



TRR 2027-32

Transmission Stakeholder Advisory Panel (TSAP)

Summary Notes | Understanding the impacts of the Victorian Transmission Plan on the TRR Proposal

Details	Members	AusNet Staff
9.30am to 12.30pm Friday 27 June 2025 In-person & Online (MS Teams) Chair: Tom Hallam (acting for Glenn Orgias) Secretariat: AusNet prepared draft, finalised by Chair Glenn Orgias	Glenn Orgias, <i>Chair*</i> Al Mills Alex Crosby Rebecca Xuerub Theodora Karastergiou* Harshal Patel Gavin Duffy Richard Robson* Tennant Reed* Roy Unny* Additional participants: Nick Eaton, Alcoa* Simon Elias, AirLiquide* Adam Ryan, AEMO* Tim Sheridan, DEECA* Sridhar Pulikanti, VicGrid* Apologies: David Markham <i>*Joined virtually</i>	AusNet Staff: Liz Ryan, <i>EGM Transmission</i> Tom Hallam, <i>GM Strategy & Regulation (Transmission)</i> Laura Walsh, <i>GM Network Management (Transmission)</i> Martin Cavanagh, <i>GM Security & Network Operations (Transmission)</i> Nigel Turner, <i>Head of Delivery Construction & Commissioning</i> Jack San, <i>Senior Manager, Policy & Advocacy</i> Melanie Tan, <i>Director, Network Development & Planning</i> Ruan de Witt, <i>Transmission Strategy Manager</i> Michael Larkin, <i>Price Review Manager</i> Lucy Holder, <i>Customer Engagement Manager</i> Khai Ling Chan, <i>Strategy Lead</i> Dom Holden, <i>Strategy Lead</i> Charlie Qin, <i>Regulatory Economist</i> Emma Ferrie, <i>Engagement Specialist</i> Tushar Mehta, <i>Senior Planning Engineer*</i> Nicholas Gathercole, <i>Business Graduate*</i> Observers: David Prins, <i>AER CCP</i> Mike Swanston, <i>AER CCP*</i> Kirk Zammit, <i>AER*</i> Rabi Islam, <i>AER*</i>

Key outcomes

TSAP members were generally satisfied with the way AusNet is interpreting VicGrid's draft Victorian Transmission Plan (VTP) with regard to physical overlaps with TRR projects (noting deliverability assessments are yet to be done). Several areas where more information is desired in the final VTP were noted, particularly with regard to project timeframes and selection of the Optimal Development Pathway.

There was extensive discussion about the relationship between the VTP and TRR processes. AusNet is not a decision-maker on the relationship between the two processes, but will provide the feedback received to VicGrid for its consideration.

AusNet will proceed with refining its draft proposal, reflecting the interpretation of VTP/TRR interactions provided in the meeting pack.

Purpose & Agenda

Agenda item	Purpose	Lead/s	Timings
Introduction & expectations for engagement	Clarify the purpose of this session and what is in / out of scope for discussion	Tom	9:30am 5 mins
Recap of the Victorian Transmission Plan & potential change options	Recapping the context of the Draft VTP and discussing the kinds of TRR adjustments that were considered in response	Laura	9:35am 10 mins
Program impacts on TRR (part 1) Eastern Victoria, Western Victoria, South-West, North-West	Discuss why the VTP and TRR programs do/do not overlap and consult the TSAP on the adjustments we have made	Laura & Mel	9:45am 25 mins
Morning tea			10:10am 15 mins
Program impacts on TRR (part 2) Gippsland, Latrobe Valley, Portland offshore	Discuss why the VTP and TRR programs do/do not overlap and consult the TSAP on the adjustments we have made	Laura & Mel	2:00pm 35 mins
AusNet's response to the Draft VTP	Inform the TSAP of the steps AusNet will take to respond to the Draft VTP	Tom & Jack	10:50am 10 mins
Forecasting accuracy	Provide some insight into AusNet's historical forecasting accuracy, in response to a question from a TSAP member	Tom	11:00am 15 mins
Deliverability update	Discuss potential levers to address potential deliverability challenges and seek feedback from the TSAP	Ruan & Dom	11:15am 25 mins
Short break			11:40am 5 mins
Further reflections on capex case	Collect any further thoughts from the TSAP on AusNet's TRR capex case	N/A	11:45am 25 mins
Responding to action items	Confirm the TSAP agrees the scope of the landholder program and share our updated thinking on CSIS	N/A	12:10pm 10 mins
Wrap up & next steps	N/A	Tom	12:20pm 10 mins
Close	N/A		12.30pm

