



TRR 2027-32

Transmission Stakeholder Advisory Panel (TSAP)

Summary Notes | Narrative & affordability

Details	Members	AusNet Staff
9.30am to 12.30pm Thursday 10 July 2025 In-person & Online (MS Teams) Chair: Glenn Orgias Secretariat: AusNet prepared draft, finalised by Chair Glenn Orgias	Glenn Orgias, <i>Chair*</i> Al Mills* Alex Crosby David Markham* Harshal Patel Gavin Duffy Richard Robson* Tennant Reed* Roy Unny* Additional participants: Tim Sheridan, DEECA* Sridhar Pulikanti, VicGrid* Apologies: Rebecca Xuerub Theodora Karastergiou Nick Eaton, Alcoa Simon Elias, AirLiquide Adam Ryan, AEMO	AusNet Staff: Liz Ryan, <i>EGM Transmission</i> Tom Hallam, <i>GM Strategy & Regulation (Transmission)</i> Michael Larkin, <i>Price Review Manager</i> Lucy Holder, <i>Customer Engagement Manager</i> Khai Ling Chan, <i>Strategy Lead*</i> Charlie Qin, <i>Regulatory Economist</i> Emma Ferrie, <i>Engagement Specialist</i> Miranda Freee, <i>Business Graduate</i> Nicholas Gathercole, <i>Business Graduate</i> Observers: David Prins, AER CCP Mike Swanston, AER CCP* Kirk Zammit, AER* Rabi Islam, AER*

*Joined virtually

Key outcomes

TSAP members were generally supportive of AusNet's draft TRR 2028-2032 proposal, with constructive feedback provided including:

- **Affordability and value proposition:** TSAP members agreed AusNet should emphasise "lowest cost for best value" rather than affordability along and clearly outline the impacts the proposal will have on customer's bills.
- **Narrative and positioning:** Members recommended that AusNet's draft proposal is optimised for informed stakeholders, who will then communicate to and advocate for everyday customers.

AusNet welcomed the TSAPs suggestions and has refined its draft proposal to reflect the feedback received.

Purpose & Agenda

Agenda item	Purpose	Lead/s	Timings
Introduction & expectations for engagement	Provide an overview of the session and expectations on what AusNet would like to discuss with the TSAP	Tom & Glenn	9:30am 10 mins
Affordability & value proposition to customers	Discuss the broader drivers of transmission costs in Victoria, and the levers AusNet has to address cost pressures on customers	Tom	9:40am 30 mins
Review of draft proposal	Sharing the outline of the draft proposal for feedback on; the key messages, general tone of the document, structure of the document	Michael	10:10am 25 mins
Short break			10:35am 15 mins
Narrative development exercise	Collaborate with the TSAP on how AusNet communicates the TRR 2028-2032 narrative in its draft proposal	Glenn	10:50am 60 mins
Planning future engagement on the draft proposal	Test whether AusNet is reaching the right customer and stakeholder groups and asking the right questions of them	Lucy	11:50am 20 mins
Chair's Foreword – discussion & input	TSAP to workshop key messages they would like to share with external stakeholders about AusNet engagement so far and proposal, via a foreword in the draft proposal	Glenn	12:20pm 10 mins
Wrap-up & next steps			12.25pm 5 mins
Close			12:30pm

Summary of discussion

Topics	Discussion points
1. Introduction & expectations for engagement	Glenn Orgias, Chair of the Transmission Stakeholder Advisory Panel (TSAP) opened the session and provided an overview of the agenda. Discussion included: A TSAP member asked if the TSAP would write a report on AusNet's draft proposal. The member suggested the TSAP report could highlight what TSAP believe is going well, what they would like more information on from AusNet, and what they need from the Australian Energy Regulator (AER). The panel agreed they would discuss this as an option during agenda item 6, where they will discuss content for the TSAP Chair's foreword in AusNet's draft proposal.
2. Affordability and value proposition to customers	Tom Hallam, General Manager Strategy and Regulation (Transmission) and Glenn Orgias introduced this item and there was robust discussion on it. Many aspects of the discussion referred to changes TSAP members wanted made to the draft proposal, including: Being clearer on how the transmission component will show up on different customers' bills, either by distribution area or another breakdown, assuming not all will be on equal rates.

