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Reference:
Contact Officer: Richard Khoe
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Mr Paul Italiano
CEO
Transgrid

Sent by email: paul.italiano@transgrid.com.au

Dear Mr Italiano

Humelink project – Staging of the regulatory process

Thank you for your letter dated 14 September 2020. You have set out detail based on discussions between Transgrid, AER and AEMO staff, as to how you expect the staged regulatory process for Humelink to work.

Subject to the relatively minor points below, I am satisfied that your letter reflects the AER's expectation as to how the staged regulatory process for Humelink will work. As you have requested I can also confirm that we would not expect to treat the costs of CPA1 differently if (subsequent to the approval of CPA1) the remainder of the project does not proceed.

Two minor comments on your letter are set out below:

- Point 2 final sentence – You refer to Transgrid being able to elect to apply rule 5.16A for Humelink, without being required to issue a new PADR. What you have said there is correct, provided the events set out in clause 5.16A.4(n)(2) (reapplication of the RIT-T for a material change in circumstance) have not occurred.
- In your point 8, you refer to the AER having to make a determination on a contingent project application within 40 business days, with an extension possible in complex cases. As with all contingent project processes, there is also an information request stage in the rules that sits between when the contingent project application is received and when the 40/60 business day time period starts.

As discussed with Transgrid staff, we intend to publish your letter and this letter.

We are currently working on a general Guidance Note on staging that we intend to consult on and then publish (most likely next year). The Guidance Note will use the approach set out in your letter as a starting point, but following consultation may end up taking a different position on some elements of the approach. The approach in the Guidance Note (if it is different) will not affect Humelink, for which we will continue to take the approach set out in these letters. The need for this separate, earlier approach to Humelink is driven by the timing for Humelink set out in AEMO's Integrated System Plan.

Going forward, we will work with you to agree the dates by which the elements of the staged Humelink regulatory process will occur. We will then publish these dates.

Please contact Richard Khoe, Policy & Performance Branch, at richard.khoe@aer.gov.au or (02) 9230 3830 if you would like to discuss this matter further.

Yours sincerely

A handwritten signature in grey ink, appearing to be 'CS', with a long horizontal flourish extending to the right.

Clare Savage
AER Chair

Sent by email on: 13.10.2020