January 2026

Powerlink 2027-32 Revenue Proposal

Appendix 4.09
Deliverability Assessment

1 Purpose

This appendix provides Powerlink's assessment of the deliverability of Powerlink's proposed network capital expenditure program included in its 2027-32 Revenue Proposal to deliver prescribed (regulated) transmission services. It evaluates our ability to execute the forecast program of work within the broader context of external market conditions, workforce capacity, network access and supply chain constraints.

It also considers deliverability within the broader portfolio of network capital works, including projects that are subject to regulatory mechanisms outside the revenue determination process, such as the Priority Transmission Investment (PTI) framework, and non-prescribed transmission services, such as non-regulated connection works.

This appendix discusses our processes, governance frameworks, and planning tools that we employ in the normal course of business to ensure that our network capital project portfolio is planned, sequenced, resourced, and managed in a way that supports safe, efficient and timely delivery.

2 Summary

Powerlink has proven over three decades our ability to deliver network capital projects to meet the needs of Queenslanders and provide safe, secure, reliable and cost-effective electricity supply. We recognise the material increase in forecast capital expenditure in our 2027-32 Revenue Proposal compared to recent regulatory periods and have reviewed the deliverability of our capital works to support the forecast.

- The assessment was based on our current processes, governance frameworks and planning tools that are employed in the normal course of business. It also considered key factors that could limit our ability to deliver the proposed program of network capital work, and the current improvement initiatives and future planned initiatives to enhance program delivery.
- The assessment considered the deliverability of the proposed network capital expenditure program within the wider portfolio of network capital works, including:
    - installation of four synchronous condensers in Central Queensland, subject to a contingent project application expected to be lodged with the AER in mid-2026
    - the Gladstone Project to reinforce supply into the Gladstone region, currently progressing through the PTI framework under Queensland legislation, and
    - the program of non-regulated connection works that are anticipated to proceed within concurrent delivery timeframes.
- Many of the projects included in the wider portfolio of network capital works are major construction projects that involve new builds that will rely on different resource types and where delivery will be less constrained by network access and complex staging requirements.
- While there is a material increase in the overall total network capital expenditure for reinvestments, cost escalation is a significant driver for this rather than the increased expenditure being driven by increased volume of works.
- This deliverability assessment demonstrates Powerlink's ability to carry out the network capital expenditure program included in its 2027-32 Revenue Proposal.

3 Context

Powerlink's forecast capital expenditure for the 2027-32 regulatory period is materially (more than 60%) higher than the actual/forecast expenditure for the current regulatory period.

Powerlink understands that the successful delivery of high-voltage transmission projects requires proactive portfolio-wide management. Powerlink has over 30 years' experience of delivering transmission projects, and deliverability is routinely considered in the normal course of business, including throughout development of our 2027-32 Revenue Proposal. The operating environment has changed rapidly in recent years, and we continue to review and develop our approaches to adapt to current and emerging challenges.

Deliverability is recognised as an important issue by our customers and other stakeholders. The Revenue Proposal Reference Group (RPRG) requested a deep dive into deliverability of our portfolio, and how our project improvement / lessons learnt process supported future deliverability. We engaged with the RPRG on these matters in November 2025.

3.1 Industry forecasts

Infrastructure Australia evaluates and reports annually on forecast major infrastructure construction demand in Australia, specifically the resources required to deliver on the forecast demand. In its 2025 Infrastructure Market Capacity Report[1], Infrastructure Australia highlights a significant turnaround in national infrastructure investment with the five-year Major Public Infrastructure Pipeline (MPIP) forecast to increase by 14% to reach $242 billion as governments prioritise housing supply and the energy transition. Utilities investment has more than doubled to $36 billion, driven largely by major electricity transmission projects, representing a $20 billion increase on the previous year's outlook.

The report also underscores the immense scale of Australia's energy transition. When forecast private investment is added to the pipeline, a total of $163 billion in transmission, solar, wind and pumped hydro projects is planned between 2024/25 and 2028/29. The report goes on to state however that in the face of delays and uncertainty *"investors are directing money to overseas renewable energy opportunities and the overseas suppliers may be less willing to service the Australian market when they receive orders for their projects"*[2]. This could place additional pressure on securing major plant items and critical skilled resources within Australia.

