

# Powerlink Customer Panel Meeting

15 September 2022



# Acknowledgement

Powerlink acknowledges the Traditional Owners and their custodianship of the lands and waters of Queensland and in particular, the lands on which we operate. We pay our respect to their Ancestors, Elders and knowledge holders and recognise their deep history and ongoing connection to Country.

# Agenda

01

Asset  
Reinvestment  
Review

02

RIT-T Forecast &  
MCC Rule Change

03

Setting the scene for  
the QEP and Powerlink  
initial preparations

04

Network  
Development  
Process Review

05

Joint Accountability  
Energy Charter  
Update

06

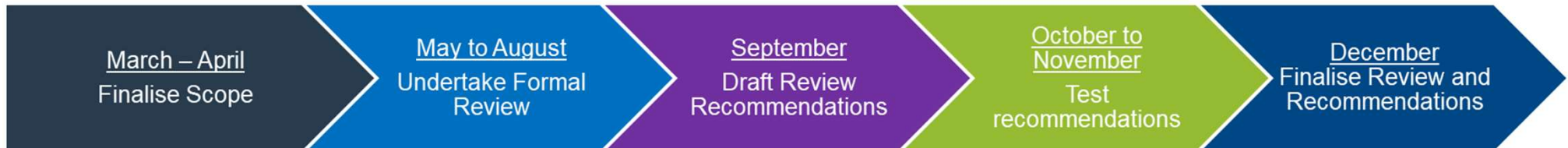
Customer  
Panel 2022  
Feedback

# Asset Reinvestment Review



# Asset Reinvestment Review - Update

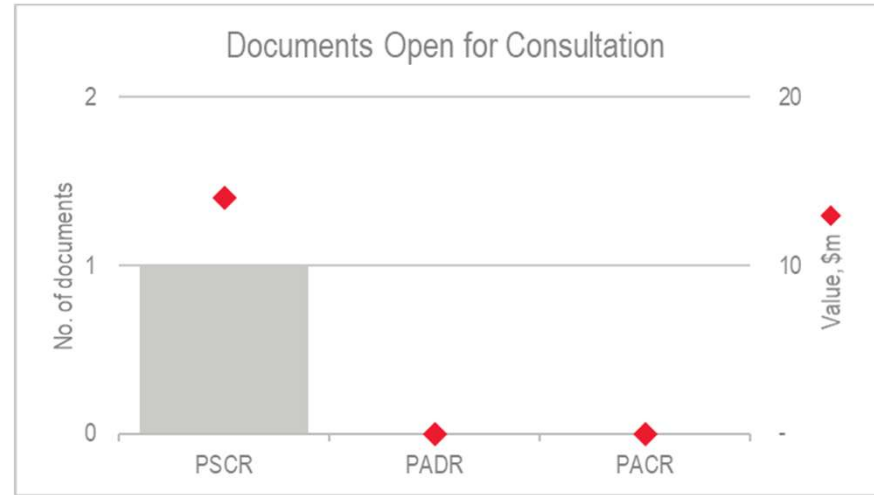
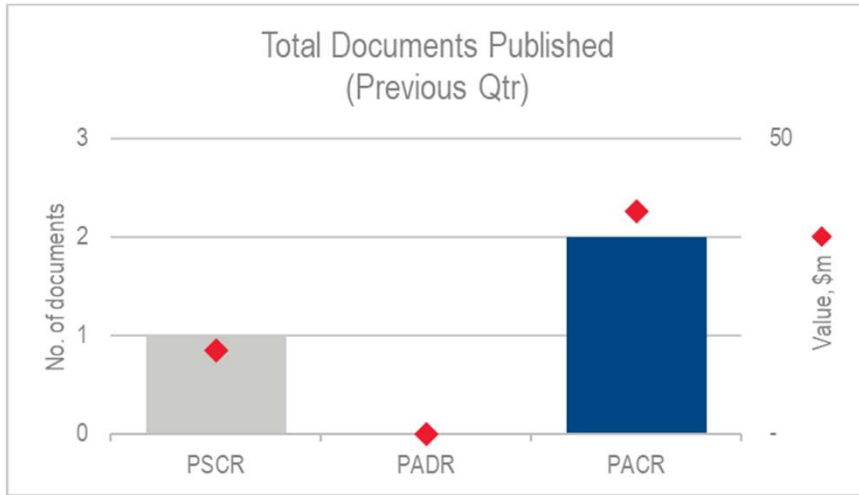
- Scope of review agreed to and endorsed by the group
- Site visit 21 June – valuable exercise to build greater understanding of the key challenges and trade-offs:
  - Rocklea Tower Farm – climbing demonstration with and without climbing loops and EWP to demonstrate size and mobilisation challenge
  - transmission line and towers in Goodna to highlight access challenges and corrosion issues
- Following high level analysis of alternative built section definition options, working group opted for deep dive into disaggregated asset classifications (structure, insulators, etc.) – analysis underway
- Next meeting 29 September