- Adding the bill stack in the draft proposal. It was noted Table 2 [in the draft proposal shared with the meeting pack] talks to price impacts but it should include a bill stack based on AER data.
- More clearly articulating what the proposal means for different customer and stakeholder groups – e.g. generators connecting into the system. In the meeting AusNet noted that while augmentation programs (which aim to reduce curtailment) are outside the scope of the TRR, investments proposed in the TRR for maintaining and upgrading the existing system play an enabling role in supporting those augmentation efforts, even though they are not directly driven by them.
- Referring to “lowest cost for the best value”, rather than affordability.
- Referencing VicGrid’s Victorian Transmission Plan (VTP) earlier/more explicitly in the proposal to give readers confidence it’s been considered and is efficiently reflected in AusNet’s plan. This will help to assure customers that they’re not paying twice.
- The TSAP Chair asked for agreement on how AusNet will talk about affordability. It was agreed unanimously by the TSAP members who indicated a position (a majority) that the TSAP would like AusNet to talk about what it is doing to keep costs as low as it can, recognising that the lowest cost solutions still cost money, while acknowledging many people are struggling to afford energy bills.
- The importance of communicating risks in the draft proposal. The trade-offs between cost and service level (risks) is critically important to test on the draft proposal, as is whether the timing is right for projects. AusNet noted that failure rates being reasonable will also be tested by the AER.
- The challenge of communicating prices being “lower than otherwise”, and a suggestion that AusNet move away from anything that suggests bills are coming down. Another TSAP member suggested AusNet focusses on the things it is doing *better than others* to keep costs down.
- “Keeping the lights on is the number one priority” should be the primary narrative. There was discussion on what would happen if the work *doesn’t* happen now – i.e. deferrals would cost customers more later on. TSAP members recommended AusNet use case studies – e.g. how much more a deferred project from the last TRR will cost customers. Deferring cost \$100m, so it’s not unreasonable to expect deferring again would cost another \$100m – to communicate the impact.
- AusNet explicitly asked for a direction from the TSAP on whether the draft proposal should “sell” the value for money and affordability of transmission investments as a whole (i.e. incl. the VTP) or only the TRR. The TSAP agreed:
 - that AusNet needs to recognise the broader context and show that it is reacting to it in the best way possible, but it is not AusNet’s role to justify government policy
 - AusNet could go so far as to say it is *required* to comply with government policy.
- Bring forward the deliverability and cost escalation discussions in the draft proposal. A TSAP member said they would like more industry participants to be having these conversations, and AusNet highlighting deliverability and cost escalation more prominently would set the bar for others, who will hopefully respond similarly.

Additional discussion areas included:

- Who the draft proposal should be optimised for. A TSAP member said the narrative needs to be optimised for the most likely readership, which will be informed stakeholders and conduits (incl. media) who can get a simple message out to households and businesses. Another TSAP member said households and businesses may be more interested given the energy transition taking place, particularly with new infrastructure in the regions and DER. AusNet asked for clear direction from the TSAP on who they would like the draft proposal to be optimised for and it was explicitly agreed by most (with no dissenters) that the draft proposal and engagement be optimised for informed stakeholders and conduits to broader

stakeholders, and include a media strategy to get broader reach into businesses and households.

- Three TSAP members made comments around affordability not being able to be assessed with respect to transmission costs in isolation, but rather needs to be considered in energy costs as a whole.
- An AER Consumer Challenge Panel member suggested that affordability becomes a constraint on how much AusNet can charge (and include in its proposal).
- Two TSAP members said they feel AusNet “has been kicking the can down the road” regarding investment, and the capex proposed is not new or unforeseen, and mostly not transition-focussed. AusNet acknowledged this but noted the spread of generation around the state has added to complexity and cost.
- The importance of the draft proposal as a tool for engaging broader stakeholders. A TSAP member representing commercial and industrial customers said their stakeholders like to see something tangible in terms of outcomes that they can comment on, raising that it is very difficult to engage them in price review processes before this point. Another TSAP member agreed.
- How the economic model treats and optimised current vs future expenditure in economic models. A TSAP member suggested it needs to be re-thought, and it should be assumed that deferring a project will cost more. An AER CCP member said that deferrals should be made based on the best information on the time from a cost-benefit assessment, but deliverability and resources constraints perhaps should be taken into account.
- The process for forecasting cost escalations, and recent comments by the AER Chair were also discussed. A TSAP member asked whether project delivery costs have outpaced broader inflation. AusNet said the value of customer reliability (VCR) has not outpaced inflation which drives a lot of investment, but the AEMO benchmarking report shows 59% escalation in unit costs and balance of plant over 40 years.
- Another TSAP member noted that most step changes are unforeseeable but there are guesstimates available. They referenced recent Productivity Commission modelling suggesting the current trade wars might suppress costs on several transmission inputs, but acknowledged projections of that sort tend to age rapidly and poorly.
- A TSAP member shared that Infrastructure Australia has been sharing work that demonstrates many skills are transferrable.
- Another TSAP member said it's not inflation – just supply and demand. An additional TSAP member said that's where deliverability comes in, in particular looking at what others are doing at the same time and competition for resources.
- A TSAP member said we need to get better at directing resources to the highest-value areas and noted that there's no area of higher value than keeping the lights on.
- AusNet said that it would choose to defer projects based on where the risk increases at the lowest rate. The TSAP Chair asked how these decisions would be made within the regulatory period. AusNet said the planners and large customers would certainly be engaged. AusNet took an action to add this to the conversation it has with the Energy Users Association of Australia's members later in July. Two TSAP members suggested AusNet thinks about how it engages a wider group of stakeholders (incl. generators and distributors) in these decisions which it agreed in principle to do.
- An AER CCP member suggested AusNet continue engaging beyond the TRR process and engage on project deferrals etc.

