

Powerlink 2027-32
Revenue Proposal

Revenue Proposal Reference Group Meeting

May 2026



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.



Information

Dear reader

We publish information in connection with our customer panel and its sub-committees on our website, for information purposes only.

While we make every effort to make sure the information regarding our customer panel and its sub-committees is informative, this information may reflect works in progress and may be updated or amended from time to time.

You should not rely on the information as a substitute for obtaining your own detailed independent advice.

The information does not constitute legal, regulatory or business advice, and we do not guarantee its accuracy, suitability, fitness for purpose, reliability or completeness.

Information regarding our customer panel may include the views or recommendations of third parties and does not necessarily reflect the views of Powerlink Queensland or indicate a commitment by us to a particular course of action.





Thank you

Meeting Purpose

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

Reminder: this meeting will be recorded and transcribed to assist with record keeping.

Agenda

Item	Duration
AER Issues Paper	20 minutes 
Capex updates	10 minutes 
Overview of RPRG submission recommendations	30 minutes 
BREAK	
Mapping out of future engagement	60 minutes 



AER Issues Paper



AER identified four preliminary issues:

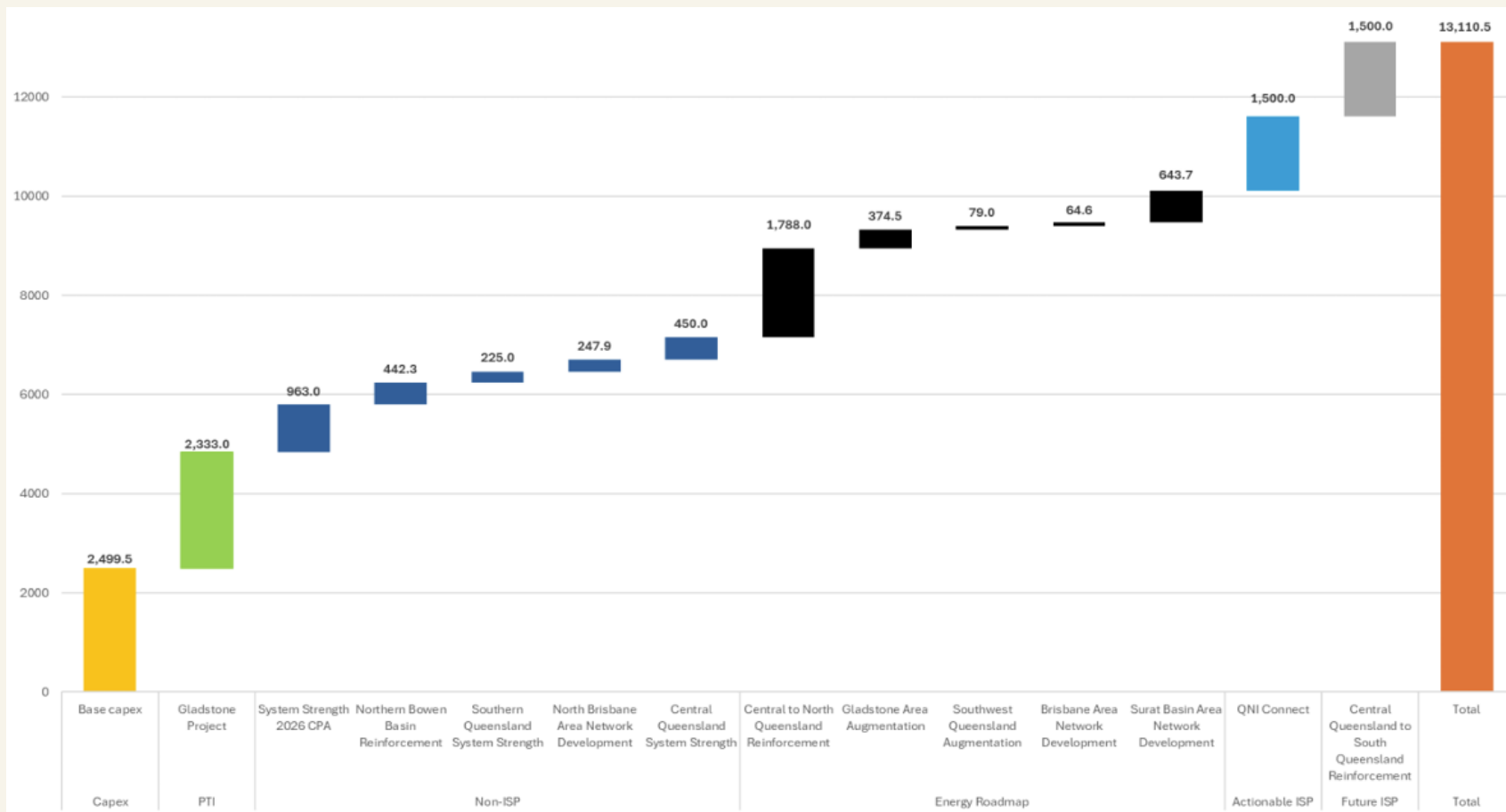
- Prudent and efficient replacement expenditure
- Current period capex and ex-post review
- Contingent projects
- Efficient operating expenditure