Summary of discussion

Topics	Discussion points
1. Introduction & expectations for engagement	Tom Hallam of AusNet opened the session, noting he is filling in as Chair for Glenn today who is joining virtually, due to injury. Tom spoke through the agenda and highlighted where the topics up for discussion link to requests from TSAP members and previous engagement sessions, particularly on capex. Tom noted the session will focus on how the draft Victorian Transmission Plan (VTP) overlaps with AusNet's plans shared to date, but not deliverability Discussion included: • Nil
2. Recap of the Victorian Transmission Plan & potential change options	AusNet's Laura Walsh spoke through the draft VTP and how AusNet has reconciled the projects within its TRR plans. Laura explained the principles AusNet is proposing with respect to reconfiguring its program in response to projects in the draft VTP and invited the TSAP to question and challenge its approach. There was extensive discussion on this topic, particularly with respect to what the VTP means for customers, and how it interacts with AusNet's TRR process, and feedback for VicGrid that AusNet has passed on for its consideration. Key themes in the discussion included: • How the "optimal development pathway" in the draft VTP has been determined. It was acknowledged that the optimal development pathway is not determined using a "least cost" approach – rather it uses a "least regrets" methodology, and VicGrid has considered a range of factors in its development. Various members expressed their views on whether this approach is the right one, and not all were in favour. It was acknowledged that VicGrid's approach to planning (more holistic but less well-defined, reflecting social outcomes) and the Transmission Revenue Reset approach to planning (focussed on cost efficiency) are inconsistent. A customer advocate suggested they would prefer the TRR process be used for more projects (i.e. projects shifted out of the VTP and into the TRR process), as they prefer the rigor of the AER's assessment and the engagement processes of the TRR. An advocate for large customers indicated they are not comfortable with social outcomes flowing through to customers via transmission charges. • A TSAP member noted the seemingly limited overlap between the draft VTP and projects proposed in the TRR and asked for more details about the discussions that had taken place behind-the-scenes. AusNet confirmed it has been keeping VicGrid informed of its TRR plans but it has not gone into minute detail on overlap (e.g. numbers of transformer replacements, low spans to be remediated), and that VicGrid has not considered AusNet's plans in the VTP development. Rather, the lack of overlap can be explained by the VTP focussing on augmentation of the network, contrasted with AusNet's focus on the reliability of the assets. Laura noted the VTP is currently in draft, and further changes are likely be made when the final VTP is released. • AusNet's views on what projects in the VTP will be contestable. AusNet said that this is a question for VicGrid, but that it sees three buckets – projects that are clearly contestable (i.e. new transmission lines), those that are clearly not (i.e. modifications to existing AusNet assets), and a bucket in the middle that are not clearly contestable or non-contestable and VicGrid's judgement and decision is needed. • How non-contestable projects would be treated was also discussed. AusNet confirmed an expectation that they would go into its Regulated Asset Base (RAB) and

be rolled into the price review process, but that projects would not be held over to the price review process before being approved and commencing. VicGrid would be assessing the prudence and efficiency of spend, rather than the AER. Several customer advocates said they will be seeking visibility over this process.

- There was discussion on whether the VTP projects are up for consultation through the TRR process. An AER Consumer Challenge Panel added that customers' interests and outcomes may be eroded by the VTP and TRR processes being separate. AusNet said that VTP projects are not up for engagement as part of the TRR process, and VicGrid is running its own engagement process on their plans, but how AusNet responds to the VTP in its own planning is up for consultation, and the primary focus of today's meeting.
 - There was discussion on AusNet's process for reconciling the VTP and its own plans, where there is overlap in projects but they are on different timescales – e.g. the South Morang transformer replacement program – noting that deferring projects would create risks. AusNet said whereby the same assets are impacted by TRR and VTP with different timeframes, AusNet would be doing a cost-benefit assessment to determine if the TRR work should progress in advance of VTP but it is likely that most projects would be deferred until the VTP timing.
 - Several TSAP members noted concerns on what could happen if VicGrid deferred projects. A TSAP member said that as a consumer advocate, they'd prefer the project to stay in AusNet's plans, as they prefer the rigor of the TRR over VicGrid's process, and would like there to be a conversation on what could come out of VicGrid's plan, into the TRR.
 - A customer advocate raised a concern about non-contestable projects being pushed onto AusNet, and questioned whether this could drive up the Weighted Average Cost of Capital (WACC) and make investments more costly. AusNet said that the return on non-contestable work would be the regulated return, and the financeability issues would be addressed through commercial negotiations.
 - An AER CCP member noted several parallels to the process happening in NSW and offered to send some information around to TSAP members.
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3. Program impacts on TRR (part 1)

