated result. C: Regarding the de-rating of transmission lines, that's just affecting the bottom line, isn't it? Why don't you do that now, if it's a good thing? R: It doesn't save anyone any money, it would just improve our productivity performance, relative to others. C: We can do this to look better, on what some call "the beauty parade", or we can do things that are actually meaningful to the services we provide as well as being consistent with good electricity industry practice. There is real hard work that we need to get done. Q: And which category is de-rating in? It does make you look good but it's not good engineering practice. R: It's not something you would typically do. It wouldn't save a single dollar. It would be a reflection of the actual capacity of the network to transport power as opposed to the thermal rating of the network, but that's all. C: So the other networks have not had this same adjustment? It's really a bit misleading to say you're in a relative position to them. C: This is what is in our control. If everybody cuts an input 10% then the relativity still exists. C: So that doesn't put you third best, because the cumulative effect of all those on all the other networks would change the green line.			

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	C: If they all cut their opex by 10%, yes they will go up, absolutely. C: That probably also gets into that question we talked about here about looking better compared to others, or being better comparative to ourselves over a period of time, which is something that we've been discussing quite a lot. Q: If all the connection transformers we have for our direct loads were owned by the customer rather than us, we would look better? R: Yes, if they were owned by a different organisation it would make a difference. C: If you're including the demand of a directly connected customer, you also include the assets associated with supplying that demand. But you seem to be excluding the assets but including the demand. C: What we are reflecting is that the way the benchmarking model has been put together, it makes a distinction between assets to supply directly connected customers based on whether it's owned by the TNSP or the customer. So to the extent that other transmission companies have done that differently, we look relatively different. C: We're not trying to trying to throw any other business under the bus. This is about education and what's driving the model. Q: Is that first point in your control *[transmission line ratings]* or is it an AER protocol? R: I would need to go back and revisit the detail of the definitions and requirements in the RIN. That's what drives the provision of data. One thing we talked about in previous resets is we probably have a different definition around assets compared to other TSNPs. For example, we treat insulator replacements as opex, rather than capex – which we believe is different to some other TNSPs.			

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	Q: How do you reconcile this then with benchmarking? R: The benchmarking model doesn't reconcile the differences in asset definition. C: We tried to reconcile these differences a few years ago. When we first started to report on our RINS, we contacted the AER to see if we were reporting the same things as everybody else. We were mindful this was new for the AER and they were busy trying to get RIN information sorted. So we thought we'd get all the TNSPs together ourselves to see where we were and weren't reporting the same thing. The upshot of that is there are still some areas where we aren't reporting on a 'like for like' basis, but every business has its own reasons for reporting the way that it does. Q: I'd like to understand why there aren't protocols in place to ensure comparability? R: Benchmarking data flows directly from regulatory costs that align with the individual cost allocation methods within a business. Things might differ – that's fair. We're not oblivious to that but we also don't want to start tinkering with individual businesses. We're not really trying to change or normalise this. It's not a massive issue across TNSP benchmarking more broadly, but we could definitely consider this in the future. It's a more common conversation for DNSPs. We need to be cautious about tinkering our cost allocation year to year to get a better result. You need to make sure the change actually reflects the appropriate cost allocation methods and accounting standards. *[AER response]* C: We agree. *[Powerlink response]* C: You also need to be mindful that changing one thing can then lead to a misalignment in another way. C: That's why at this stage we're not using it in that deterministic way *[AER comment].*			

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	Key questions in slides for interactive discussion as a group: **Q. Should Powerlink investigate changing its capitalisation practices to better align with other TNSPs?** **Q: Which benchmarking measures do you consider most relevant for Powerlink to consider when developing its Revenue Proposal?** **Q: What are your reasons?** C: If there is no impact on the NPV story I would much prefer that Powerlink focussed on doing the real work. C: I think on capitalisation policies, we're mindful that as much as we might try to influence the other businesses to align with us, they would say it would be good for us to align with them. Q: If Powerlink's capex approach did change, could that be done in enough time to have an impact on the next Revenue Determination process or the timeframe involved with doing that would be the next cycle? R: It is something we could consider for our upcoming Revenue Proposal. C: For a limited number of categories, you'd change what is called the 'unit of plant' and you'd have that calculated separately as opposed to it being bundled. In turn, our opex and prices would go down, but in the long-run customers are still paying the same amount of money over the life of the asset. It's just the phasing of it. You pay for it slower, depending on the regulated life of the asset. In a present value sense, customers pay exactly the same amount of money – it's just a matter of when you pay for it i.e. in this year or over 25, 30 or 40 years.			