# RIT-T Forecast and MCC Rule Change

Roger Smith – Manager Network and Alternate Solutions

# Overview of RIT-T consultations



# Material Change in Network Infrastructure Project Costs Rule Change

- Draft determination published by the AEMC in July 2022, with several forums held to discuss proposal:
  - reopening provisions apply to projects >\$100 million – criteria that constitute a material change of circumstance to be identified upfront and consulted upon as part of RIT-T
  - AER to review cost estimate accuracy requirements and include in RIT-T Guidelines
  - additional formal check included within contingent project application
- Powerlink's position:
  - broadly supportive of draft rule
  - propose requirements to publish related material to increase visibility following a MCC
  - concern that in some circumstances a defined class of estimate accuracy may not be achievable
  - preference for binding elements not to be included in guidelines document



# Other challenges and considerations

- Social licence to operate may be single largest factor in accuracy of large transmission projects:
  - ensure underground cable and alternative structure designs considered in development phase where appropriate
  - proposed independent investigation into cost and land impacts of underground cable (in conjunction with stakeholder partnerships)
- Considerable pressure on costs and timing of projects observed, predominantly resulting from:
  - significant increases in cost of materials, plant and equipment
  - scarcity of resources resulting in higher tendered contractor pricing
  - ongoing complexity of network access

**How can we enhance visibility and confidence in RIT-T outcomes?**

# High level overview of Qld Energy Plan

David Wright - Department of Energy & Public Works

# Powerlink Customer Panel



**Queensland**  
Government



# The Energy Plan

- Deliver affordable, clean and reliable electricity
- Achieve our 50% renewable energy target by 2030
- Support achievement of our 30% economy wide emissions reduction target by 2030
- Position Queensland for net zero by 2050
- Maintain majority ownership of generation
- Climate positive 2032 Olympic and Paralympic Games

# Areas of agreement



## **Energy as an enabler of economic growth**

*“Local content and supply chain considerations are critically important...we don’t want this transformation to just support construction jobs” – Clean Energy Council*

*“There needs to be a real focus on how we can provide renewable energy to businesses and what benefits it can provide. The message has not gotten through to too many industries.” – CCIQ*



## **Workforce & Skills will be a key challenge and impediment to the pace of decarbonisation**

*“There will be a race for skills, and if we want Queensland to win, then Queensland needs to get in the race; the Energy Plan needs to call that out... we’ve got to position Queensland for the skills race, and it’s not necessarily against other states, its global.” – Energy Skills Queensland*



## **Social licence will be critical to the transformation’s success**

*“We need to get DES, DEPW and Powerlink in a room drawing maps on where we can build key infrastructure and where we cannot... We also need to highlight the areas that you cannot build renewables.” – QCC*

# Key policy issues - divergence

## **Ambition and pace of decarbonisation**

Views ranged from 'Government should transform and decarbonise the energy system as fast as possible' to 'the current targets and pace of change are appropriate'.

## **Role of Government**

Agreement Government has a role, particularly on community transformation. However, views diverged around Government's role in infrastructure delivery and/or de-risking investments.

## **Planning and delivery of infrastructure**

Views ranged from following existing national processes to state based robust and transparent processes may be required.

## **Community transformation**

Some members requested detail and certainty around coal closure timeframes for the benefit of both workers and the communities, as well as to facilitate better planning and transformation of the system.

## **Customer focus of the transformation**

Energy affordability is a key concern for many consumers, particularly those who are disadvantaged or older Queenslanders.

