

Revenue Proposal Reference Group Meeting No.14

Details of Meeting	
Date and time of meeting	13:00 – 17:00, Thursday, 7 May 2026
Location	Powerlink Offices, Virginia
Attendees	Organisation
RPRG members – customer representatives	
Andrew Chamberlin (proxy)	Queensland Farmers’ Federation (QFF)
Chris Hazzard	St Vincent de Paul Society
Jodie Johnson (proxy - online)	Aurizon
Katie-Anne Mulder (online)	Queensland Renewable Energy Council (QREC)
Mark Grenning (Independent Chair)	Policy and Regulatory Expert
Robyn Robinson	Council on the Ageing (COTA)
RPRG members – Powerlink representatives	
Gerard Reilly	General Manager Communications, Customer and Engagement
Jenny Harris	General Manager Network Regulation
Roger Smith (RPRG Chair)	Director Revenue Reset
Guests and speakers	
Aidan Lawlor	Capex Lead Revenue Reset
Eleonore Bridier (Convenor)	Customer Engagement Specialist
Jacqui Bridge	Executive General Manager Network Investment
Jared Rodell (online)	Pricing and Billing Analyst
Kara Healey (online)	Opex Analyst Revenue Reset
Leigh Pickering	Chief Financial Officer
Martin Pavelka (online)	Finance and Modelling Analyst Revenue Reset
Michelle Beavis	Opex Lead Revenue Reset
Nina Zhuang	Finance & Modelling Lead Revenue Reset
Sally Taylor (online)	Manager Pricing and Billing
Simon Hendry (online)	Governance, Assurance and Estimating Coordinator Revenue Reset
Vanessa Morris (online)	Capex Analyst Revenue Reset
Wendy Miller (online)	Customer Strategist
Invited stakeholders	
Ben Fu (online)	Australian Energy Regulator (AER)
David Prins (online)	AER Consumer Challenge Panel No.34
Michael Brothers (online)	Australian Energy Regulator (AER)
Mike Swanston (online)	AER Consumer Challenge Panel No.34
Apologies	
Nardia Yeates	Aurizon
Stephanie McKechnie	Queensland Farmers’ Federation (QFF)

Meeting agenda

1. Consideration of AER Issues Paper
2. Updates to capex forecast
3. Overview of RPRG submission recommendations
4. Mapping out of future engagement

Meeting notes

Presentation slides that accompany these notes are published on the [Powerlink Customer Panel webpage](#).

Consideration of AER Issues Paper

Roger Smith, Director Revenue Reset, provided an update on engagement with the AER following publication of the Issues Paper. The focus of current engagement is to understand the AER's preliminary positions and ensure alignment between the AER's analysis and Powerlink's assumptions and figures. Minor variations have been identified and are being worked through with the AER via Information Requests. Any material differences will be communicated to the RPRG and, where required, addressed in the Revised Revenue Proposal.

Roger confirmed that the AER has issued a number of Information Requests aligned with the issues identified in its Issues Paper. Responses are in progress, with many requests already closed out.

The RPRG asked whether any issues raised through Information Requests would benefit from RPRG engagement. Powerlink advised this would be considered further and discussed later in the meeting.

Roger then led a focused discussion on how the AER addressed contingent projects in the Issues Paper.

It was noted that contingent projects are included in the Revenue Proposal in accordance with the National Electricity Rules.

Post-meeting note: As per 6A.8.1, a project is accepted as a contingent project where:

- It is reasonably required to achieve one or more capital expenditure objectives.
- It is not already included in the ex ante capital expenditure forecast.
- It reasonably reflects the capex criteria, taking into account the capex factors, in the context of the project.
- It exceeds the materiality threshold (the greater of \$30 million or 5 percent of maximum allowed revenue (MAR) in year one).
- It includes appropriate trigger events and complies with relevant regulatory information instruments.

Trigger events must:

- Be reasonably specific and objectively verifiable.
- Make the project reasonably necessary to meet the capex objectives if the event occurs.
- Be location-specific (not system-wide).
- Be defined so that their occurrence alone enables a determination amendment.
- Be probable within the regulatory period but not included in base capex because it is not sufficiently certain that the event will occur within the period, or the associated costs are not sufficiently certain.

Powerlink emphasised that while individual contingent project triggers may be assessed as probable, it is not possible to predict with certainty which projects will proceed (if any), or their final scope and timing.

As these projects have not yet undergone a Regulatory Investment Test for Transmission (RIT-T), which would be required once a trigger is met, key elements remain uncertain. The RIT-T process assesses network and non-network options and outcomes.

Accordingly, cost estimates are indicative only.

Discussion, questions and responses

There was considerable discussion regarding how contingent and Integrated System Plan (ISP) projects are presented in the AER's Issues Paper, including the extent to which their presentation as 'probable capex' may misrepresent potential outcomes.

The RPRG also sought clarification on how "probable" is defined. Powerlink noted that the term is not defined in the Rules. In past revenue determinations, the AER has generally interpreted "probable" to mean more than a 50 percent probability of occurring.