Powerlink considers issues are consistent with expectations.

Powerlink seeking to reconcile figures and percentages stated in the Issues Paper – working through this constructively with the AER.

AER Issues Paper

“probable capex over the next 10 years”



Powerlink defined contingent projects in line with all Rules requirements

Powerlink considers AER’s chart in its Issues Paper misleading:

- trigger must be “probable” within regulatory period
- probability of triggers will alter over time – dependent on future scenarios
- solutions likely to change with detailed investigations – incl. non-network alternatives that may avoid/delay/alter network solutions.

Source: AER Issues Paper

Capex updates



The Revenue Proposal is based on reasonable assumptions at a point in time

Intended to set revenue requirements as an 'overall package' to support ongoing prudent and efficient delivery of prescribed transmission services

But Powerlink intends to reflect material changes to underlying forecasts – and engage accordingly

Gladstone hub establishment

- Review of operating environment and long term-operational requirements
- Decision to purchase and upgrade the facilities Powerlink already occupies with an additional lease on the adjacent site. Meets the needs of our staff sooner and in a more cost-effective way.
- Approx. \$40 million (\$nominal) to be removed from the forecast in Revised Revenue Proposal

Southern Logan Area substation site acquisition

- EQL has identified alternative solution that avoids the need for additional easement in the area
- Approx. \$30-40 million (\$nominal) to be removed from the forecast in Revised Revenue Proposal.

RPRG recommendations



Recommendations for Powerlink

Capable of acceptance

Revenue Proposal Reference Group continuity and leadership

Customer Panel reporting: co-design a dashboard reporting progress against current and next period allowances

Continue monitoring the risk of stranded assets

Transparency of future price scenarios

- Sensitivity testing of price path impacts of contingent projects
- Include updated price impact data in proposed dashboard

Deliverability: substantial information on deliverability has been provided, risks remain given the scale of investment and broader east-coast infrastructure pressures.

Recommendations for AER

Proof point: Scrutiny of labour costs, assumptions and productivity

Review of capex forecasts and cost estimation

Monitoring projects outside ex-ante capex to ensure customers have visibility of potential future price outcomes

Review of base year efficiency assessment

Sector-wide review of output measures

Provide step change materiality guidance

Examine deliverability of expenditure programs, productivity, sequencing, capacity and supply chain.

RPRG potential engagement topics

- AER Issues Paper – are there matters you think we should engage on more?
- What information requests have you received from the AER? Any to discuss/consult on?
- Preparation of the contingent project application – and explain what the signing of the synchronous condenser contract means given it is prior to AER approval
- Identify impact of 50bp increase in cash rate on WACC and price path since Revenue Proposal was submitted
- How to represent the price path where some contingent projects, apart from synchronous condensers and Gladstone project, are included?

Potential engagement topics

What information do you need from us to get a greater sense of confidence?