Labour shortages remain the most critical delivery risk. Peak workforce demand is expected to reach 521,000 workers (on a full-time equivalent basis) by mid-2027 leading to a potential shortfall of 300,000 workers. Skills gaps will be most acute for engineers, architects and scientists – peaking at 126,000 workers in late 2026 – and for trades workers and labourers – peaking at 126,000 by mid-2027. Demand for Project Management Professionals will remain elevated, with shortages projected to peak at around 59,000 in mid-2027.

[1] Infrastructure Market Capacity 2025 Report, Infrastructure Australia, November 2025.
[2] Infrastructure Market Capacity 2025 Report, Infrastructure Australia, November 2025, page 29.

4 Powerlink's network capital portfolio

Our total portfolio of network capital works comprises major programs and large projects, some of which are subject to regulatory mechanisms outside the revenue determination process while others are separate from regulated works. These are described in the following sections.

While this deliverability assessment is primarily focused on the regulated network capital program that underpins the capital expenditure forecast in our 2027-32 Revenue Proposal, it must also assess this program within the context of other programs that will rely upon common delivery resources. Many of the projects included in the wider portfolio of network capital works are major construction projects that involve new builds that will rely on different resource types and where delivery will be less constrained by network access and complex staging requirements.

4.1 Regulated network capital program

Our ongoing regulated network capital program is necessary to develop and maintain safe, secure reliable and cost-effective prescribed (regulated) transmission services. The program is made up of both load and non-load driven capital works, the majority of which is reinvestment in the network.

This program forms the basis of the capital expenditure forecast in our 2027-32 Revenue Proposal and is developed to address emerging limitations and/or risks in the network. All projects in the forecast are subject to Powerlink's governance processes and the requirements of the Rules[3], including the Regulatory Investment Test for Transmission (RIT-T) where applicable.

4.2 Contingent projects

Contingent projects are those which are significant, may arise in the period, but are not yet committed and not provided for in the capital expenditure forecast for the relevant regulatory period. Such projects are linked to unique investment drivers such as a major additional point load or generation changes rather than to general investment drivers (such as expectations of load growth within a region).

Projects in this program are subject to the requirements of the Rules[4], including the RIT-T and the contingent project application (CPA) process. As part of this process, the AER validates the trigger and assesses the prudency and efficiency of contingent projects, separate to the revenue determination process, and adjusts MAR accordingly.

We provide more information on this process and contingent projects proposed to be included in our 2027-32 Revenue Proposal in Appendix 4.04 Contingent Projects.

[3] National Electricity Rules, Chapter 5.
[4] National Electricity Rules, clause 6A.8.1(a)

System strength services

Powerlink is Queensland's System Strength Service Provider and must take action to acquire and make available system strength services. Following completion of a RIT-T in mid-2025[5], we identified the need to install up to nine synchronous condensers by 2034, with an initial four expected to be needed by 2030, and contracts for network support services to acquire the necessary system strength services.

The lead time of the major plant items means that significant additional capital expenditure will be incurred in the current 2022-27 regulatory period, which was not provided for in the AER's capital expenditure allowance for the current regulatory period. Hence, Powerlink intends to lodge a CPA with the AER for the capital expenditure it expects to incur in the 2022-27 and 2027-32 regulatory periods and the incremental operating expenditure for the 2027-32 regulatory period. We anticipate lodging this application in mid-2026.

4.3 Priority Transmission Investment projects

The Priority Transmission Investment (PTI) framework under Queensland legislation[6] provides for relevant Queensland Government ministers to direct Powerlink to assess, construct and recover the costs of major projects that support the energy transition in a timely and cost-effective manner, in line with the Queensland Government's Energy Roadmap 2025.

Gladstone Project

In July 2024, Powerlink was directed by relevant ministers to progress assessment of the Gladstone Project under the PTI framework. The key purpose of the Gladstone Project is to maintain system security and reliability to all customers in the Gladstone region, which is a prescribed transmission service. The PTI framework provides for Powerlink to recover costs, or part thereof, through our Maximum Allowed Revenue (MAR). We provide more information on this process in Appendix 10.01 Pricing Impact Scenarios.

