December 2026

2027-32 Revenue Proposal

Engagement Plan



1. Key highlights

This Engagement Plan was first published in January 2025, with updates in June and December 2025. The December 2025 version was included as Appendix 3.01 to our 2027–32 Revenue Proposal. It was further updated in June and December 2026. This version represents the final update to the plan, reflecting engagement undertaken through to the lodgement of our Revised Revenue Proposal.[1]

In its submission on Powerlink's 2027–32 Revenue Proposal, the Revenue Proposal Reference Group (RPRG)[2], on behalf of the Customer Panel[3], stated:

> "*We consider the revenue proposal is 'capable of acceptance' based on the criteria agreed with Powerlink to apply to the Customer Panel and RPRG."*
>
> *"Powerlink's engagement for the 2027–32 reset reflects a clear evolution in maturity and alignment with the AER's Better Resets Handbook."*[4]

Powerlink's engagement approach has also received positive feedback from the Australian Energy Regulator (AER), which stated that engagement has been *"genuine and to have met, and in some areas, exceeded the expectations set out in the Better Resets Handbook"*. The AER also commented that customer representatives had significant input into the development of the Revenue Proposal.[5]

2. Purpose

This plan is designed to set the scene for and guide Powerlink's engagement with our customers and other stakeholders over the course of our 2027-32 revenue determination process.

This update of plan is focused on engagement activities undertaken between the lodgement of Powerlink's Revenue Proposal in January 2026 and its Revised Revenue Proposal in December 2026.

3. Engagement goal and principles

Powerlink has had a long and strong history of engaging with its customers and other stakeholders.

Powerlink is committed to genuine and timely engagement to inform our decision-making as part of our normal business operations. It is fundamental to the way we do business and has led to better outcomes for our customers and stakeholders. This aligns with our commitment to The Energy Charter principles, in particular Principle One – we will put customers at the centre of our business.

3.1 Engagement goal

Our engagement goal remains:

> *To deliver a Revenue Proposal that is capable of acceptance by our customers, the AER and Powerlink.*

[1] This plan is published on 2027-2032 Regulatory Period | Powerlink
[2] Revenue Proposal Reference Group Terms of Reference | Powerlink
[3] Customer Panel Terms of Reference | Powerlink
[4] Revenue Proposal Reference Group Submission - Powerlink 2027-32 Revenue Proposal | Australian Energy Regulator (AER)
[5] AER - Issues Paper - Powerlink 2027-32 Revenue Determination - March 2026 | Australian Energy Regulator (AER), Page 14

We identified the need to clearly define what we mean by "capable of acceptance", and the expectations of the parties in relation to the assessment criteria.

Engagement criteria for capable of acceptance

The AER's Better Resets Handbook identifies three specific criteria to assess the engagement undertaken – *the nature of engagement, breadth and depth of engagement, and clearly evidenced impact of the engagement*. These are consistent with the engagement criteria that were used for assessing the capability of acceptance of Powerlink's 2022-27 Revenue Proposal.

While the operating environment has changed significantly since our last Revenue Proposal, we consider these three engagement criteria remain relevant and should be retained for our 2027–32 Revenue Proposal.

Powerlink's Customer Panel and RPRG had the opportunity to provide feedback on this approach. Through this process, the three engagement criteria were retained and an additional proof point criterion was developed.

Proof point criterion

In addition to the engagement criteria, an additional proof point criterion was developed and included as part of the capable of acceptance framework to support consideration of whether proposed operating and capital expenditure forecasts are reasonable, recognising prevailing and forecast operating conditions.

While the Customer Panel and RPRG may provide observations on the proof point criterion, assessment of expenditure prudency and efficiency ultimately rests with the AER as part of the revenue determination process.

Recognising this distinction, for the 2027–32 Revenue Proposal, the agreed proof point criterion was:

> *Reasonable operating and capital expenditure forecasts are proposed that reflect prevailing conditions, and are:*
>
> - *underpinned by appropriate and transparent forecasting methodologies*
> - *supported by clear explanations as to why forecasts are different from historical expenditure*
> - *have regard to the AER's top-down analysis of expenditure, and*
> - *align with the AER's expectations for capex, opex and regulatory depreciation stated in the AER's Better Resets Handbook*[6]*.*

Framework for application of the criteria

The following table provides a summary of the criteria to be applied to the 2027-32 Revenue Proposal and the expected assessment by Powerlink, its Customer Panel and the AER.

	Assessed by		
Capable of Acceptance Criteria	Customer Panel	AER	Powerlink
Nature of engagement	Yes	Yes	Yes
Breadth and depth	Yes	Yes	Yes
Clearly evidenced impact	Yes	Yes	Yes
Proof point	Optional	Yes	Yes

[6] Better Resets Handbook - Towards Consumer Centric Network Proposals, Australian Energy Regulator, October 2026.