- Deliverability – but what specifically to include in the outlook
- Operating expenditure base year actuals
- Productivity
- Contingent projects – triggers and probability
- Visibility on priority transmission investment process and revenue recovery
- Synchronous condenser contingent project application process
- Timing of capex forecast updates, key changes ahead of Revised Revenue Proposal

Facilitated discussion

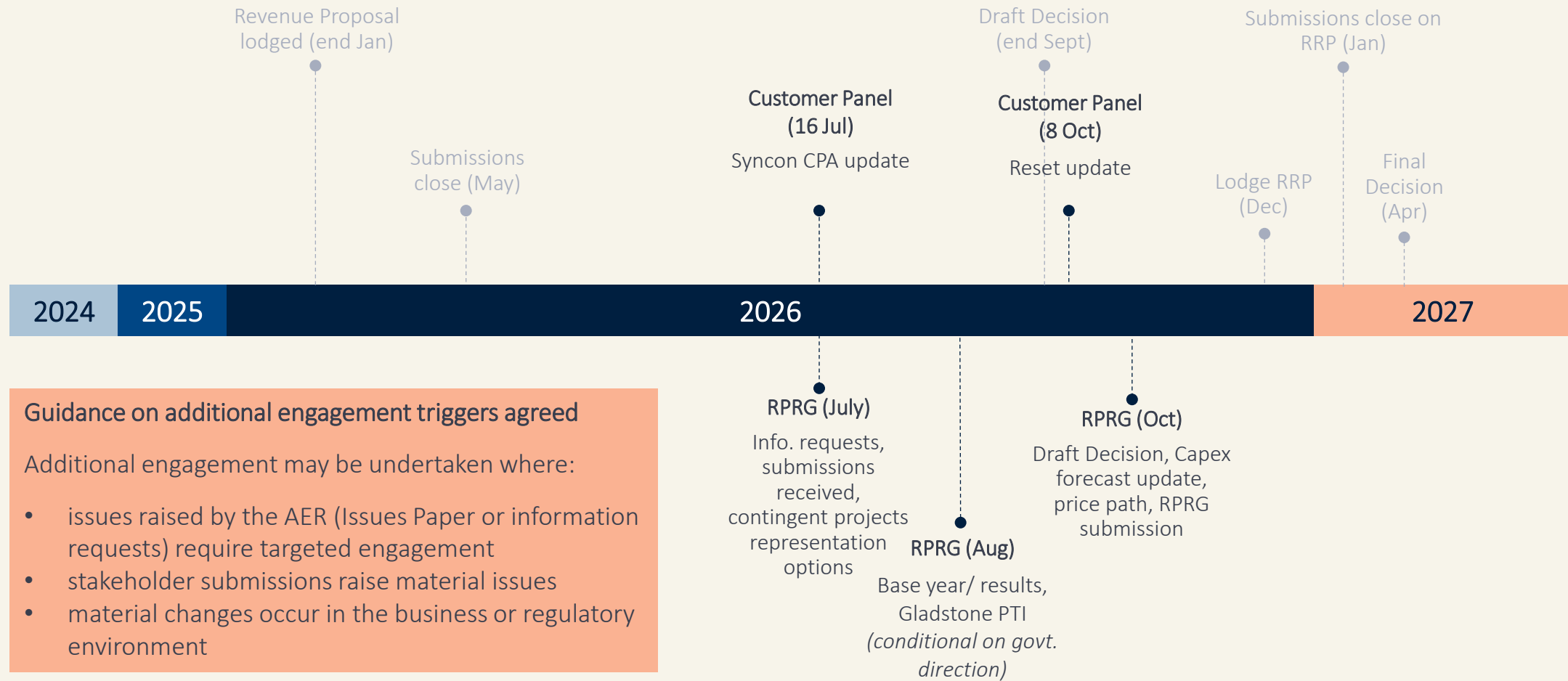


What does future engagement look like?



Post meeting note: forward engagement schedule

INDICATIVE



Guidance on additional engagement triggers agreed

Additional engagement may be undertaken where:

- issues raised by the AER (Issues Paper or information requests) require targeted engagement
- stakeholder submissions raise material issues
- material changes occur in the business or regulatory environment