4.4 Customer connection program

Powerlink also provides connection works to new generation and load proponents as negotiated and/or non-regulated transmission services. This leads to a program of customer connection projects which are typically funded directly by the customer. This capital expenditure does not form part of our Revenue Proposal forecast.

5 Powerlink's approach to portfolio planning and delivery

Powerlink is focused on successful delivery of transmission projects. We adopt a scaled, fit for purpose approach to network capital project delivery in line with the assessed complexity, priority and value of the projects. The following sections provide an overview of existing processes, tools and procedures we apply to our portfolio of network capital works in the normal course of business.

[5] Addressing System Strength Requirements in Queensland from December 2025 – Project Assessment Conclusions Report, Powerlink Queensland, June 2025.
[6] Energy (Infrastructure Facilitation) Act 2024.

5.1 Governance

We have centralised cross-functional governance of the network capital portfolio to ensure interdependencies are identified, coordinated and collectively managed with flexibility to address any new or emerging risks and requirements. Portfolio planning is a continuous process considering project delivery performance, network planning, asset need timing and the constraints of the external environment to achieve a reasonable balance between asset risk, cost and deliverability.

5.2 Project initiation and risk quantification

Most of our regulated network capital expenditure forecast is for reinvestment in the network to address ageing assets. We utilise analytics and forecasting to support reinvestment decisions by making projections of asset condition degradation and risks for ageing equipment based on asset risk models. When a project is initiated, a priority is assigned, based on the level of risk that the project is required to mitigate, the potential impacts on network reliability, the proximity of the identified need timing and any commercial commitments. Where the risk relates to specific network assets, it may be quantified using our Portfolio Risk System to calculate the value of the risk to be mitigated.

Projects that are load driven are identified through consideration of generation, demand and energy forecasts that may exceed the capacity and/or capability of the existing network within the planning horizon. Projects are initiated through our annual transmission network planning processes and documented in the Transmission Annual Planning Report (TAPR).

5.3 Project approval

We have adopted a multi-stage approval process for new projects to ensure that approval is based on the most up to date information in respect of cost and delivery timing of projects as they progress through development. This approach recognises the increasing maturity of the cost estimate and project schedule throughout the development phase of a project.

Where practicable, the approval process incorporates market confirmed pricing supported by detailed scoping and delivery planning activities, prior to full project approval. The process leverages lessons learnt on similar projects and we provide more information in the Regulated Network Project Approval Process supporting document included with our 2027-32 Revenue proposal.

5.4 Project prioritisation and the Network Investment Outlook

Prioritisation of projects involves ranking them based on their importance and contribution in addressing risks, and meeting Rules and other obligations. This is crucial in portfolio planning as it ensures efficient resource allocation and focuses resources on those projects of highest priority. Effective prioritisation leads to better decision-making, improved project outcomes, and enhanced overall performance of the portfolio.

It should be noted that the project priority rating is one of many factors that are taken into consideration when developing the portfolio. A project priority will be reviewed and updated throughout the lifetime of the project based on objective criteria, including level of risk that the project is required to mitigate, the potential impacts on network reliability and the proximity of the identified need timing.

The prioritised portfolio of network projects is then assessed within defined area plans and published internally within the Network Investment Outlook (NIO) to communicate the prioritised project needs throughout the business. Our most recent NIO is included as Appendix 4.10 of our 2027-32 Revenue Proposal.

5.5 Establishing the delivery plan

Powerlink manages and optimises the delivery of the portfolio of network capital works over a five-year planning window by aligning project schedules with resource capacities and strategic priorities, while considering internal and external constraints. This assists us to define a delivery plan that appropriately balances asset and network risks with practical delivery considerations.

We review and reassess the delivery plan typically monthly throughout the year to respond to updated project schedules and to incorporate new and emerging needs. Formal updates occur every 6 months in line with corporate planning processes, such as publication of our NIO and Transmission Annual Planning Report (TAPR).