3.2 Engagement principles

The engagement principles we adopted for the revenue determination process are:

- **Active engagement** – actively involve customers and other stakeholders in developing and refining our engagement approach.
- **Appropriate influence** – engage at the appropriate level of the International Association for Public Participation (IAP2) Public Participation Spectrum so that stakeholder feedback appropriately influences our decisions.
- **Plan ahead** – communicate the timing of key engagement forums well in advance to maximise participation.
- **Clear scope** – provide a clear scope of engagement to ensure stakeholders can focus on and influence areas that have a material impact.
- **Build capacity** – provide education, training and access to funding, if necessary, to allow representatives to engage effectively.
- **Demonstrate impact** – demonstrate how engagement has impacted Powerlink's positions by regularly communicating how input and feedback was considered.
- **Information to be accessible** – present information in a clear, concise and accessible way to assist stakeholders to meaningfully participate and provide informed feedback.

We consider that all these principles are consistent with those set out by the AER in its Better Resets Handbook. A summary of the AER's principles is provided in Appendix 1.

4. Powerlink's engagement approach

We consider that our approach to engagement on the revenue determination process is an extension of 'business as usual' engagement. Our approach to engagement on the revenue determination process is based on the following foundations:

1. Be targeted and fit-for-purpose
2. Support a clear business narrative
3. Seek early involvement from the AER
4. Apply a transparent and rigorous approach.

4.1 Targeted and fit-for-purpose

Powerlink is a Queensland-based electricity transmission business that exists to serve Queenslanders. As a result, we will seek to adopt an engagement approach that aligns with our business, customer and stakeholder needs to the extent practicable.

It should be recognised that this may not result in full alignment on the degree of engagement between stakeholders and Powerlink on all matters. We intend to leverage our established engagement activities and commitments, which includes working closely with our Customer Panel.

Powerlink Customer Panel

Powerlink's Customer Panel was established in May 2015 to make a positive step-change in our engagement activities. Our Customer Panel has and will continue to play a primary role in informing our decision making, while influencing Powerlink's Revenue Proposal. Our Panel currently comprises representatives as follows.

Customer and stakeholder representatives	Powerlink representatives
Adelaide University	GM Communications, Customer & Engagement (chair)
Aurizon	Executive GM Major Projects
Canegrowers Queensland	GM Network Regulation
Council on the Ageing (COTA) QLD	GM Energy Markets and Planning
Consumer Advocate	GM Connections and Development
CS Energy	GM Network Portfolio
CSIRO	Customer Strategist
Edify Energy	Customer Engagement Specialist
Energy Queensland	
Energy Users Association of Australia (EUAA)	
Gladstone Regional Council	
Neoen	
Queensland Farmers' Federation	
Queensland Renewable Energy Council (QREC)	
Queensland Resources Council	
Queensland Treasury	
Shell	
St Vincent de Paul Society	

From 1 December 2024 to 30 April 2027, Powerlink's Director Revenue Reset will join our Customer Panel.

Revenue Proposal Reference Group

In late 2024 Powerlink established a Revenue Proposal Reference Group (RPRG) in addition to its existing Customer Panel membership. The Group includes:

- some longer serving members of our panel as well as new members
- key Powerlink staff associated with the revenue determination process (such as the Director Revenue Reset, General Manager Network Regulation and General Manager Communications, Customer and Engagement)
- the AER's Consumer Challenge Panel members (CCP34)[7], and
- the AER Coordinator for Powerlink's 2027-32 revenue determination process.

The RPRG is an advisory body that meets more frequently (4-6 weeks) throughout the revenue determination process. This allowed for regular detailed discussion on matters that shape our Revenue Proposal.

This group reports back to the broader Customer Panel and assists in ensuring that our Revenue Proposal is aligned with customer and stakeholder expectations.

Powerlink prepared a Terms of Reference for this group and sought initial interest from Customer Panel members in mid-2024. The group met formally for the first time in February 2025.[8]

[7] CCP34 members participated throughout development of the Revenue Proposal and provided independent advice to the AER on the engagement undertaken by Powerlink. The AER discontinued the existing Consumer Challenge Panel arrangements in June 2026 and commenced recruitment of a new panel under revised terms of reference.

[8] See Powerlink Customer Panel | Powerlink

The table below outlines Powerlink's format for the RPRG and broadly outlines the operations of both the Customer Panel and RPRG over the course of our revenue determination process.