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	Q: So if opex goes down, so do prices? R: Yes, because opex is a direct feed in. So you get dollar for dollar for opex within the regulatory period. If opex goes down, that reduces MAR by the same amount. There could be a small increase because your RAB is slightly bigger but that return on RAB comes over the next 25/30/40 years, not a single year. So there's a net reduction in the MAR within the regulatory period if you did that. Q: How does that translate in the taxation allowance? R: Our tax allowance would not change much at all because your revenue reduction is almost the same as your opex reduction. C: In the famous "NPV=0" world we live in, "so what?" with this proposal? If it's not going to affect consumers either way, what benefit does it give to you? R: There's two things. It changes the shape of when and how customers are paying and it makes benchmarking more comparable between transmission networks. Apart from that, in an economic sense, there's really no difference to us or to customers at the end of the day. C: Because you're effectively pushing WACC risk onto us, I might argue that in a low WACC world, I'll take all the opex I can get. Q: If you did change from opex to capex, would you still have it as immediately expensed for capex or would you propose that it's depreciated over a longer tax asset life? R: We would use a tax asset life essentially the same as the standard life in the RAB. C: Wouldn't it make sense for it to be immediately expensed for tax purposes, even if it's included in the RAB?			

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<tr><td></td><td>R: For regulatory purposes, we have to treat certain things the way the Post Tax Revenue Model (PTRM) does – that is the result of consultation that everyone has been involved in. We must apply that.

C: Ultimately it comes down to whether the tax law would allow you to immediately expense anyway.

C: It’s certainly a complex area. The ATO spends a lot of time looking at what you’ve claimed as deductions are valid and whether you’ve created an asset. It’s not without risk.

C: I’m going to suggest that Powerlink doesn’t pursue this (changing capitalisation policy). If it has no real impact on the NPV=0 story, then the only benefit is that it improves Powerlink’s standing in the “beauty parade”. I prefer Powerlink making genuine improvements in reducing opex and capex, rather than changing bundles. It’s more of a cosmetic thing rather than something I see great value in.

C: I can see some benefit in having greater comparability across TNSPs. I support my colleague that, at the moment, it’s not material enough to warrant making changes. If the AER was becoming more deterministic in its assessment, then that might be different, but it doesn’t seem to be the case at the moment.

C: I am not absorbing what would be the most value? At the moment, the value of changing appears to be marginal at best. As long as you explain this is the methodology that’s being used, it’s certainly good to understand where this has come from.

C: We know this is important and I assure you that Powerlink is genuinely trying to improve our business and productivity. It’s not just for a beauty parade. We say this, because it does come up during revenue resets. It’s important to realise that what some</td><td>RPRG members are invited to share additional feedback on Q2: Which</td><td>31 January 2019</td><td>RPRG members</td></tr>
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	TNSPs call capex is different to what we call capex. What others might call capex is what we call opex. C: It's interesting to note that benchmarking has been raised previously. What were the outcomes that didn't lead to any change? C: We have been trying to advocate for change but in the end, if we can't move everybody else, we're fundamentally considering whether we should we move ourselves, but then we need to recast our entire history. This goes back to what are the real drivers for change. C: We're starting to run out of time, but if RPRG members have any specific thoughts on our second question regarding the most relevant benchmarking measures, please let us know directly.	*benchmarking measures do you consider most relevant for Powerlink to consider when developing its Revenue Proposal?*		
3	**Interactive session: long-term revenue impacts** **–** Darryl Rowell, Chief Financial Officer **–** Dana Boxall, Stream Lead Finance and Modelling Summary: • Customers have raised concerns that, after the 2023-27 regulatory period, prices could materially increase if Powerlink's WACC increases. • Powerlink is also considering the implications of the low WACC environment on returns to its shareholders over the next regulatory period. • An initial discussion about whether there is interest in exploring the potential opportunity to 'smooth' revenue impacts over the long-term, while ensuring reasonable returns for shareholders. • This is about the concept.			