3. Review of draft proposal

Michael Larkin, Price Review Manager at AusNet, asked TSAP members to share any thoughts or feedback they had on AusNet's draft TRR 2028-2032 proposal.

Discussion included:

- A TSAP member highlighted the challenge of determining the appropriate level of detail AusNet should include in its draft proposal to provide sufficient information to support its case. The member suggested that AusNet could incorporate more benchmarking data and clearly explain the rationale behind its selected options. In response, AusNet acknowledged the importance of clarity and noted that it is striving to maintain a high-level approach in the draft to allow for customers and stakeholders to engage with the proposal more easily. AusNet also confirmed that its final proposal will be significantly more detailed.
- A TSAP member suggested AusNet include the change in energy flows and system dynamics from sub-transmission into transmission caused by rooftop solar. The TSAP member furthered sharing that this could be included in the foreword of the draft proposal, and would help contextualise the importance of transmission to residential customers. AusNet acknowledged the suggestion and reiterated that the draft proposal is intended to remain at a high level, with detailed technical topics considered for inclusion where they support the broader narrative.
- A TSAP member suggested that AusNet provide additional information to strengthen the justification for its resilience proposal. The member noted that AusNet's cyber security, digital, and system management initiatives could help illustrate the complexity of operating the network and the importance of proactive measures, rather than waiting for a catastrophic event to prompt action.
- A TSAP member noted that some of the key elements shaping the narrative for this TRR include:
 - providing safe and reliable services to keep the lights on
 - much of the expenditure was expected and is now being forced
 - the additional complications in the transmission sector with the Victorian Transmission Plan being introduced.

The TSAP member continued sharing that they see the new areas of expenditure such as landholder and tower strengthening are valuable in the document, but raised that they would like to see more focus on the 'big ticket' items such as the major station upgrades.

4. Narrative development exercise

Glenn Orgias facilitated a breakout activity where TSAP members were broken up into 3 groups relating to key customers and stakeholders they are representing. This included:

1. Residential & small business customers
2. Commercial & industrial customers
3. Key stakeholders (defined by those whose experiences flow through to households and businesses)

TSAP members then shared the key points and outcomes from their group discussions.

Discussion included:

TSAP members representing **Residential Customers** shared:

- Positive outcomes from the draft proposal included:
 - Richness and transparency of AusNet's TRR 2028-2032 proposal, noting the ease of reading and understandability of the draft proposal.
 - The proposal is built on facts which will help customers to understand the 'why'.

- There's a strong use of visuals and graphs in the draft proposal which will help customers understand and engage with the TRR more easily.
- Real, perceived or potentially negative outcomes from proposal, and how AusNet might mitigate them, including:
 - The cost of the capex proposal. TSAP members suggested AusNet outline the consequences of not doing proposed projects, as well as enhancing the narrative on the influencing factors that are relevant to residential customers such as; electrification and solar and Battery Energy Storage Systems (BESS) at the residential level.
 - The narrative should focus on providing value for money rather than affordability.
 - The draft proposal should be structured to first outline the journey AusNet has undertaken to develop this TRR proposal, before delving into its specific details.
 - Some aspects of the draft are overly simplified, for example, the treatment of seasonality. Additionally, several graphs present readability challenges; they are not immediately intuitive and could be improved for clarity on what they actually mean for customers. TSAP members suggested that the graph comparing the investment from different TNSPs could be misleading.
 - There appears to be an assumption of prior knowledge regarding what constitutes a 'good' or 'poor' investment level, which could be clarified for a broader audience.

TSAP members representing **commercial and industrial customers** shared:

- Positive outcomes from the draft proposal included:
 - Maintaining the current level of reliability is a strong position to take.
 - Keeping up with the growth in electricity demand, particularly with the progression of electrification and the growing increase of electric vehicles.
 - Enabling growth in generation, but AusNet should be conscious to maintain differentiation between its TRR and AEMO's ISP and VicGrid's VTP.
- Real, perceived or potentially negative outcomes from proposal and how AusNet might mitigate them included:
 - Transmission electricity bills are going up. TSAP members suggested AusNet should be clear on what is in and out of scope of the TRR.
 - Perception from some customers on why they need to pay more for the same level of service and reliability. Additionally, if there are delays or failure to deliver certain projects, customers may feel they are paying more for a lower level of service and reliability.
 - The TSAP members raised easement land tax, which they noted is likely out of scope for the TRR, but asked if AusNet could keep the TSAP informed on this topic.
 - The TSAP members raised that AusNet could leverage its unique position as a Distribution Network Service Provider (DNSP), and suggested AusNet could investigate creating additional value in its distribution network to avoid or delay some projects in the transmission network. AusNet acknowledged this suggestion, but noted that it is out of scope for the Transmission Revenue Reset.