Eastern Victoria, Western Victoria, South-West, North-West

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4. Program impacts on TRR (part 2)

Gippsland, Latrobe Valley, Portland offshore

Melanie Tan and Laura Walsh of AusNet spoke through the impacts of the VTP on AusNet's proposed projects across the state.

Tom prompted the TSAP for feedback on whether they feel AusNet has interpreted the impacts properly.

TSAP members were generally satisfied with AusNet's interpretation and justification of the impacts but there was discussion in a number of areas including:

- AusNet was asked its opinion on which "contestability buckets" it thinks VTP projects might fall in to, noting that VicGrid is responsible for making this assessment.
- Noted some of AusNet's projects are different to VicGrid's as they use different economic tests – condition-based replacement (using RIT-T framework) vs emissions reduction least regrets pathway (using Victorian Transmission Investment Framework).
- Noted the complex relationship between wind ratings and low span rectification scope.
- The need for clear project schedules from VicGrid (like AusNet does in the TRR), so AusNet and stakeholders can better judge whether work should proceed or be deferred for the TRR.
- An AER CCP member asked about the potential for contingent projects in the TRR (for both AusNet-nominated and VTP projects). AusNet said it will consider contingent projects and noted the VTP is a 2-year planning cycle (and the TRR is a 5-year cycle), so there is a strong chance VicGrid will update the VTP within the next TRR period.
- The importance of building assets if new generation is to connect, given the constraints currently existing in the Victorian network, but ensuring transmission is not over-built.

5. AusNet's response to the Draft VTP

Tom Hallam and Jack San spoke through how AusNet is responding to the VTP, noting AusNet is providing substantial, detailed information for VicGrid to consider as they continue refining their program. AusNet stepped through the areas of the VTP it is responding to, and what it is saying. In particular, AusNet noted the VTP as it stands is a draft, and there are several areas it expects to see improvements in for the final VTP, including justification of the Optimal Development Pathway and scenarios.

Discussion included:

- A customer advocate questioned how system strength has been considered in the VTP. AusNet clarified that AEMO is responsible until VicGrid assumes this function in November, and VicGrid has indicated it will consider system strength later. AusNet confirmed that it is not responsible for system strength (but must deal with its consequences operationally). A TSAP member noted there are many potential providers of system strength solutions, and that they expect system strength solutions to be contestable and decentralised (AusNet agreed).
- A customer advocate said stakeholders really need an answer to the question "Who's the front door?", and clear accountability for an ownership of transmission planning in Victoria. It was acknowledged by the TSAP that there are many doors at present. AusNet acknowledged that while it is playing some role interpreting others' work and roles at present, everyone is telling the same story and pulling in the same direction. Another TSAP customer advocate said the only *real* front door is state-owned Powerlink in Queensland – all other states have multiple doors – and it needs to be clarified whether AusNet or VicGrid will be the "go-to" in Victoria.
- There was a discussion about the impact of the VTP on existing generators and whether they would benefit from the new projects. AusNet confirmed that existing generators would benefit from the new projects, but the outages required for the upgrades would also impact them

6. Forecasting accuracy

Tom Hallam introduced this agenda item. Tom noted it has been included in response to an action item – concerns and questions raised by TSAP customer advocate in previous meetings and over email about AusNet's forecasting accuracy and whether the wave of capex was foreseen. Tom talked through materials from previous TRR processes, showing AusNet forecasted then the projects that are being proposed in the upcoming TRR well in advance. He acknowledged the cost of the capex program may be a shock, but the projects in the pipeline are not.