The delivery plan is shared within the organisation enabling broad visibility of the forward plan. This facilitates executive and senior leadership review of priorities and confirmation of planning assumptions, enabling early identification of risks or bottlenecks that may affect delivery outcomes. There is regular engagement between project teams and network operations teams which includes structured forward access reviews to confirm upcoming network access needs, identify emerging access constraints, and finalise contingency options for outages. This coordination supports timely delivery of priority works and provides an agile mechanism to adjust sequencing in response to unforeseen network conditions, helping to maintain momentum across the delivery program.

5.6 Monitoring and reporting

We monitor and report on project progress and portfolio delivery risk across the entire project delivery portfolio. Detailed milestones are set at a program and project level to maintain visibility of changes in scope, outage requirements, resourcing requirements, contract requirements and budget which impact projects as well as the overall program delivery. An overarching view of activities allows us to efficiently bundle works to minimise cost and reduce rework.

Tracking progress against the delivery program also allows us to draw on experience and historical performance to make better informed projections and enable a more accurate and deliverable plan.

5.7 Learnings

We consider learnings from past projects when planning for the delivery of future projects. A formal process embedded within project management systems enables learnings to be captured in a lessons learnt database to improve future project planning, estimating and delivery outcomes. The lessons learnt database is able to be accessed by project managers and broader project team while planning for new projects.

Where applicable, revised work processes, specifications and documentation resulting from lessons learnt are implemented to ensure continuous system improvement supporting better future project delivery.

6 Deliverability of Powerlink's 2027-32 forecast capital works

6.1 Focus of Deliverability Assessment

Powerlink has proven, over three decades, our ability to deliver network capital projects to meet the needs of Queenslanders and provide safe, secure, reliable and cost-effective electricity supply. However, we recognise the material increase in forecast capital expenditure in our 2027-32 Revenue Proposal compared to recent regulatory periods and have undertaken a review of deliverability to support the forecast.

Our 2027-32 Revenue Proposal includes forecast total capital expenditure of $2,499.5 million ($ real, 2026/27). The regulated network capital program accounts for $2,240.2 million (90%) of this forecast and comprises the following works by category in Table 1.

Table 1 - Network capital expenditure forecast by category ($million real, 2026/27)

Category	Forecast 2027-32	% of Total
Augmentations	5.8	0%
Connections	-	0%
Easements	295.1	13%
Reinvestments	1,674.3	75%
System Services	-	0%
Other	98.3	4%
Security/compliance	166.8	7%
Total Regulated Network Capital Program	**2240.2**	

6.2 Deliverability Factors

The key factors that impact our ability to deliver our portfolio of network capital works are:

- Workforce planning and resource availability
- Supply chain capacity and procurement coordination
- Network access management and construction phasing, and
- Land access and approvals.

These factors will be discussed in turn below, as well as several initiatives which support us in managing these factors into the 2027-32 regulatory period.

Workforce planning and resource availability

Long term workforce planning, including apprenticeships, traineeships and regionalisation of some of the workforce, are all strategies used to meet the forecast demand. We have proactively focussed on our recruiting and retention strategies and practices to secure the highly skilled workforce required to deliver an uplift in projects across all programs, including increasing our early career apprenticeship and graduate programs. We recruit and train for critically skilled roles in a nationally competitive talent market. This has included partnering with education providers (schools and universities) to promote Powerlink as an employer and the energy sector more broadly.

We have expanded our regional workforce capacity in response to forecast increases in workload across central and northern Queensland. We have also consolidated our transmission lines and substations outsourcing arrangements under a newly established panel agreement to support the efficient delivery of construction works. This enhanced framework will introduce additional delivery partners and incorporate scalable capacity provisions to accommodate future workload increases. The expanded panel structure is expected to foster further competitive tension, improve cost efficiency, and support timely execution of network capital works.

Supply chain capacity and procurement coordination

We have developed long term strategic partnerships with overseas suppliers of long-lead time equipment and have been successful in working with suppliers to develop new manufacturing capability to minimise lead times and reduce procurement costs. We continue to develop our procurement practices to reduce supply side risk, securing a supply chain that supports cost-effective delivery of projects.