TSAP members representing **stakeholders** shared:

- Positive outcomes from the draft proposal included:
 - Reliability and the value of projects highlighted in the draft proposal.
 - System augmentation to address constraints.
 - Deliverability assessment to help create best delivery outcomes.

- AusNet demonstrating its project assessment to create best value.
- Compared to other Transmission Network Service Providers (TNSPs), AusNet operates with the lowest relative network capital cost. TSAP members noted, however, that this may coincide with a high level of network constraint. They suggested overlaying constraint levels in the analysis to provide additional context.
- Real, perceived or potentially negative outcomes from proposal and how AusNet might mitigate them included:
 - Risk of delivery inefficiency between AusNet, VicGrid and AEMO.
 - Over indexing on the price of the service, which could result in higher costs for customers.
 - Deferral of projects resulting in an increase in costs. TSAP members suggested AusNet explain its economic timing model in the draft proposal.
 - Potential concerns around if AusNet can deliver all the work in the proposal. TSAP members suggested this raised the importance of AusNet highlighting its deliverability assessment.

5. Planning future engagement on the draft proposal

Lucy Holder, Customer Engagement Manager at AusNet, asked for TSAP members feedback on AusNet's proposed approach to engage on its draft TRR 2028-2032 proposal.

Discussion included:

- A TSAP member suggested AusNet should engage with Essential Services Commission and Energy Safe. The TSAP member continued raising that it will be important for AusNet to be clear what level of influence stakeholders and customers' feedback will have on the draft proposal.
- A TSAP member noted that consumer advocates will want to understand on how costs are allocated to residential customers, particularly in relation to rooftop solar and geospatial factors.

6. Chair's Foreword

Glenn Orgias led a session with the TSAP to gather input for the foreword of the TRR 2028–2032 draft proposal, which he will write on behalf of the TSAP.

AusNet and the AER left the room for this discussion.

Wrap up

Glenn Orgias thanked attendees for their participation and closed the meeting.

Action items			
Action	Assigned to	Status	Due
Actions to implement in the draft proposal			
1	AusNet	Addressed in draft proposal	31 July 2025
2	AusNet	Addressed in draft proposal	31 July 2025
3	AusNet	Addressed in draft proposal	31 July 2025
4	AusNet	Addressed in draft proposal	31 July 2025
6	AusNet	Partially addressed in draft proposal. <i>(To preserve a logical narrative, AusNet has not moved the VTP section earlier but has added in further information to assure that customers are not paying twice).</i>	31 July 2025
7	AusNet	Addressed in draft proposal	31 July 2025
8	AusNet	Addressed in draft proposal	31 July 2025
9	AusNet	Addressed in draft proposal	31 July 2025
10	AusNet	Addressed in draft proposal	31 July 2025
11	AusNet	Addressed in draft proposal	31 July 2025
13	AusNet	Addressed in draft proposal	31 July 2025

14	AusNet to consider adding in additional information to focus on the 'big ticket' items in its draft proposal such as the major station upgrades.	AusNet	Addressed in draft proposal	31 July 2025
15	AusNet to outline the consequences of not doing proposed projects.	AusNet	Addressed in draft proposal	31 July 2025
17	AusNet to be clear on what is in and out of scope of the TRR, in the context of transmission electricity bills going up.	AusNet	Addressed in draft proposal	31 July 2025
19	AusNet to explain its economic timing model to help explain deferral of projects can result in an increase in costs.	AusNet	Addressed in draft proposal	31 July 2025
20	AusNet to highlight it's deliverability analysis in the draft proposal to help address customer and stakeholders concerns if AusNet can actually deliver all the work in the proposal.	AusNet	Addressed in draft proposal	31 July 2025
21	AusNet to explain how costs are allocated to residential customers, particular in relation to rooftop solar and geospatial factors.	AusNet	Addressed in draft proposal	31 July 2025
Other actions				
1	AusNet to add discuss how it would choose to defer projects based on where the risk increases at the lowest rate, in it's meeting with the Energy Users Association of Australia's members at the end of July.	AusNet	Complete	25 July 2025
2	AusNet to keep the TSAP informed on easement land tax.	AusNet	Ongoing	-
3	AusNet to engage with Essential Services Commission and Energy Safe on its draft proposal.	AusNet Engagement Team	In progress	30 August 2025