



TransGrid

Confidentiality claims for Project EnergyConnect

Contingent Project Application for Project
EnergyConnect

30 September 2020

Confidentiality Claims

This document identifies confidential information in our Contingent Project Application (Application) for the Project EnergyConnect for the 2018-19 to 2022-23 (2018-23) regulatory period.

The attachments and models that comprise our Application are listed in Table 1, which also identifies which documents and models contain confidential information.

Table 1 – Documents and models comprising this Application (excluding our other supporting documents)

Document / model number	Name	Confidential information
A.1	PEC Principal Application document	No
A.2	Stakeholder engagement overview	No
A.3A	PEC Post-Tax Revenue Model – (BAFO outcome)	No
A.3B	PEC Post-Tax Revenue Model – (Financeability Rule change)	No
A.3C	PEC Post-Tax Revenue Model – (Revenue adjustment)	No
A.4	Specification and scope for PEC	No
A.5A	Supplementary Capex forecasting methodology for PEC (BAFO capex forecast)	Yes
A.5B	Capex Forecasting Methodology for PEC (RFT Phase A capex forecast)	Yes
A.6	Capex Model for Project EnergyConnect	Yes
A.7	Corporate and network overhead forecast for Project EnergyConnect	Yes
A.8	Corporate and network overhead spreadsheets for Project EnergyConnect	Yes
A.9	GHD, Independent capex Assessment for the BAFO Outcomes, September 2020	Yes
A.10	HoustonKemp, Independent capex Assessment for the BAFO Outcomes, September 2020	Yes
A.11A	FTI Consulting, Assessing the Benefits of interconnectors, September 2020	No
A.11B	FTI Consulting, Benefits of PEC, June 2020 report	Yes
A.12	Opex forecasting methodology for Project EnergyConnect	Yes
A.13	Opex model for PEC	Yes
A.14	Insurance for Project EnergyConnect	Yes
A.15	Demand forecast model	Yes

Document / model number	Name	Confidential information
A.16	Model changes	No

Table 2 sets out the confidential information in the documents and models that comprise our Application together with the reasons why we consider this information to be commercial-in-confidence. This document has been prepared in accordance with the Australian Energy Regulator’s (AER) Confidentiality Guideline.

Table 2 – Confidential information in our PEC Application

Title page and paragraph number	Description of the confidential information	Topic of the confidential information	Confidentiality category	Why the confidential information falls into the selected category	How and why detriment would be caused from disclosing the confidentiality information	Why the identified detriment is not outweighed by the public benefit
A.1 PEC – Contingent Project Application - Principal Application document, 29 June 2020						
<ul style="list-style-type: none"> – Table 1 – ‘Documents and models comprising this Application (excluding our other supporting documents)’, p. 6 	Capex	Insurance report	Market sensitive cost inputs	Public disclosure could potentially harm TransGrid’s and the third-party’s commercial interests.	Revealing personal information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
A.5A Supplementary capex Forecasting Methodology						
<ul style="list-style-type: none"> – Table 4.1 – ‘RFT Phase A Capex by category’, p. 12-13 – Section 5.3 – ‘Indirect capex’ p.34 – Table 5.13 – ‘Revisions to indirect capex’ p. 36 – Table 7.1 – ‘Capex by category’, p. 41 	Capex	Indirect capex insurance costs	Market sensitive cost inputs	Public disclosure could potentially harm TransGrid’s and the third-party’s commercial interests.	Revealing personal information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.

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					services in the future	
<ul style="list-style-type: none"> Table 5.1 – ‘BAFO capex forecast for tendered works’, p. 20 Table 5.4 – ‘Other opex costs not included in tender prices’, p. 23 	Capex	Bidder 1 information – unsuccessful bidder	Market sensitive cost inputs	Public disclosure could potentially harm TransGrid’s and the third-party’s commercial interests.	Revealing personal information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
A.5B Capex Forecasting Methodology for PEC 29 June 202						
<ul style="list-style-type: none"> Section 6 – Forecast capex for tendered works 	Capex	Forecast capex for tendered works	Superseded	Superseded by the BAFO outcome for tendered works explained in section 5.1 of the Supplementary Capex Forecasting Methodology	Not relevant because superseded by BAFO outcome for tendered works explained in section 5.1 of the Supplementary Capex Forecasting Methodology	Not relevant because superseded by BAFO outcome for tendered works explained in section 5.1 of the Supplementary Capex Forecasting Methodology
<ul style="list-style-type: none"> Section 8.7.1, p.70 	Capex	Indirect capex insurance costs	Market sensitive cost inputs	Public disclosure could potentially	Revealing personal	While the detriment of