We have also developed policies and practices for strategic acquisition of spares, contingency planning and the managed early procurement of long-lead time items. Our recent procurement and inventory reviews indicate a significant strategic shift in response to sustained global supply chain disruptions, fluctuating freight and commodity markets, and rising customer expectations. The organisation has determined that traditional procurement and just-in-time (JIT) inventory practices are no longer adequate to meet evolving delivery requirements. As a result, we are transitioning to a more resilient hybrid procurement model that combines JIT and just-in-case (JIC) approaches for long-lead and critical items.

These procurement initiatives directly enhance schedule assurance, risk mitigation and delivery certainty. The inclusion of JIC procurement helps mitigate delays caused by extended lead times, supplier variability, and market volatility, thereby increasing confidence in delivering projects to scope and schedule. This integrated approach ensures that material availability aligns with project sequencing and supports efficient execution.

Network access management and construction phasing

Network access remains a key constraint for project delivery, and the increasingly complex operating environment heightens this challenge. Our five-year delivery plan considers outage planning to ensure works with potential network impacts are appropriately staged and regional network constraints are managed. This forms the basis of a strategic forward view that allows the program of work to be scheduled in a way that remains supportive of network capability at any point in time.

At the project level, we have strengthened the way construction staging and access requirements are identified early in project development. Earlier consideration of the interrelationship between constructability and outage constraints enables more realistic staging options and ensures project methodologies are aligned with feasible access windows. While these improvements are being embedded now, the projects that will benefit most are those progressing through the next regulatory period, as early-stage changes take time to flow through into delivery outcomes.

In parallel, we are strengthening our outage coordination processes through the Outage Management System (OMS) replacement project being delivered in the current regulatory period. The replacement OMS will deliver an integrated operational platform that supports coordinated processes and activities and integration with other systems. By modernising workflow integration and establishing more consistent process steps and aligned data structures, the new OMS will provide a more stable and repeatable outage management environment.

In the 2027-32 regulatory period, we propose to implement a program of work that provides additional capability to strengthen outage planning and operational decision-making. This will improve visibility of network conditions and give earlier insight into emerging risks. These tools will help Powerlink anticipate when planned outages may no longer be viable and support long-term scheduling practices. This allows more flexible and granular scheduling, better utilisation of field resources, and the ability to redirect planned work when appropriate, improving the overall efficiency of portfolio delivery.

Land access and approvals

Communities play a key role in Queensland's energy system transition and delivery of our capital program. We are committed to engaging early with landholders, Traditional Owner groups, communities and other stakeholders to better understand their needs and priorities when delivering transmission projects.

With the changing requirements for transmission infrastructure, understanding community needs and ensuring transparent engagement is critically important to maintain Powerlink's social licence to operate within Queensland communities. We have developed a community engagement approach to define how we build relationships based on trust and created a new community and social value approach to generate benefits for both communities and Powerlink.

We have increased our capability to work with communities, stakeholders and landholders to acquire, and manage rights in land throughout the lifecycle of our assets. This includes identifying and securing an appropriate corridor or site, that considers both the needs of the community and Powerlink's project requirements, and seeking the necessary approvals to enable construction to commence when the identified network investment need approaches. In this way we are able to secure the necessary easements and sites within appropriate timeframes to meet the future growth of the network as identified in the NIO, the TAPR and the Queensland Government's Energy Roadmap 2025.

6.3 The delivery plan

The regulated network capital program proposed for the 2027-32 Revenue Proposal has been assessed to determine a coordinated delivery plan. This assessment included all projects currently in construction, and those in the capital expenditure forecast for the 2027-32 regulatory period, forecast non-regulated customer connection projects plus an allowance for additional unplanned works. These projects have been assessed using our business as usual structured prioritisation and resource allocation process, referred to as our delivery optimisation framework. This typically considers the near-term deliverability of the program (3-4 years) but for this purpose has been extended to June 2032.

Illustrative of the work undertaken to prioritise and coordinate the portfolio of work during the early stages of development, the baseline assessment under this process indicates that we can deliver 92 out of 94 projects, and with some minor schedule adjustments all 94 projects can be delivered, as shown in Table 2.