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	Interactive discussion throughout the presentation: **Q. Do you support investigating these concepts further?** **Q. What further information might you need?** **Q: Are there other alternatives you would like us to consider?** **Q: How can we best work with you if we were to develop these options?** C: We encountered this argument before in 2013 with APA GasNet. The matter went all the way to the Tribunal. At the time we didn't support this approach – with the WACC coming down, when is it going to go back up is the question, and you might leave yourself in a worse position for the next reset. So there is some history here which you may or may not be aware of. You may wish to go back and look at some of these arguments. *[AER comment]* Q: Did the Tribunal uphold the AER decision? R: Yes it did. Q: What were the key reasons behind this decision? R: The AER did some modelling to run scenarios. They also looked at market congestion and pricing impacts. Both arguments were rejected by the AER and this was agreed by the Tribunal. C: This is just an exploratory discussion. We're not trying to say it's the approach we're taking. I think everyone understands the interest rates we have now aren't going to be like this forever and so it's worth looking into the prospect of managing this in some way. C: The question for us is, do customers want to take the opportunity to pay more off RAB while interest rates are low in the near term, similar to mortgages? But there's obviously lots of challenges to consider. The main thing we want to discuss with you – is there			

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	interest in exploring this topic? There are ways to do this taking into account both objective and subjective considerations. C: Things that change the RAB are locked in the model and become deterministic and flow through. Things that work outside of that start to get a bit more flexible. I don't know how we could do this but it is about finding a way to further pursue this concept if it might 'have legs' with customers and shareholders. We don't want unintended consequences for any party. C: There's an issue which the AER has raised from the previous GasNet experience. C: The whole topic is really about 'financeability'. There have been quite a number of discussions around this. C: This is also about whether or not the AER would commit to something longer term and whether or not you go for a formal commitment with Rules or explore something like this under a mechanism like a sandbox arrangement. There are various ways and means to further explore this if desired. C: Different customers value different things in this space. I suspect households and small businesses would prefer to take the money now. And certainly our mantra has been that customers don't want to pay one dollar more, one day earlier than necessary. But that said, I can see for a larger customer where it would have a much more material impact on the bill that could be of interest. So, that could be a sandbox for large end users, rather than small end users. C: And we need to keep in mind this is about MAR. You then have to take that revenue and figure out how we might need to allocate that in a different way to convert into prices. C: You're effectively having a differential WACC.			

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	C: Either that or you under-recover and then over-recover. But at some point in you need to reconcile. C: I'm happy to consider this further. C: It'd be interesting to see what the real impact of this would be. Maybe there's an opportunity to run this exploratory investigation in parallel with the normal arrangement. But is that too long for your timeframes? With the sandbox concept, are you looking to maybe play around and see what this does, or do you want to do an independent trial running alongside your normal process. I don't know the long-term viability of this though. C: That's definitely a possibility. You could do it as a trial or you could do it 'for real'. C: I guess you need to convince everyone to agree. But it's a bit of a long haul. C: We do need to have clarity about this. If this is going to work, we almost need to take advantage of this during our next reset period when WACC is low. This might otherwise be a lost opportunity. R: How can we compress timeframes? There will always be winners and losers. Q: What's Energy Queensland's point of view? C: We have been working through pricing consultation with Energy Queensland. We are mindful that end users of electricity don't only see the impacts of our transmission pricing – they see impacts from distribution as well. R: From our perspective as I understand it, we're going to follow WACC and pass those savings on. I don't think we've considered a long-term view, unless you're aware of any specific consultation about this? We have a cohort of customers on legacy old tariffs and they need to eventually move to a new tariff classification. We're looking at how we can			