Discussion included:

- A TSAP customer advocate asked how much project delivery work AusNet staff do vs contractors. AusNet confirmed it does the engineering but delivery is done by contractors (via panel arrangements).
- The reasons for some projects slipping in their estimate of timings was discussed, and AusNet provided reasons for the changes.

7. Deliverability

AusNet's Ruan de Witt introduced this item, and together with Dom Holden spoke through the deliverability challenges and opportunities AusNet is looking at, particularly with respect to labour, materials, outages and planning approvals.

Discussion included:

- A TSAP customer advocate asked whether AusNet is considering deliverability only within the transmission business or across the AusNet group of businesses. AusNet confirmed it is looking across the group, but that this presentation focuses on the components relevant to transmission.
- A TSAP customer advocate asked about resource-sharing opportunities across networks. AusNet said there is resource-sharing that happens particularly for emergency response, but it is something that could be done a lot better and AusNet is looking at opportunities here.
- The average age of AusNet's workforce and any correlation with output was discussed. AusNet noted it varies on labour pool, but lineworkers in particular are skewed at the new-starter and nearing-retirement ends. AusNet noted that experienced lineworkers are preferred for work on the existing transmission network, as it is generally more advanced than work on new transmission assets.
- A TSAP customer advocate raised the importance of having a continuous pipeline of work to build and maintain a sustainable workforce at the lowest cost. AusNet acknowledged and agreed with this observation and offered that part of the levers identifies seeks to establish long term visibility of the pipeline to our delivery partners to enable working towards developing a continuous pipeline
- TSAP members noted that while money could solve everything, a range of levers is likely needed. The group also noted an international workforce may attract a premium, accelerated training costs money, and the training program is also a bottleneck and could potentially be shortened or staged.
- A customer advocate asked how transferrable the Yallourn workforce is? AusNet noted some roles are more transferrable than others – existing Yallourn staff couldn't fill the lineworker gap for example, but may have fitters, or testers that would be very useful for transmission work.
- A TSAP customer advocate said staff are getting pushed a lot harder, which may increase safety incidents and impact culture. They asked if/how AusNet factors this in. AusNet confirmed it will be looking at this within the broader business' operations and agreed it would also link to retention.
- A TSAP member with project delivery expertise asked whether AusNet is considering bringing skills in-house for long-term strategic purposes or is it just looking at it from a deliverability perspective? They noted that if it is the latter, industry should be able to fill this gap if given notice and clear signals. AusNet said it might look at some insourcing, particularly on design which is high-risk, but it does not expect to ever be able to do all delivery itself. AusNet is pushing to deliver at the lowest cost but is also aware of supplier risks, and the message it is getting from suppliers is that they can meet demand ... as long as there is certainty but getting this certainty is really

challenging. AusNet noted it is discussing the need for certainty with the government, who are well aware of this dynamic.

- A TSAP member asked whether AusNet is looking at impacts on communities of projects, for example housing availability. AusNet said it's not considering this level of detail yet for each project, but it would be an important consideration for project delivery in collaboration with construction delivery partners.
- A TSAP customer advocate asked how they can help AusNet improve deliverability, for example by advocating to the government. AusNet took this on notice.
- The importance of reusing existing easements to minimise social license challenges was discussed. AusNet mentioned that VicGrid is focused on reusing existing easements as much as possible, and that TRR work is typically focused on existing easements.

8. Capex

Due to time over-runs, these items were deferred for discussion in the one-on-one meetings Chair Glenn will be having with individual TSAP members in coming weeks, or for TSAP members to raise directly with AusNet.

9. Responding to action items

10. Forward plan

Wrap up

Tom thanked TSAP members for their time and noted the details of the next meeting. Several TSAP members thanked AusNet for its work preparing for the session, and in particular the high-quality meeting pack.

Action items				
	Action	Assigned to	Status	Due
1	AusNet to pass feedback about the VTP process and its interaction with the TRR on to VicGrid for its consideration	AusNet	Completed	N/A
2	Mike Swanston to send information on NSW processes, which have parallel's to VicGrid's VTP, to TSAP members for their information	Mike & AusNet	Completed	N/A
3	AusNet to consider what customer advocates can do to support deliverability challenges	AusNet	Underway	Next meeting on 11 July 2025
Ongoing actions				
	AusNet to be clear when presenting on capex what is AusNet initiated and what is ISP initiated.	AusNet Reg Team	In-progress	Ongoing