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Friday, 1 May 2026

Ms Clare Savage
Chair
Australian Energy Regulator
GPO Box 520
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via email: contingentprojects@aer.gov.au

System Security Roadmap Operational Technology Upgrades Contingent Project Application (CPA)

I am writing to formally submit Transgrid's Security Roadmap (SSR) Operational Technologies (the Project) CPA under NER clause 6A.8.2 for an amendment to the 2023–28 Revenue Determination.

As the power system becomes more complex and dynamic, maintaining secure and reliable operation increasingly depends on strong operational technology and control room capability. This Project is therefore essential to ensuring Transgrid can operate the system safely and efficiently while avoiding unnecessary constraints that would otherwise place upward pressure on consumer costs.

This Project was identified as a contingent project in the AER's final determination and may proceed subject to the following trigger events:

- (a) AEMO's written support for the implementation of specific operational technology upgrades and tools for use in Transgrid's control rooms and corporate offices, following the successful completion of Early Works.
- (b) Successful completion of a RIT-T, if a RIT-T is required, or equivalent economic evaluation, which demonstrates that the preferred option (or part of the preferred option) that maximises net economic benefits is the investment in technological upgrades and tools that has written support from AEMO; and
- (c) Transgrid Board commitment to proceed with the development of the operational technology upgrades and tools (that has written support from AEMO), subject to the AER amending the Revenue Determination pursuant to the Rules.

The trigger events have been met. Our Board has committed to proceed with the Project subject to the AER adjusting allowed revenue commensurate with the capex and opex estimates presented in this Application.

The Board notes that the project will span two regulatory control periods. Transgrid considers that its forecast incremental opex for the 2028-33 period is prudent and efficient, noting that a final decision will be made in the AER's Revenue Determination for the 2028-33 period.

Transgrid is committed to delivering this project in accordance with good industry practice, with a strong focus on safety, prudent cost management and effective risk governance. We appreciate the AER's consideration of this important project and look forward to continuing to work constructively with the AER as the project progresses.

The CPA and documents relevant to it are attached to this letter. Please contact Alex McPherson, General Manager of Regulation & Policy, on alex.mcpherson@transgrid.com.au should you wish to discuss any aspect of the matters raised in this letter.

Yours sincerely



Brett Redman
Chief Executive Officer

Attachments:

- A.1 Principal Application document
- A.2 DGA Consulting Independent Cost Review
- A.3 AEMO letter of support
- A.4 CPA CEO Letter confirming board intention to proceed
- A.5 Capex forecast model
- A.6 Direct non-labour model
- A.7 Labour and overhead costs spreadsheet
- A.8 Opex forecast model
- A.9 Post tax revenue model
- A.10 Confidentiality claims.
- A.11 Internal Labour Estimation (Option B)