	Customer Panel	RPRG
Standing membership	20 external representatives 6 Powerlink representatives (incl. chair)	5 to 7 members of Customer Panel Director Revenue Reset (chair) GM Network Regulation GM Comms, Customer & Engagement
Invited stakeholders & observers	AER Consumer Challenge Panel (CCP34), AER staff, Powerlink staff as required	AER Consumer Challenge Panel (CCP34), AER staff, other Customer Panel members and Powerlink staff as required
Meeting frequency & duration	Three-hour meeting, three to four times a year	Two to four-hour meeting, every four to six weeks. Independent members of the RPRG also meet separately to discuss topics of upcoming RPRG meetings.
Focus areas	Provide input on Powerlink's ongoing activities. Provide input and guidance on key aspects of the Revenue Proposal, including areas for discussion at RPRG meetings.	Detailed involvement on key aspects of the Revenue Proposal. Report back to Customer Panel on discussions.
Budget to support engagement on revenue determination process	Powerlink will financially support reasonable expenditure by the Customer Panel, for instance, to enable in person attendance where appropriate and possible.	

4.2 Support a clear Business Narrative

We developed a Business Narrative with input from our Customer Panel and other stakeholders in late 2024. This describes, at a high level, Powerlink's longer-term view about our operations, challenges and opportunities and how we plan to deliver better value for our customers. It is informed by a range of internal and external strategies and plans. Key among these is Powerlink's purpose - *to connect Queenslanders to a world class energy future.*

Our Business Narrative document is intended to provide broader context to our Revenue Proposal and to enable customers and stakeholders to participate more effectively in our engagement activities. This was expanded upon in our Operating Environment chapter in our Revenue Proposal.

4.3 Seek early involvement from the AER

Powerlink engages with the AER on various matters in the normal course of business. These matters include regulatory reporting items such as Annual Information Order (AIO) returns, cost pass through applications, as well as changes to the National Electricity Rules (Rules) and reviews of AER Guidelines.

Powerlink has also maintained regular contact with AER staff during this regulatory period to discuss some of the key developments and challenges faced by our business, the Queensland operating environment and the broader national environment.

Powerlink engaged with senior AER management in August 2024 to discuss early preparations and expectations for its 2027-32 revenue determination process. Powerlink and AER staff have also met regularly since then to continue the engagement, including commencement of the Framework and Approach process under the Rules.

Powerlink invited an AER representative to attend our Customer Panel meeting in September 2024. We have continued to invite the AER to our Customer Panel and RPRG meetings as well as other key engagement forums over the course of the revenue determination process. The AER's two Consumer Challenge representatives attended Customer Panel and RPRG meetings up until the discontinuation of CCP34 by the AER in June 2026.

Powerlink has committed to a 'no surprises' approach with the AER and will seek to ensure that we continue to develop our constructive relationship throughout the process. We consider there to be significant value to Powerlink, our customers and the AER in having AER representatives attend our engagement sessions. However, we recognise that the AER must also manage its resources efficiently and that, while in attendance, AER staff cannot commit the AER Board to certain positions in the development of our Revenue Proposal.

4.4 Apply a transparent and rigorous approach

We have established protocols regarding confidentiality, conflicts of interest and behaviour at our Customer Panel and RPRG forums to ensure we maintain a transparent and rigorous approach. The RPRG Terms of Reference is kept up to date to ensure its purpose, composition, responsibilities and reporting requirements are clear.

All presentation slides and minutes for Customer Panel and RPRG meetings are circulated to members for comment before finalising. They are then published on Powerlink's website to allow for a wider audience to view progress on key topics. Powerlink has also prioritised having clear actions identified, with regular updates on how action items have been completed or progressed.

We continue to provide transparency to our customer representatives on activities and expenditure that fall outside of the revenue determination process, so that they may consider our Revenue Proposal in the context of Powerlink's broader investment portfolio.

5. Scope of engagement

We understand that customer and stakeholder representatives time is valuable. A clear scope for engagement helps these representatives, as well as Powerlink and the AER, allocate their time, energy and resources to the areas of the Revenue Proposal that have material customer impacts and can be influenced through engagement.

5.1 Co-design proposed scope

Powerlink held a co-design process at a workshop on 26 November 2024 to help establish the scope of engagement for our 2027-32 Revenue Proposal. The workshop comprised representatives from Powerlink's 'business as usual' Customer Panel, the AER, the AER's Consumer Challenge Panel, Queensland Government as well as senior Powerlink representatives, including members of the executive and Board.

During the session, participants mapped elements they felt had the greatest impact on Maximum Allowed Revenue (MAR) against their potential to be influenced through engagement.