The RPRG and CCP asked clarifying questions as to why the AER's representation of contingent projects in its Issues Paper is considered problematic. Powerlink raised concern that the presentation uses the upper end of highly uncertain cost ranges and includes Integrated System Plan projects under review, creating a worst-case view that overstates what is probable within the period, which may misleadingly influence AER assessment of future price impacts and capex deliverability.

The RPRG discussed the potential impact of this presentation on stakeholders. Members noted that customers are facing significant uncertainty and concern, particularly when potential price increases from contingent projects are considered alongside proposed forecast ex ante capex increases.

The RPRG explored alternative ways of presenting contingent projects that could be more helpful for consumers. Suggestions included presenting a probabilistic distribution or range. Powerlink acknowledged the importance of transparency and the need to ensure stakeholders are not misled. Powerlink is open to considering alternative ways to present the information.

The RPRG suggested early consideration of how customers would be engaged if contingent project triggers are met, including whether there is an opportunity to involve the RPRG or a sub-group in future consultation processes. Powerlink committed to engaging with our Customer Panel prior to lodgement of a contingent project with the AER.

There was discussion on the most important audience or stakeholder groups to be engaged with on the issues of how contingent project have been represented in the Issues Paper. It was noted that continued engagement with the AER on the interpretation and presentation of contingent projects was needed.

The RPRG requested that the AER clarify the rationale for presenting contingent projects this way. Powerlink took an action to follow up with the AER on behalf of the RPRG.

Updates to capex forecast

Roger Smith provided an update on the ex-ante capex forecast, noting that the forecast may change as the Revenue Determination process progresses towards the Revised Revenue Proposal. Roger highlighted two areas where material reductions are currently expected.

Powerlink advised that ongoing review has identified a more cost-effective solution for the Gladstone Hub, and a revised approach for the Southern Logan area substation following further assessment of options. These changes reflect the evolution of testing the need and identification of potential solutions.

Updated forecasts will be reflected in the Revised Revenue Proposal. Powerlink noted that, given the uncertain operating environment, further adjustments (both increases and decreases) may occur and will be communicated where material.

Powerlink also noted that the extent of revisions to its forecast capital and operating expenditure in its Revised Revenue Proposal will also depend on the AER's Draft Decision, noting that Powerlink considers its Revenue Proposal is capable of acceptance as an overall package.

Discussion, questions and responses

The RPRG sought confirmation that the Gladstone Hub solution represents a better outcome at lower cost. Powerlink confirmed that a more cost-effective solution has been identified, with costs allocated to prescribed and non-prescribed transmission services, as per the previous estimate.

Overview of RPRG submission recommendations

Gerard Reilly, General Manager Communications, Customer and Engagement, provided an overview of key recommendations in the RPRG's submission to the AER on Powerlink's 2027-32 Revenue Proposal. Gerard noted the remaining Powerlink RPRG engagement window extends from now to October 2026.

Powerlink acknowledged the significant level of engagement undertaken to date and recognised the importance of the RPRG's submission, including its assessment of the proposal as capable of acceptance.

Discussion, questions and responses

Nil

Mapping out of future engagement

Gerard Reilly facilitated a discussion on priorities for future engagement in the lead up to the AER's Draft Decision and subsequent Revised Revenue Proposal.

Powerlink noted the Draft Decision is expected in late September, with a limited period available to prepare its Revised Revenue Proposal. The RPRG indicated it would support additional engagement during this period if required.

Discussion, questions and responses

Key topics identified for future engagement included:

- contingent projects
- base year operating expenditure (following close of the financial year)
- step changes and materiality thresholds
- productivity and efficiency initiatives
- price path impacts, including interest rate movements
- interaction between the Revenue Proposal and Gladstone Priority Transmission Investment and the synchronous condenser contingent project application

Powerlink advised that an update on base year operating expenditure will be provided following finalisation of audited financial results. A preliminary update on the base year opex outcome will be provided around August.

Powerlink confirmed that productivity initiatives and their role in offsetting cost pressures will be discussed further with the AER, and the RPRG will be updated as appropriate.

The RPRG noted the importance of reviewing submissions made to the AER by other stakeholders as part of its assessment.

Powerlink confirmed that additional engagement will be guided by:

- issues raised by the AER (Issues Paper or Information Requests)
- stakeholder submissions raising material issues
- material changes in the business or regulatory environment

Powerlink will circulate an indicative engagement schedule and send calendar placeholders to support participation, based on this discussion.

Actions

	Action	Responsible person	Due
13.1	Confirm Powerlink and RPRG presenters for the AER public forum	Mark Grenning Roger Smith	Complete
13.2	Lodge RPRG Submission with the AER and notify Powerlink and Customer Panel	Mark Grenning	Complete
14.1	AER to provide clarification to the RPRG on the rationale for its presentation of contingent projects in the Issues Paper	Michael Brothers	Next meeting
14.2	Provide an indicative forward engagement schedule, including calendar placeholders to support member availability	Eleonore Bridier	Complete
14.3	Consider alternative presentation approaches for contingent project costs, including probabilistic or range-based representations	Roger Smith	Open