

Transgrid – Enabling CWO REZ Network Infrastructure Project Revenue Proposal 2026-31

Presentation to AER Public Forum - 10 November 2025

Members of Transgrid's Advisory Committee

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Context



We are in a transformational energy transition

There are transmission builds everywhere

Foundation changes to distribution networks

Changes to Government supports



The NSW Road map processes are NEW and bespoke

NSW created the Roadmap to deliver projects faster than the NER

We are all operating in an environment of continuous improvement

AER revising its guidelines

NSW Government amending its legislation



Transgrid is testing the new framework

AER has responded in the PPP to protect consumers' interests

We are less certain about our role and influence in Roadmap projects



Key issue is allocation of risk

Speed of delivery is creating greater risk and more risk is being allocated to consumers

Increased transparency from EnergyCo will build trust and support for the Roadmap

Transparency and accountability



Transgrid's lack of transparency is **counterproductive** and is eroding trust



EUAA's submission focussed on the **lack of transparency** and accountability in the process

TAC were only shown **one scenario** during the financeability engagement. We read in the PPP that Transgrid's modelling had 5 scenarios



We are concerned that Transgrid will be adding a **financeability application** in every project whether big or small because they can

Transgrid were open that this was a **test run** without serious cash flow impact. AER called this out and said any issue could have been managed through revenue smoothing



Our experience in this project has been **more of the same**

We are not surprised by any of the AER's comments in the PPP. We are looking for **Transgrid to do a lot better** in its interactions with TAC and to be more transparent and honest in all projects

Green shoots
but everyone
needs to work
together so
customers do
not pay twice

- The Roadmap processes are new for everyone
 - **NSW Govt** should be in the room
 - **Transgrid, the AER and customer advocates** should not be left to sort this out after EnergyCo decisions
- There are **green shoots**:
 - We are here in **good faith** working in an unfamiliar framework
 - **Transgrid's** early engagement on the next reset looks **positive**
 - Everyone needs to adopt a positive approach in all processes including **EnergyCo**
- **The AER** is doing all the heavy lifting on customers' behalf as the role for customer advocates in Roadmap processes is unclear
- **Costs** in the next 5-10 years must be triaged while we wait for wholesale benefits

We support the AER's Preliminary Position Paper

- We strongly **support all the AER's positions** in the PPP
 - We welcome application of **AER approach in HCC REZ** to this CWO proposal
 - AER has **rejected** adjustment events that could have been mitigated during commercial negotiations with EnergyCo
- Transgrid's revenue proposal seeks to improve **shareholder return at consumers' expense** e.g. modified CESS and financeability
- Transgrid's financeability application was a **test run** of the AER's new guideline for future projects and AER response is very **constructive**
- AER and CCP have given very specific and tailored advice to Transgrid on ways to **improve its customer engagement**
- Transgrid has an opportunity to “walk some of its recent talk” by **improving its interaction** with TAC on the reset as well as upcoming ISP and Roadmap projects