# Ambition & Pace

## Ambition and pace of decarbonisation

Views ranged from 'Government should transform and decarbonise the energy system as fast as possible' to 'the current targets and pace of change are appropriate'.

### Role of Government

### Planning and delivery of infrastructure

### Community transformation

### Customer focus of the transformation

- **How fast can/should we move?**
- **What does this mean for reliability, certainty & investment?**
- **Should we increase the targets, have interim targets or introduce post 2030 targets?**

# Role of Government

Ambition and pace of decarbonisation

## Role of Government

Agreement  
Government has a role, particularly on community transformation. However, views diverged around Government's role in infrastructure delivery and/or de-risking investments.

Planning and delivery of infrastructure

- **“Light touch” vs “lean-in”**
- **Enabling – Equity – Certainty – Safety**
- **Costs and benefits of intervention?**
- **State action vs. national rules**

Community transformation

Customer focus of the transformation



# Planning & Delivery of Infrastructure

## Ambition and pace of decarbonisation

- **Keeping prices low & building at least cost**
- **Should government de-risk investments?**

## Role of Government

### **Planning and delivery of infrastructure**

Views ranged from following existing national processes to state based robust and transparent processes may be required.

## Community transformation

- **Who pays for new infrastructure?**
- **Is existing infrastructure regulation fit for purpose?**

## Customer focus of the transformation

# Community Transformation

Ambition and pace of decarbonisation

- **Future Energy Mix**
- **Support for workers and communities**
- **Conflicting land uses**
- **Robust regulatory frameworks**

Role of Government

Planning and delivery of infrastructure

**Community transformation**

Some members requested detail and certainty around coal closure timeframes for the benefit of both workers and the communities, as well as to facilitate better planning and transformation of the system.

Customer focus of the transformation

# Customers & Transformation

Ambition and pace  
of decarbonisation

Role of  
Government

Planning and  
delivery of  
infrastructure

Community  
transformation

- **Affordability, equity & access**
- **Networks and consumers**
- **Relevant, clear information**

**Customer focus of  
the transformation**

Energy affordability is a key concern for many consumers, particularly those who are disadvantaged or older Queenslanders.

# Powerlink Response to QEP

Daniel Andersen – GM Energy Markets

# Powerlink QEP Contribution

- Development of the Queensland Renewable Energy Zones
  - Potential future role as Designated Planning Body
- Pumped Hydro:
  - feasibility study including detailed design and cost of Borumba Dam Pumped Hydro
  - state-wide analysis for additional pumped hydro site(s) in Queensland
- Providing expert input and analysis to support the Queensland Energy Plan development undertaken by Department of Energy and Public Works and Queensland Treasury.
- Powerlink aims to publish a response to the QEP by 4 November at Transmission Network Forum

➔ What would you like to see / hear about in Powerlink's QEP Response?

# Afternoon tea



# Network Development Process (NDP) Review

Matt Myers, GM Community and Delivery Services

# Agenda

## To inform our Customer Panel of the planned Network Development Process (NDP) review

- This slide pack covers:
  - Powerlink's current Network Development Process
  - Reason for the review
  - Review objective
  - Expected outputs
  - Proposed scope
  - Review milestones
  - Interactive discussion
  - Next Steps
  - Background information



# The Network Development Process

## Context

- The NDP is a series of legislative and regulatory driven processes that guide us through the steps to assess and select new transmission line routes and/or Substation Sites, to enable construction and operation and maintenance of new assets.
- The NDP helps inform our considerations of impacts of a Project on the community including:
  - social;
  - economic; and
  - environmental.
- It guides activities on both regulated and non-regulated capital project work, and is ultimately owned by the Powerlink Board.
- An overview of the NDP has been included as part of the Customer Panel's pre-reading material.