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	reclassify them to offer a better saving through reducing our costs. *[Energy Queensland comment]* C: We have looked at both of these potential levers to smooth revenue (i.e. depreciation and indexation of RAB) within the context of previous decisions. We've had other utilities propose these before, including half-indexation, which we have rejected previously too. We have a fact sheet on our website about indexation of the RAB and why we prefer it the way we do. If you un-index the RAB you do get a very different profile of recovery, you get a front-loaded profile which is obviously what you're thinking about here. Whereas, if you index the RAB you get a much flatter profile over the life of the asset. *[AER comment]* C: Can I emphasise we're not aiming for any particular outcome at this point – we really are just looking at this in an exploratory way. R: I didn't mean it in a bad way – I was just referring to filling in the impact of a lower WACC. C: We recognise there would be a lot of work that we would need to do, not just with our customers, but with our shareholders and the AER as well. Q: My understanding is if you want to change the PTRM, this requires quite an extensive formal consultation process. Q: A rule change process? C: No, not necessarily a formal rule change but the rules specify that you must have industry-wide consultation.	AER document - Indexing of the RAB fact sheet Appendix to the depreciation attachment of AusNet Service's draft decision - highlights how AER has treated accelerated depreciation previously		

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	C: So I just want to reiterate that we're not trying to figure out how to do this yet. We're just trying to figure out if we can provide more value to our customers. And if there is an appetite from our customers to think outside the box, let's not let how we do it stop that. R: Our ability as customers to answer the question about whether to explore this more is dependent on the proposed process to get the required outcome. C: It's about identifying the mechanisms for how you would do it (e.g. rule change, sandboxes). Q: Is the internal drive for considering this high or is it still undecided? R: We would only really consider this if customers felt there was value here. C: I wanted to add one extra point about replacement of assets. If you do change the profile, it's going to be quite a significant jump in the return on capital. If you have an un-indexed RAB, these profiles can more than double and lead to possible price shocks if you're about to come up to a large period of work. C: We knew coming into this conversation that this was not going to be an easy topic to cover. It demonstrates the trust that we're trying to build in our group. C: It comes down to the fact that we're being told we need to think outside the box and not shy away from new ideas and difficult conversations. So that's why we're talking about this with you. C: Having said that, if all our customers don't support this, we're happy to hear that as well. C: That's correct. And we want to be able to provide that point of view back to our Board.			

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	C: But there will be a fair bit of work involved with what we're trying to test here, even to just explore it further. C: We need to understand the process to help. Even if we say it's a great idea, if the AER has an established position or precedent that's going to be difficult to change, are we wasting your time? R: We've already mentioned the process involved with updating the PTRM. Essentially, in the law the RAB has to be indexed and you do need consultation if you're going to change this. We're particularly interested in these arguments in the context of gas. Previously we didn't have gas models but actually as of today they are being released and the RAB is indexed for those models. So even in gas, they have to go through a process to finalise significant changes to the models. *[AER comment]* C: In the context of a regulatory sandbox, we have explored the possibility with the AER very recently of trying something new. In concept, they have said they'd be happy with us doing that but we would need to work through what this actually looks like before they can give us a more definitive response. Q: I'd be interested in getting the sense of what the price shocks might look like, particularly for households or small businesses. Are we talking $300 per year? Or more like $50 per year? Q: Is it a case of it goes down by $100 or $50? C: Can I also ask in the context, I saw elsewhere in the Customer Panel slides that return of capital is going up 50%. Is that because of this idea or are there other reasons driving that? R: That change in the Customer Panel presentation represents an assumption about what the forecast of inflation might be.			

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	C: If you run the traditional way of doing it, and then model the alternative, people can track the delta and form their opinion along the way. C: We have to do it the traditional way anyway. So we're just considering an additional mechanism. C: I'm hearing two things – we need a better understanding of the 'how' and also the magnitude in both the near term and longer term. So maybe we can run some scenarios and create a model we can talk through with you next time. Q: Are there any other alternatives we should be considering as part of this smoothing effect? R: You probably need to revisit the previous decision from the AER to determine if this is a lost cause. C: If there is scope to change the profile of capex and opex, we'd be keen to see the cost transfer. C: So just so I'm clear, to wrap-up – we need to investigate this smoothing concept further and how we might do this. No other alternatives just yet. And we'll get back to you. C: And also a couple of models to demonstrate what the price path might be with WACC as the same, higher and lower. C: I can't reiterate enough, this is just the indicative price impact. I know you get customers saying "you said we'd get a reduction" and then being concerned with their bill.	Powerlink to run a range of scenarios and develop a conceptual model to explore the impact of these factors on pricing for various customer groups. Powerlink to review the process required to enact changes and provide an idea of this back to the RPRG.	27 February 2020 27 February 2020	Matt Myers Matt Myers