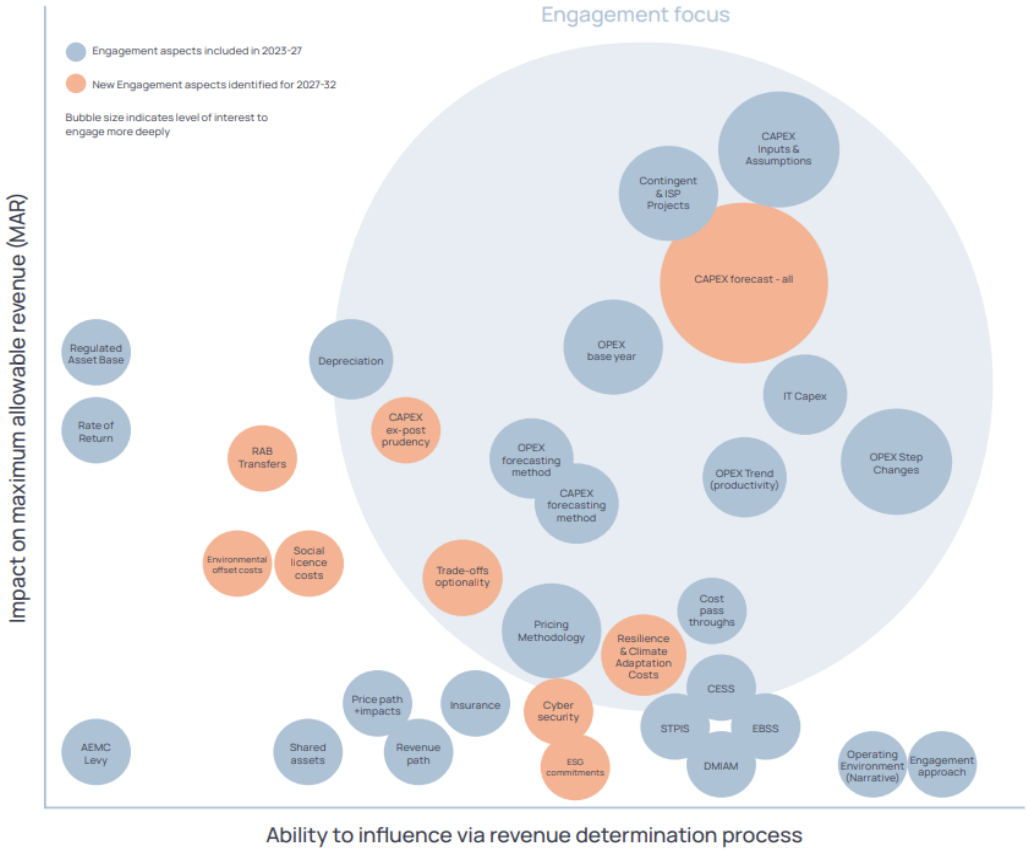

Figure 1: Engagement scoping diagram (current as of June 2026)

As engagement on the revenue determination process has progressed and actual impact on MAR has been quantified, some scope elements have been repositioned. In particular:

Environmental offset costs and social licence costs – moved down after initial engagement with the RPRG demonstrated majority of cost impacts will fall outside the scope of the Revenue Proposal. It was noted that there may be more material impacts if some of the potential contingent projects are triggered. This will be reviewed in the event of any significant increase in potential impact.

Resilience and climate adaption costs – moved down the impact scale relative to other elements after development of expenditure forecast indicated quantum of costs is <5% of the base year and there is negligible impact on capex.

CAPEX forecasting methodology – increased bubble size to reflect request by RPRG for additional meeting.

OPEX base year and step changes – repositioned relative to each other as step change costs are forecast to be <5% of base year.

For some new topics raised during the workshop – the more material impacts sit outside the scope of the revenue determination process, and so can be addressed through the broader Customer Panel rather than the Revenue Proposal Reference Group.

Between January and December 2026 – engagement focused on the AER review process, forecast and price impacts updates, base year result, price impacts of projects outside the Revenue Determination projects and contingent projects, including system strength.

5.2 IAP2 Spectrum Participation Level

Consistent with our approach to the 2023-27 revenue determination process, we mapped co-design workshop outputs against the appropriate level of the International Association for Public Participation (IAP2) Spectrum.

Level of Engagement	Aspect of Revenue Proposal
Empower – to place final decision-making in the hands of customers and stakeholders.	• Opex – trend (output change)^ • Price path impacts^
Collaborate – to work together with our customers and stakeholders to formulate alternatives and incorporate their advice into final decisions to the maximum possible extent.	• Engagement approach (Engagement Plan) • Operating environment (Business Narrative) • Demand Management Innovation Allowance Mechanism (DMIAM)^ • Capable of acceptance criteria^
Involve – to work directly with customers and stakeholders to ensure their concerns and aspirations are directly reflected in the alternatives developed.	• Capex – inputs and assumptions • Capex – contingent and ISP projects [9] • Capex – business IT • Capex – trade-offs and optionality* • Opex – step changes • Opex – trend (real price change and productivity change)
Consult – to obtain feedback on alternatives and draft proposals.	• Capex forecasting methodology • Capex – forecast, incl. reinvestment and augmentation* • Capex – ex-post prudency* • Capital Expenditure Sharing Scheme (CESS) • Cost pass throughs • Cyber security* • Depreciation • Efficiency Benefit Sharing Scheme (EBSS) • Insurance • Opex forecasting methodology • Opex – base year • Service Target Performance Incentive Scheme (STPIS)
Inform – to provide balanced information to keep customers and stakeholders informed.	• Environmental offset costs* • Social licence costs* • Australian Energy Market Commission (AEMC) Levy • Regulatory Asset Base (RAB) • RAB transfers* • Rate of return • Revenue path • Shared assets • Pricing methodology • Environmental, Social and Governance (ESG) commitments* • Resilience and climate adaptation*

Increasing level of influence on decision

* New engagement aspects identified for our 2027-32 revenue determination process.
^ Aspect elevated to Empower or Collaborate since first engagement plan published.