# The Network Development Process

## Four components of asset life cycle



- This review will focus on the L&RAA process

# Current NDP Process

## Stage 1

- Step 1 – Introduce the project to landholders and other stakeholder
- Step 2 – Understand and Incorporate landholder and other stakeholder requirements
- Step 3 – Initial field assessments
- Step 4 – Corridor and/or Site Selection Report

## Stage 2

- Step 5 – Seek Ministers consideration on Infrastructure Designation
- Step 6 – Prepare Environmental Assessment Report
- Step 7 – Consultation
- Step 8 – Consideration of submission and changes

## Stage 3

- Step 9 – State Government Assessment and Approvals
- Step 10 – Easement acquisition
- Step 11 – Construction
- Step 12 – Operation and Maintenance

A detailed version of this process is on our website: [Network Development Process - Version 6 - February 2022 \(powerlink.com.au\)](https://www.powerlink.com.au/network-development-process-version-6-february-2022)

# Review need and objectives

- The last significant review of the NDP was completed eight years ago.
- Compensation strategy was last reviewed in 2010-11 for Surat LNG transmission projects
- We recognise there has been significant increases in community and stakeholder expectations of engagement and compensation in recent years.
- Increased greenfield capital projects combined with greater landholder, community and stakeholder expectations places further emphasis on the need for a review.
- **The objective of this review is to ensure we have an NDP that is contemporary, socially accepted, and world class in its approach.**
- **Our revised NDP will drive higher community and stakeholder acceptance, particularly of our engagement, corridor selection, compensation and land access approach.**
- The focus of the review will be on the components of the process Powerlink has control over, and we will involve the Customer Panel and other external stakeholders extensively to ensure community and stakeholder views are taken into account.

# Expected outputs

There are three primary expected outputs from the review:

1. A report outlining options for changes in our NDP, stakeholder input, findings in relation to the L&RAA components considered. This will be made public.
2. A set of recommendations to our Board outlining proposed amendments to the NDP.
3. The revised NDP itself, and updates / creation of any new associated internal and external documents.

# Review scope

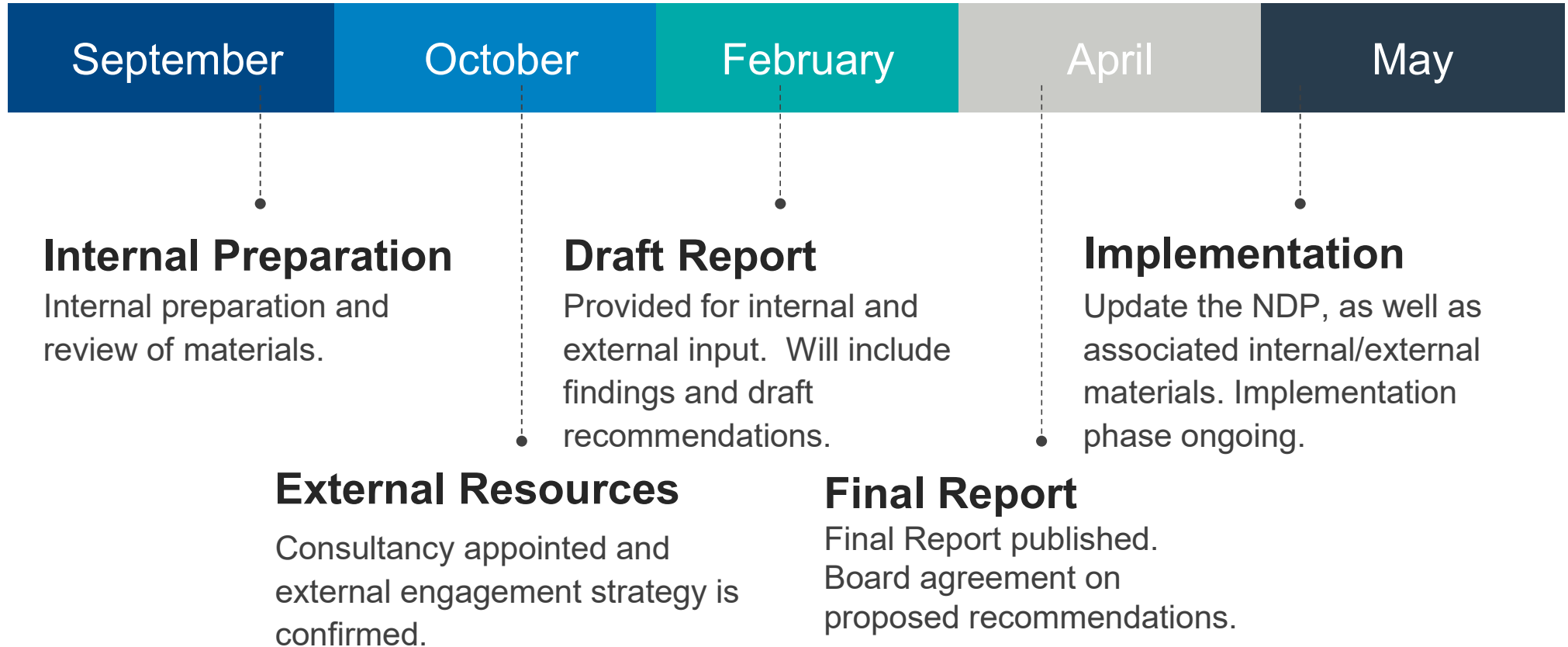
## Land and Rights Acquisition and Approvals components