Table 2 - Delivery optimisation framework assessment

	Baseline	Optimised delivery program
Criteria	• All planned project works • An allowance for unplanned works • Five-year window	• All planned project works • An allowance for unplanned works • Five-year window
Selected for delivery	92 out of 94 projects selected for delivery	94 out of 94 projects selected for delivery
Not selected for delivery	Two projects for completion in Dec 2027	None
Deliverability assessment	98%	100%

Assessment of workload by location is essential to ensure the availability of specialist resources within defined regions. Following the preparation of the optimised delivery program, the number of projects commissioned by year and category, and projects in execution by year and region, is reviewed to ensure that the overall program of work shares resources appropriately. This is part of our program assessment in the normal course of business.

Figure 1 - Program deliverability assessment

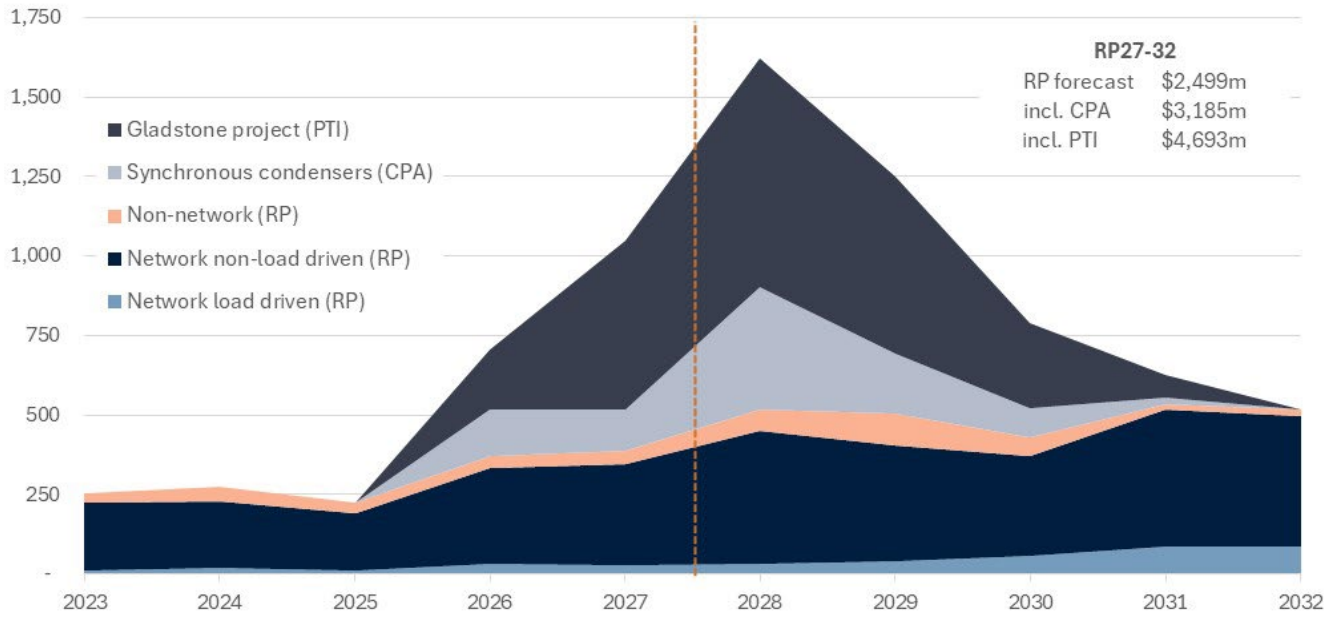
Both assessments above illustrate deliberate balancing of project by type and by region over the five year period to deliver the proposed regulated network capital program within capacity.

In addition to the regulated network capital program, deliverability assessments of the major projects associated with the regulated network contingent projects and PTI project are considered. These works are largely new builds which have a different demand for resource types during their construction, and Powerlink has worked with contractors to secure sufficient contractor resources for this purpose. The commissioning of these projects will rely on skilled internal resources, and we have specifically targeted our capability to support these activities through expanding our presence in Central Queensland. We have also shaped the regulated program work profile to ensure resources are available to support commissioning activities when required.