[9] A project identified on the Optimal Development Path in the Australian Energy Market Operator's Integrated System Plan.

6. Engagement techniques

Various engagement techniques can be adopted to help ensure alignment with our customer and stakeholder preferences. Powerlink is keen to ensure that the approach it takes to engagement is targeted, reasonable and practical.

Powerlink will utilise the following range of engagement techniques over the course of its revenue determination process as appropriate:

Leverage business as usual forums – Powerlink's Customer Panel plays a key role in Revenue Proposal engagement activities. In addition, Powerlink has used other existing forums to engage on the key highlights of its Revenue Proposal.

One-on-one briefings – held with Powerlink's directly connected customers as well as key stakeholder and industry organisations, where appropriate. Such an approach allows engagement to be more tailored to the customer or stakeholder, particularly on confidential matters.

Workshops (or deep dives) – several workshops with the Customer Panel and RPRG were held to focus on more complex matters and to enable more detailed exploration of key topics.

Regional engagement forums – the Central Queensland Transmission Network Forum held in Gladstone in August 2025 gave local stakeholders the opportunity to provide input in a face-to-face environment.

Research/surveys – insights are also drawn from formal research mechanisms such as the Queensland Household Energy Survey, Community Sentiment Research and Powerlink Stakeholder Perception Survey.

Site tours – useful to inform discussions on capital and operating and maintenance expenditure. This allows customers and other stakeholders to see firsthand our assets, their location, condition and factors which contribute to our asset management practices. We provided opportunity for tours of South Pine Substation and our Control Room.

Other information – we prepared information sheets, infographics, slide-packs and other relevant material to explain key aspects of our Revenue Proposal in a simplified and concise way. These are developed proactively by Powerlink and on request.

6.1 Commercial and Industrial (C&I) load customer engagement

Following establishment of the RPRG, members recommended Powerlink engage a broader representation of our customers, including directly connected and other large loads. In response, we developed a dedicated engagement strategy for this customer segment:

- Hosting an interactive engagement session on the Revenue Proposal at the regional engagement forum in Gladstone
- Expression of Interest (EOI) process with direct-connect and C&I customers to participate in a short survey
- Distributing a short survey with questions focusing on the strategies and other factors that will shape customer use of the electricity grid. Responses enable us to calibrate our own strategies, plans and forecasts to respond to the changing needs of businesses in Queensland.
- One-on-one meetings with Powerlink's direct-connect customers as requested as part of business-as-usual practices.

Information gathered will be used alongside our annual household and stakeholder sentiment research programs, to support delivery of a Revenue Proposal that is capable of acceptance by our customers, the AER and Powerlink. It may also be used by the RPRG to inform their input to the revenue determination process.

The results of some of these activities can be found in Chapter 3 of Powerlink's 2027-32 Revenue Proposal.

7. Engagement evaluation

Powerlink intends to gain qualitative and quantitative data on our engagement approach over the course of our 2027-32 revenue determination process. This will be drawn from surveys of Customer Panel and RPRG members and comprise both formal and informal feedback on our engagement activities.

Evaluation of Powerlink's engagement will:

- Be iterative throughout the revenue determination process
- Use a combination of formal and informal methods
- Use both quantitative and qualitative measures
- Demonstrate the value of engagement and how it is impacting on decision-making
- Determine the effectiveness of information provided to participants
- Identify satisfaction levels of participants with engagement activities
- Be made available to participating customers and stakeholders.

7.1 Key Performance Indicators (KPIs)

Powerlink identified a set of evaluation KPIs for quantitative and qualitative assessment of engagement with the Customer Panel and RPRG. The results of evaluation up to the publication of our Revenue Proposal can be found on our website[10].

KPI	Target	Measurement
Effectiveness and quality of information provided to stakeholders	Overall satisfaction rating of 70% for quality of information provided	Evaluation survey Informal and formal qualitative feedback
Stakeholders were engaged at appropriate level on the IAP2 spectrum	Majority of stakeholders had appropriate level of influence on Powerlink decision-making	Evaluation survey Informal and formal qualitative feedback
Satisfaction level of stakeholders with engagement activities	Overall satisfaction rating of 70% for engagement activities	Evaluation survey Informal and formal qualitative feedback
Impact of engagement on Powerlink decision-making and quality of feedback provided	Ability to demonstrate what changed as a result of engagement	Changes documented in Revenue Proposal and Revised Revenue Proposal[11] Informal and formal qualitative feedback
Timely delivery of engagement program	Engagement program delivered on schedule	Publication of meeting materials Informal and formal qualitative feedback

Qualitative feedback to inform our engagement and evaluation could be by way of input and feedback provided directly to Powerlink at meetings, customer/stakeholder submissions or reports to the AER as well as direct feedback from the AER and the AER Consumer Challenge Panel (CCP34).