1. **Landholder, community, First Nations and other stakeholder engagement**
2. **Corridor selection methodology**
3. **Land access**
4. Environmental assessment – out of scope
5. Cultural heritage management – out of scope
6. Easement acquisition
7. **Compensation**
8. Planning approval

### Notes re above:

- The review will consider the above components, with particular emphasis on components 1, 2, 3 and 7
- Government legislation and processes drive many aspects of the LR&AA process, and it is not our intent or within our control to review/amend these elements. This is particularly the case for our environmental assessment and Cultural Heritage management processes.

# Review Milestones



# Interactive discussion

## Questions for Customer Panel

1. Is the need, outcomes and value of this review clear?
2. Are we focused on the important aspects?
3. Are our observations of the external environment valid?
4. What would you like to see in addition or part of this review?
5. How would you like to be involved going forward?
6. Have we missed anything?



# Next steps

- Confirm stakeholder participation
- Brief Powerlink Board
- Finalise scope
- Appoint a consultancy to support the review
- Set up workshops with key stakeholders


# Joint Accountability & Energy Charter Update

Gerard Reilly - GM Communications, Customer & Engagement

- Customer Panel Scorecard
- Joint Accountability Session
- 2022 Review of Customer Panel

# Customer Panel Scorecard

## Customer Panel Scorecard

Measure	Description	Current result	Previous result	Trend
<b>Principle 1 – We will put customers at the centre of the energy system.</b>				
Staff understanding of customers	The extent to which staff feel they know who their customers are. The percentage result represents the proportion of staff who scored strongly agree and agree. The percentage represents the proportion of staff who scored between 8 and 10. <i>Source Powerlink Employee Engagement Survey/pulse check (annual).</i>	91% (April 2022)	89% (May 2021)	
<b>Principle 2 – We will improve energy affordability for customers.</b>				
Bulk Electricity Price Trend (Forecast)	Real bulk electricity prices flat or declining over a three-year forecast period. <i>Sources: AEMO; Powerlink; AER; Australian Stock Exchange; Australian Bureau of Statistics.</i>	\$150/MWh	\$50/MWh	Improvement Forecast
Unsupplied system minutes	Transmission unsupplied system minutes is a measure of performance of the transmission network as experienced by consumers. It is an industry standard measure and is part of the Australian Energy Market Commission's (AEMC's) annual Market Performance Review.	1.46	<0.58	Widespread flooding in February 2022 caused outages and delayed the restoration of high voltage supply.
Affordability	An annual briefing outlining our actions and initiatives to help	N/A	N/A	Update on progress.

- Any comments or feedback on circulated scorecard?

# Joint Accountability Session

## With CS Energy

- Thursday 24<sup>th</sup> November at CS Energy
- Potential agenda:
  - 12.00pm Arrive for lunch
  - 1.00pm First GOC presentation on Disclosure Statement and upcoming customer priorities – Q&A with Customer Panel members
  - 1.45pm Second GOC presentation on Disclosure Statement and upcoming customer priorities – Q&A with Customer Panel members
  - 2.30pm Afternoon tea break
  - 3.00pm CEO Panel to discuss QEP implementation and wider industry issues
  - 3.45pm Summarise key actions
  - 4.00pm Close

# 2022 Customer Panel Review

- Each year we like to get your thoughts on:
  - What's working
  - What we need to improve
  - What topics you want to discuss in 2023



# 2022 Transmission Network Forum

## Save the date!

- Friday 4th November
- Invitations will be emailed shortly
- Will provide a more detailed outline of QEP and Powerlink's response.