In conjunction with the program delivery, an additional assessment was undertaken to overlay the scheduling of works and resulting capital expenditure profile of all regulated, and potential regulated, programs of work. This was used to revise the proposed regulated network capital program, particularly in Central Queensland, such that resources are available to meet the demand of all programs.

This is evident in the project in execution by region (refer Figure 1) and in the visible dip in 2030 for network non-load driven work as shown in Figure 2.

Figure 2 - Total regulated capital expenditure including CPA and PTI ($million real, 2026/27)

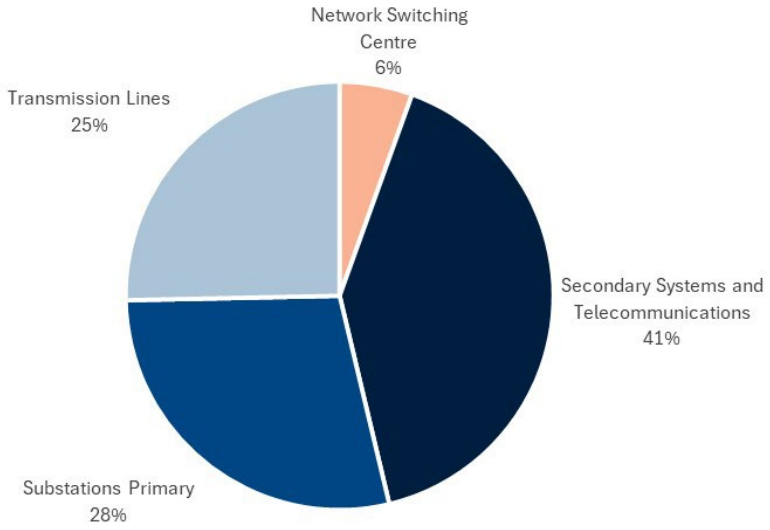


6.4 Reinvestment forecast – by asset class

Powerlink's reinvestment capital expenditure forecast for the 2027-32 regulatory period is $1,674.3 million. The reinvestments category accounts for 75% of the regulated network capital program. For this reason, we undertook additional assessment of this expenditure category.

The makeup of the forecast by asset class, which is indicative of the type of work and skilled resources required, is illustrated in Figure 3. For this purpose, we have combined secondary systems and telecommunications asset classes, as these projects are of similar nature and require similar resources.

Figure 3 - Forecast reinvestment capital expenditure by category



To inform this assessment, we compared the forecast reinvestment expenditure for the 2027-32 regulatory period to the current regulatory period. The forecast in the 2027-32 regulatory period is $585.4 million higher than the current regulatory period which is illustrated by asset class in Table 3.

Table 3 - Reinvestment expenditure by asset class ($million real, 2026/27)

Asset Class	Actual/Forecast 2022-27	Forecast 2027-32	Variance
Network Switching Centre	259.8	92.2	(167.6)
Secondary Systems and Telecommunications	346.98	682.38	335.4
Substations Primary	337.7	475.5	137.8
Transmission Lines	144.2	424.1	279.9
Total Reinvestment Capital Expenditure	**1,088.8**	**1,674.3**	**585.4**

We considered the total forecast for the 2027-32 regulatory period in developing our new contractor panel arrangements, discussed in Section 6.2, to ensure appropriate contractor capacity exists to meet the necessary workload. To provide further context on the deliverability of the network reinvestment program, we have assessed the specific variance by asset class shown in Table 3, considering the reasons for the variance.