[10] See Chapter 3 of Powerlink's 2027-32 Revenue Proposal.
[11] See Chapter 3 of Powerlink's 2027-32 Revenue Proposal, and Chapter 3 of Powerlink's 2027-32 Revised Revenue Proposal.

8. Engagement timeline

8.1 Customer Panel engagement

Powerlink engages with its Customer Panel on various matters in the normal course of business. Engagement in relation to development of our 2027-32 Revenue Proposal commenced in March 2024, almost 12 months prior to establishment of the RPRG.

Since the RPRG was established, revenue determination updates have been a standing item at every Customer Panel meeting, with members invited to comment on RPRG submissions at each stage. We also provide an annual capex and opex allowance update each September or October.

Year	Month	Forum	Topics related to the revenue determination process
2024	March	Customer Panel Meeting	Priority Transmission Investment 2027-32 Revenue Determination Process - Scene setting
	June	Customer Panel Meeting	Key Regulatory Timeframes and Initial Engagement Proposals Priority Transmission Investment Engagement
	September	Customer Panel Meeting	Network Operating Environment Annual Capex and Opex Allowance Update Asset Reinvestment Review Update on the Gladstone Priority Transmission Investment
	September	Training Session	Revenue Determinations 101: Powerlink provided an introductory training session to new members of its Customer Panel or members/delegates who were less familiar with the revenue determination process.
	November	Revenue Determination Engagement Scoping Workshop	Explained our engagement approach for revenue determinations, and how our operating environment has changed since 2023-27. Co-designed our engagement approach and provided an overview of the Revenue Proposal Reference Group (RPRG).
2025	April 2025	Customer Panel Meeting	Operations and Investments Update Community Benefits Framework Capable of Acceptance Criteria
	July 2025	Customer Panel Meeting	RPRG Report Back Gladstone Project: Deliverability in Focus Customer and Community Accountability
	August 2025	Customer Panel site tour	Powerlink substation and control room site tour
	September 2025	Customer Panel Meeting	Powerlink Accountability Forum Annual Capex and Opex Allowance Update Draft Revenue Proposal

Year	Month	Forum	Topics related to the revenue determination process
2026	March	Customer Panel Meeting	Stakeholder Perception and Community Sentiment Survey Results Revenue Proposal Central Queensland Investment Update
	July	Customer Panel Meeting	Central Queensland Investment Update System strength investment update Revenue Proposal
	September	Customer Panel site tour	Powerlink substation and control room site tour
	October	Customer Panel Meeting	Powerlink Accountability Forum Annual Capex and Opex Allowance Update Central Queensland Investment update Revised Revenue Proposal

8.2 RPRG engagement schedule

The following table outlines the Revenue Proposal Reference Group (RPRG) engagement schedule throughout the revenue determination process. This has been updated and amended in line with engagement with the RPRG to date, up to Powerlink's lodgement of its 27-32 Revised Revenue Proposal.

Focus areas for 2026 meetings have been determined based on submissions to the Revenue Proposal from the RPRG, CCP, AER and broader public.

Through the normal course of business, Powerlink continues to engage on major investments being assessed outside the revenue determination process, particularly the Gladstone Project Priority Transmission Investment (PTI), system strength-related investments, and their potential price impacts.

All meeting records are on Powerlink's website[12].

Year	Month	RPRG Meeting Focus Areas	Regulatory Milestones
2024	October		Powerlink wrote to AER to amend framework and approach paper
	November	RPRG Expression of Interest process completed	Revenue Determination Engagement Scoping Workshop held with Powerlink's Customer Panel

[12] See Powerlink | Customer Panel

Year	Month	RPRG Meeting Focus Areas	Regulatory Milestones
2025	February	Operating environment and engagement approach AER Framework and approach Criteria for capable of acceptance Initial capex and opex forecasts	RPRG Terms of Reference published
	March	Social performance Capex forecasting methodology Opex forecasting methodology	AER published preliminary positions on framework and approach paper
	April	Project initiation and estimation process Capex forecasting methodology AER Framework and Approach	
	May	Engagement check-in Operating expenditure forecast Capital expenditure forecast Regulated revenue forecast	
	June	Cyber security and business IT capex PTI and contingent projects	Powerlink lodged Expenditure Forecasting Methodology with AER
	July	Pricing methodology Price path smoothing Opex base year, step changes and trends	AER published final framework and approach paper
	August	Engagement check-in and review of actions Depreciation Alternative approach to CESS net carryover	
	September	Overview of draft Revenue Proposal Alternative approach to output growth	Powerlink published draft Revenue Proposal
	October	NGNO program progress update Operational Technology (OT) and Future Grid Operations Technology (FGOT) Incentive schemes (EBSS, CESS and STPIS)	Engagement evaluation survey
	November	Insurance and cost pass throughs Non-network property Lessons learnt and project deliverability	
	December	Forecast operating expenditure Forecast capital expenditure Revenue and pricing impacts Engagement report back	

