

Revenue Proposal Reference Group (RPRG)

Meeting overview – 4 March 2021



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

Key topic	Key discussion highlights and actions
Progress update, key milestones and proposed future engagement activities	<ul style="list-style-type: none">• Powerlink provided a brief refresher on the key forecasts included in its Revenue Proposal.• Powerlink discussed upcoming regulatory milestones and identified associated proposed engagement activities. The group was largely supportive of the draft engagement calendar for 2021 and 2022, in the short-term highlighting the potential need for an out-of-session RPRG/Customer Panel meeting without Powerlink representatives to further discuss the potential to lodge a submission on the Revenue Proposal as a collective.• The AER encouraged the RPRG to provide insights regarding 'capable of acceptance' as part of the public forum or submission process.• Powerlink noted its recent publication of several customer overview documents on a range of topics to help enhance customer and stakeholder understanding. The RPRG acknowledged how helpful these documents are and thanked Powerlink for preparing them. Key actions <ul style="list-style-type: none">• RPRG to contact the full Customer Panel and determine the approach regarding potential lodgement of a joint submission, including holding out-of-session meetings (without Powerlink attendance) as appropriate. RPRG to advise Powerlink on the agreed approach and additional meeting dates.• RPRG to advise who will present at the AER's Public Forum on behalf of the Customer Panel.
Update on Service Target Performance Incentive Scheme (STPIS)	<ul style="list-style-type: none">• Powerlink discussed complexities with the Market Impact Component (MIC), with changing power flows and the emergence of system strength constraints impacting MIC performance. Powerlink reiterated its preference for the AER to use the most recent data available for their Final Decision in April 2022 (i.e. including calendar year 2021) to reflect the latest figures, ensuring that STPIS targets are fit-for-purpose.• The AER noted that preliminary legal advice indicates it is not appropriate to include 2021 data, however they will continue to work through information provided by Powerlink on this matter.• As part of the Service Component, Powerlink explained the proposed alternative target of 'one' in lieu of 'zero' for large loss of supply events, as outlined in its Revenue Proposal. The AER commented on the design of the incentive scheme and their view that setting the target higher than the historical average will result in consumers paying for the service twice. This matter will be discussed as part of the AER's Issues Paper, to be released 24 March 2021.• Powerlink confirmed it has not proposed any Network Capability Incentive Parameter Action Plan projects in the Revenue Proposal, with potential projects to be considered in-period in consultation with the Customer Panel as required. This approach is expected to provide genuine customer and market benefits and therefore meet the objectives and criteria of the Network Capability Component. Key actions <ul style="list-style-type: none">• Powerlink to review legal advice from the AER regarding target setting years for the STPIS and advise its view to the AER and RPRG.
Feedback from RPRG on the Revenue Proposal	<ul style="list-style-type: none">• Powerlink encouraged initial views from the RPRG on the Revenue Proposal. The RPRG noted it was too early to provide specific feedback and they would continue perusing relevant documentation. Key actions <ul style="list-style-type: none">• RPRG to review and provide feedback to Powerlink on the Revenue Proposal as part of the next RPRG discussion. Formal submissions due on 24 May 2021.
General business - CopperString	<ul style="list-style-type: none">• The group had a brief high-level discussion on CopperString, with a more detailed conversation planned to be held at the next Customer Panel meeting.• Powerlink noted there is no ex-ante capex allocation in the Revenue Proposal for CopperString, however there is potential for CopperString to contribute as a trigger toward Powerlink's proposed Central Queensland-North Queensland reinforcement contingent project. Key actions <ul style="list-style-type: none">• CopperString to be discussed at the Customer Panel meeting on 18 March 2021.



More information

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