

Revenue Proposal Reference Group (RPRG)

Meeting overview – 26 March 2020



Full minutes of RPRG meetings can be accessed at www.powerlink.com.au/2023-2027-regulatory-period

Key topic	Key discussion highlights and actions
Discussion with Powerlink's Board Chair	<ul style="list-style-type: none">Powerlink's Chair Kathy Hirschfeld AM discussed Powerlink's risk profile, risk management policies, internal compliance mechanisms and interest in having the customer voice amplified at a Board level to influence strategic direction.The Board remains committed to participating in the Revenue Determination process as appropriate.
COVID-19 implications	<ul style="list-style-type: none">Powerlink's key focus in relation to COVID-19 is the safety and security of our people, and the safe, secure and reliable operation of the transmission network. There was discussion around key challenges that may result from COVID-19 (e.g. outage delays, labour availability, minimum demand and potential deferral of works).The RPRG acknowledged the industry's response to collaboratively working through these challenges, as well as recognising the complexities of effectively engaging with customers and stakeholders, forecasting, and accessing resources and expertise to maintain a 'business as usual' approach.Impacts on timeframes for Powerlink's Revenue Determination process were also discussed. The Australian Energy Regulator (AER) noted it is committed to being as flexible as possible, however at this stage it is keen to remain within current timeframes due to flow-on impacts from any delays. Powerlink will continue to engage with the AER. <p>Key action</p> <ul style="list-style-type: none">RPRG to provide feedback and suggestions on how we can successfully continue to engage and any particular online engagement methods we should be considering.
Actions from previous meetings	<ul style="list-style-type: none">Powerlink distributed its draft submission to the AER's Preliminary Framework and Approach (F&A) Paper. <p>Key action</p> <ul style="list-style-type: none">RPRG members to provide feedback to Powerlink on the Draft Preliminary F&A Paper, due for submission to the AER on 30 March 2020.
Network capital expenditure	<ul style="list-style-type: none">Powerlink presented high-level indicative 'Cut 2' network capex forecasts, building on preliminary figures presented in December 2019 ('Cut 1'). This revised forecast is the very first view based on the Repex Model.Cut 2's central forecast capex is \$1,299 million, compared with Cut 1's central forecast capex of \$1,081 million. The group discussed the key drivers and input elements shaping the forecast.Powerlink emphasised the early nature of this forecast, and that a range of inputs would need to be tested and refined. Powerlink's focus will be to review the Repex Model in coming months and align this with a bottom-up view of some projects, which is likely to result in a lower capex forecast. The RPRG acknowledged Powerlink's efforts to provide transparency throughout the process. <p>Key action</p> <ul style="list-style-type: none">Powerlink and TransGrid to consider publicly releasing the cost estimates provided to AEMO for QNI Medium.
General business – discussion about the RPRG's operation	<ul style="list-style-type: none">In the spirit of continuous improvement and ongoing transparency, Powerlink is seeking feedback on the RPRG. <p>Key action</p> <ul style="list-style-type: none">RPRG members to provide collective feedback to Powerlink on how the RPRG is operating from an engagement and governance perspective, considering things such as meeting frequency/length/format, suitability of meeting content, relevance and frequency of out-of-session communication, value of meeting minutes and one-page overviews, topics covered so far, and any specific future topics to be discussed.



More information

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