Year	Month	RPRG Meeting Focus Areas	Regulatory Milestones
2026	January		Powerlink lodged Revenue Proposal with AER
	February	Forecast capital expenditure Forecast operating expenditure Revenue and pricing impacts Engagement and next steps	
	March	AER Issues Paper Communication of RPRG's submission AER Public Forum discussion	AER published Issues Paper
	April		AER Public Forum
	May	AER Issues Paper Forecast capital expenditure RPRG's submission recommendations Forward looking engagement agenda	AER workshops
	July	Engagement with the AER Public consultation submissions Contingent projects and representation options	
	August	Opex base year result Central Queensland synchronous condensers and system strength Contingent project modelling Forward looking engagement agenda	
	September		AER published Draft Decision
	October	AER Draft Decision Updates to capital and operating expenditure forecasts Revised Revenue Proposal focus RPRG submission	AER pre-determination conference
	November	Revised Revenue Proposal – overview of key positions RPRG submission	
	December	Revised Revenue Proposal	Powerlink lodged revised Revenue Proposal with AER

Appendices

Appendix 1 - AER Guidance on engagement

The AER's Better Resets Handbook (2026) provides guidance on its expectations on consumer engagement. The AER's expectations are principles-based and do not prescribe any particular form or model of consumer engagement. These principles include:

The nature of engagement – is about how networks engage. This has regard to factors such as the sincerity of engagement, whether consumers are partners in forming revenue proposals, how consumers are equipped to effectively engage with the material as well as transparent reporting and delivery of commitments

The breadth and depth of engagement – this incorporates elements such as providing a clear and transparent engagement plan that sets out objectives, issues/topics for discussion and the level of participation and influence expected. In addition, consumers should help guide the proposal and be consulted on the long-term outcomes, and

Clearly evidenced impact of this engagement – this is the link between consumer views and how the revenue proposal gives effect to these. This also involves having regard to whether consumers support proposals either verbally or in writing, to help assess the quality of engagement undertaken.

Appendix 2 - Reference guide to a revenue proposal

The following provides a high-level explanation of key elements of the building-blocks and other elements of a revenue proposal. It is intended to help stakeholders understand some of the terms and concepts commonly referenced.

Element / term	Description
Organisations	
Australian Energy Market Commission (AEMC)	The organisation that manages and updates the National Electricity Rules (Rules).
Australian Energy Market Operator (AEMO)	The national body responsible for managing the operation of electricity and gas markets across Australia.
Australian Energy Regulator (AER)	The organisation that monitors performance and compliance with the Rules.
Transmission network service provider (TNSP)	An organisation that owns, controls or operates a transmission system.
Building-blocks and core components	
Maximum allowed revenue (MAR)	The maximum revenue set by the AER for a regulated business, determined through a building-block approach.
Regulatory asset base (RAB)	The total value of regulated assets.
Rate of return	The return a business can earn on its regulated assets each year – usually expressed as the weighted average cost of capital (WACC).
Weighted average cost of capital (WACC)	A financial metric used to measure a company's cost of capital, representing the average rate a company needs to pay its investors to finance its assets and operations. The methodology adopted by the AER to determine the rate of return is published in the Rate of Return Instrument.
Depreciation	An annual allowance to reflect the reduction in the value of an asset over its lifespan i.e. due to wear and tear.
Tax	The calculated tax payable by the business.
Operating expenditure (Opex)	The expenditure to operate, maintain and support network assets and business activities.
Capital expenditure (Capex)	Expenditure to build, replace or enhance assets.
Incentive schemes	
Capital Expenditure Sharing Scheme (CESS)	A regulatory scheme that applies to capex, designed to encourage a business to make efficient capital expenditure (investment) decisions.