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	C: Yes I do understand what you're saying here. We just really want to get an idea of that quantum to understand the impact of price shock and for which customers. C: We haven't done any modelling or forecasting on what interest rates could look like years from now. I think we look at it in a general fashion to get a sense of how things might shape up. C: I'm not asking for a detailed analysis or comprehensive model, but I'm just after some numbers on the axis. C: Yes, this is just conceptual at this stage.			
4	**General business** **–** Matthew Myers Summary: • Further discussion on the RPRG's previous interest in learning more about the Powerlink Board's risk appetite. • Powerlink is close to finalising the first draft of its business narrative. Q: To appropriately close the loop for the RPRG on understanding the Board's risk appetite, I need to know more about exactly what context the RPRG is interested in. Are we talking about taking on more risk with the network and therefore lowering capex? C: My take on Georgina's previous query was how does the Board know when you're driving assets as hard as you can. For example, if the Board is overly risk averse then there could be outcomes for customers. C: My perception of the approach to networks generally is that every project that gets above an internal rate of return barrier, or WACC, or however you do it, is immediately put into the capital program. That's why I developed the phrase "the fish that John West			

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	rejected" i.e. what are the capital projects that passed your internal rankings but then the business decides to accept risk and reject the project. The concept is about recognising that you don't have to do everything that's nice to do. C: Energy Queensland has had a complex process in their capital evaluation – you only have to read the draft decision that the AER issued a few weeks ago. It's a philosophical decision about what risk the Board wanted to take and that was around safety. There was a fundamental difference in the level of risk between the AER and the Energy Queensland Board, which resulted in the draft decision receiving a significant cut in capex.			
	C: Georgina raised this in terms of the business narrative. I think she was getting at the idea of how comfortable the Board is with putting customers at the centre. And linking to the Energy Charter. The context must be linked to your narrative. C: We are close to finishing the first draft of the business narrative and will provide this to you in the near future. Q: I'd be interested in hearing if there are there any other examples of Board risk appetite information that other utilities have provided?	Provide the RPRG with the draft business narrative for review.	January 2020	Gerard Reilly
	R: I can think back to APA going back to 2013. More recently, Evo Energy (DNSP) looked at this concept with their customers relatively early in their proposal. And AusNet Services did too. Q: How did they communicate this narrative? Was it a formal statement from the Board? R: One of the things we were often concerned about as a CCP was how that information was communicated to customers. I think risk matrixes could work well to provide exact figures to compare and contrast the impact on the network. If there is a risk, how do we break that out and justify those elements?	Provide the RPRG with more details on how Powerlink engages with the Board on risk.	27 February 2020	Matt Myers/ Darryl Rowell

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	Q: Would it be beneficial to provide more details about how we actually engage with our Board on risk? I'm just trying to give you confidence that the Board is making strategic and operational decisions appropriate with the level of risk. C: I'd encourage you to talk to Energy Queensland about their learnings. It's not just how the Board considered risk, it's how that translated into their detailed plan and proposal. Q: Was the issue that they presented it in a philosophical way rather than a tangible, deterministic way? C: Some of the criticism was there were projects in the proposal put forward based on the Board's approach to risk. The AER said that Energy Queensland hadn't presented enough alternatives. C: The Board also brings into light the public status of the company, their reputation and they have a lot of things to consider. Then it becomes a question that if the AER has set out an approach, and yours is a very technical risk matrix but the Board has a different view because they're thinking of public representation or the politics of decisions, I think in a sense that's fine, but that comes from the equity investors who have a different perception of risk. It just depends on how the Board views risk and cost considerations. C: I think 'appetite' is a slippery path. It's actually an explanation of that risk. I think it's too esoteric.			
	C: It would be worth clarifying the intent of Georgina's previous query with her directly to ensure you're on the right track. R: We'll get back to you next year with more thoughts in this space.	Contact Georgina Davis to clarify the context of her previous question regarding Board risk appetite.	January 2020	Matt Myers/ Darryl Rowell

Item	Discussion	Action	Due date	Who
5	**Meeting closed 12.30pm**			