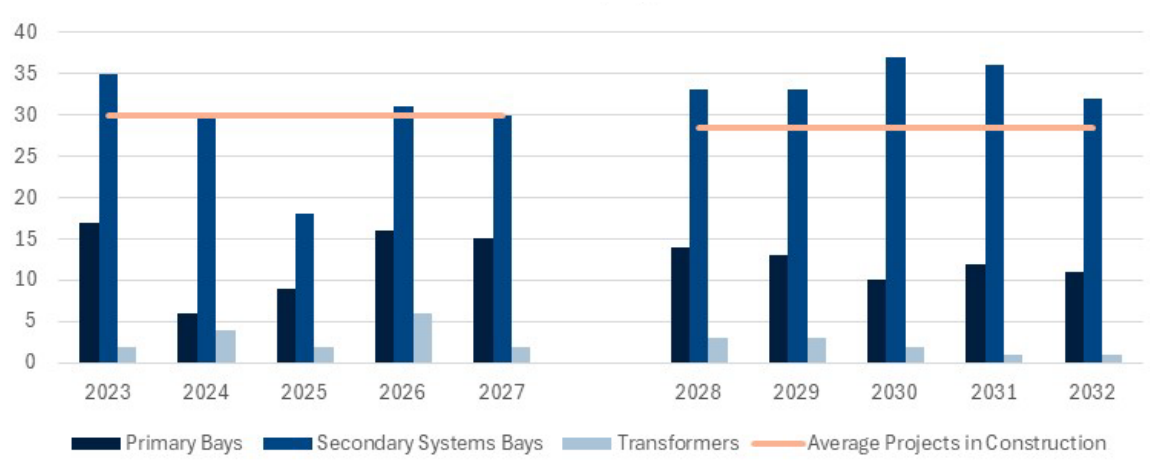
- **Network Switching Centre** – there is a reduction in spend as we target completion of the new AEMS in 2028 to replace the end-of-life Energy management System. The capital expenditure included in our forecast relates to sustaining the established infrastructure to support the ongoing operation of the AEMS and associated systems. This is described in detail in Appendix 4.07 OT Plan.
- **Secondary Systems and Telecommunications** – the increase is due to a combination of a step increase in the costs, in line with the price escalation factors we describe in Chapter 2 Operating Environment, and a higher volume of secondary replacement & telecoms replacements that we plan to complete in the period. We discuss this in more detail in the following section.
- **Substations Primary** – the increase is driven by specific complex projects included in the forecast, such as replacement of specialist reactive plant (Static Var Compensators) in Central Queensland and the replacement of the Kamerunga Substation, with both projects involving large portion of contracted construction work. The increase is also due to the cost escalation described above. Specific needs and their justification, together with the scope and cost of planned works to address the needs are defined in individual project packs with our Revenue Proposal.
- **Transmission Lines** – following the Asset Reinvestment Review we were able to reduce the volume of line refit work within the current period. Following this downturn in works due to deferral of needs, we forecast a return to the underlying quantity of refit work is necessary in the 2027-32 regulatory period, which has been planned for in our new contractor panel arrangements. Specific needs and their justification, together with the scope and cost of planned works to address the needs are defined in individual project packs with our Revenue Proposal.

Volume of secondary systems work

The increase in our network reinvestment capital expenditure forecast from the current period is driven primarily by price escalation. However, there is also an increase in the volume of secondary systems work that drives additional expenditure within the 2027-32 regulatory period.

The expansion of our network during the 2000s and early 2010s in response to growth in customer demand means there is a greater volume of secondary systems assets requiring reinvestment in the 2027-32 regulatory period. This volume will continue to increase in subsequent regulatory periods. It is therefore essential that we plan to deliver the necessary higher volume of work within the 2027-32 regulatory period, to avoid subsequent deferral and compounding of the replacement volumes. Figure 4 illustrates the increase in secondary systems volumes, compared to the steadier volume of primary plant work, and the consistent number of projects in total which illustrates efficient bundling of works.

Figure 4 - Actual/forecast assets commissioned, 2023 to 2032



Our forecast is based on a controlled increase in the volume of secondary systems replacements in response to the greater number of secondary systems approaching end of life and is based on our current practices and new practices such as in-situ replacement. The forecast is also focused on large substations, thereby providing scale benefits in delivery both in fit-out of the secondary systems and more efficient preliminary testing, with minimal need to establish projects at multiple locations. In combination, this means that the effective workload forecast in the 2027-32 regulatory period is not materially different from the current regulatory period.

For these reasons, and based on the deliverability assessment carried out, we consider that the additional expenditure is deliverable within the context of the wider portfolio of network capital works.