Element / term	Description
Efficiency Benefit Sharing Scheme (EBSS)	A regulatory scheme that applies to opex, designed to provide a continuous incentive for a network business to pursue cost savings in operating and maintenance expenditure over a regulatory period.
Service Target Performance Incentive Scheme (STPIS)	A regulatory scheme that encourages a business to improve or maintain high service levels for National Electricity Market (NEM) participants and end users. The STPIS is currently under review with a draft version 6 published in November 2024.
Demand management innovation allowance mechanism (DMIAM)	A regulatory scheme that provides a business with funding for research and development in demand management projects that have the potential to reduce long term network costs.
Key supporting documents	
Business narrative	A document that describes the operating environment and external factors that may impact the business, e.g. economic outlook, regulation, Government policy and customer drivers.
Cost allocation methodology	A document detailing a business' methodology for attributing (operating or capital) costs to prescribed, negotiated or non-regulated transmission services.
Expenditure forecasting methodology	A document required by the AER that sets out how a business will forecast its operating and capital expenditure requirements in its Revenue Proposal.
Pricing methodology	A document that describes how the maximum allowed revenue (MAR) is allocated across different prescribed transmission service categories.
Other terms	
Integrated System Plan (ISP)	A strategic plan developed by AEMO to guide efficient, coordinated transmission investments across the national electricity grid.
Actionable ISP project	A project to address an identified need specified in an ISP and which forms part of an optimal development path.
Contingent projects	Typically, large (>$30m or 5% MAR in the first regulatory year), uncertain and location-specific projects that may be required to be undertaken within a regulatory period subject to certain triggers. The revenue for these projects is not included in the MAR.
Contingent project triggers	Specific conditions, defined and agreed upon during the regulatory determination process, that indicate when a contingent project should proceed.

Element / term	Description
Inputs & assumptions	The key inputs and assumptions that underpin a business' capital and operating expenditure forecasts in a Revenue Proposal, e.g. demand forecasts.
Nominated pass-through event	A material event that cannot be insured for or where it is uneconomic to self-insure, e.g. terrorism events.
Opex base year	A year chosen that represents typical operating costs, with any one-off costs removed, to illustrate ongoing, efficient expenditure.
Opex step change	Expected changes in costs (up or down) that have not been captured in the base year or rate of change but are applicable to the next regulatory period.
Opex trend	The expected rate of change in operating costs, based on forecast changes in network activity, costs of labour and materials, and productivity.
Price path	The estimated price that an average customer, like a typical household or business, will pay over a regulatory period.
Priority transmission investment (PTI)	A major transmission project essential for Queensland's energy system, mandated by legislation and guided by a state planning and investment framework. PTIs differ from the AER's typical revenue determination process, with unique cost recovery methods prescribed by state legislation.
Revenue path	The total revenue a business is allowed to earn each year over a regulatory period, typically five years.
Shared assets	Assets included in the regulated asset base that provide both prescribed and either non-regulated transmission services or non-transmission services, such as oil testing services for Powerlink.

Categories of Capital Expenditure

Powerlink typically defines its capital expenditure forecasts in the following ways.

Capital Expenditure	
Load Driven	
Augmentations	Works to reinforce or extend the existing network, e.g. new lines and substations.
Connections	Works to provide additional connection point capacity between Powerlink and other network service providers.
Easements	Acquisition of transmission line easements and substation sites to facilitate projected expansion and reinforcement of the network.
Non-Load Driven	
Reinvestments (replacements)	Works required when existing assets need to be retired due to end of life, asset obsolescence, asset reliability or safety requirements.
Security/Compliance	Works to ensure compliance with various technical, safety or environmental legislation, including works to ensure the physical security of Powerlink's assets.
System services	Works to meet overall power system performance standards and support the secure operation of the power system, including provision of system strength services from network assets.
Other	All other network expenditure that provide prescribed transmission services, e.g. communications systems enhancements and insurance spares.
Non-Network	
Business IT	Expenditure to maintain/replace IT capability and improve business system functionality where appropriate.
Support the Business	Expenditure to replace and upgrade other business requirements, e.g. commercial buildings, motor vehicles and other tools and equipment.

Categories of Operating Expenditure

Powerlink typically breaks its operating expenditure forecasts into the following categories.

Operating Expenditure	
Direct controllable	
Field maintenance	Field activities to ensure plant equipment functions properly, including routine, condition-based, emergency and deferred (emergency) maintenance.
Operational refurbishment	Activities to restore an asset or specific parts of it to its original condition or function.
Maintenance support	Activities supporting field maintenance, such as strategy development, performance management, and auditing, as well as costs like local government rates, water, electricity, and permit charges.
Network operations	Control centre functions and activities required to ensure the safe, reliable and efficient operational management of the Queensland transmission network.
Other controllable	
Asset management support	Activities that support strategic network development and ongoing asset management, including network planning, asset management, regulatory management, and operations.
Corporate support	Activities to ensure effective corporate governance, including direct corporate support charges and revenue reset costs.
Non-controllable	
Insurances	Premiums for transmission and non-network assets, plus a self-insurance allowance for uninsured losses.
Network support	Costs associated with non-network solutions used as a cost-effective alternative to network investment.
AEMC levy	A levy on Queensland electricity transmission and gas networks required under the Electricity Act Qld (1994) to fund the Australian Energy Market Commission.
Debt raising	The costs a business incurs to obtain financing, such as fees for arranging loans, beyond the interest rate on the debt itself.

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