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<ul style="list-style-type: none"> Table 8.7 – ‘Project insurance costs’ p. 71 Table 11.1 Capex forecast by category, p.80 				harm TransGrid’s and the third-party’s commercial interests.	information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
A.6 PEC Capex Model						
<ul style="list-style-type: none"> Cells K34:Q38, S40, K42:Q42, K72, K74, K80:K81, N80,N81, K83, N83, and K88 of the <i>Inputs</i> sheet Cells D185:D188 and D208 of the <i>Outputs</i> sheet 	Capex	Tendered costs	Market sensitive cost inputs	Public disclosure could potentially harm TransGrid’s and the third-party’s commercial interests.	Revealing personal information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
A.7 Corporate and network overhead - BAFO						
<ul style="list-style-type: none"> Section 9 pp.33-34 	Capex	Insurance costs	Market sensitive	Public disclosure could potentially harm TransGrid’s	Revealing personal information and	While the detriment of publishing the

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<ul style="list-style-type: none"> – Table 10.1 – ‘ Forecast capex for insurance during construction’, pp.33-34 – Section 12 Reference material 				and the third-party’s commercial interests	unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
<ul style="list-style-type: none"> – Section 6.3.3.1 – ‘Property’ p. 15 	Capex	Property – location of preferred new office space	Strategic information	Public disclosure could potentially harm TransGrid’s commercial interests	Revealing this information could inhibit procuring the new office space at competitive rates	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
<ul style="list-style-type: none"> – Table 6.4 – ‘Project Development – IT costs’, p.16-17 	Capex	Project Development – IT costs	Strategic information	Public disclosure could potentially harm TransGrid’s commercial interests	Public disclosure of contractor costs for particular types of materials or services could harm TransGrid’s business interests	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information

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– Section 6.4.3, Table 6.11- 'Project Development - Summary of Consulting Cost Estimate' p. 21	Capex	Assumptions	Strategic information	Public disclosure could potentially harm TransGrid's commercial interests	Revealing this information could inhibit procuring the services at competitive rates	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
A.8 Corporate and network overhead forecast spreadsheet						
The following tabs in the model: – 'Works Delivery Res Cost' – 'WD Resource schedule' – 'PD-Labour (&related)' – 'PD-Non Labour' – 'L&E-Labour (&related)' – 'L&E-Non Labour' – 'SHC-Labour (&related)'	This has staff names, contractor or consultant details, salary information and consultant fee estimates	Works Delivery, Project Development, Land and Environment, and Stakeholder and Community Engagement – labour and non-labour costs	Personal information Market sensitive cost inputs	Information that is related to the individual staff members, contractors or consultants can be identified	Compliance with Privacy Law Revealing this information could inhibit procuring these services at competitive rates Public disclosure of this information could undermine the request for quote, request for tender and	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.

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– ‘SHC-Non Labour’					negotiating strategies to achieve efficient costs.	
– s8. Insurance’ – Cells E4:F4	Capex	Insurance costs	Market sensitive	Public disclosure could potentially harm TransGrid’s and the third-party’s commercial interests.	Revealing personal information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
A.9 – GHD – independent engineering verification and assessment						
– p.85	Capex	Insurance information	Market sensitive	Public disclosure could potentially harm TransGrid’s and the third-party’s commercial interests	Revealing personal information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.

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					services in the future	
A.10 – HoustonKemp – independent economic verification and assessment						
– Table 4, p.14 and paragraphs 2 and 3, p.24	Capex	Bidder 1 information – unsuccessful bidder	Market sensitive cost inputs	Public disclosure could potentially harm TransGrid's and the third-party's commercial interests.	Revealing personal information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
– Section 9.1.6, p.44	Capex	Insurance costs	Market sensitive	Public disclosure could potentially harm TransGrid's and the third-party's commercial interests	Revealing personal information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.

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A.11B – FTI Consulting, Benefits of PEC, June 2020 report						
<ul style="list-style-type: none"> p.3 last paragraph, p.14 second last paragraph, p.93 paragraph 4.71, p.94 paragraph 4.73 and p. 95 Table 4.2 and paragraph 7.74 	Prices	SA Price impact	Other	Not relevant because ElectraNet has its own expert report on this matter	Not relevant because this information is provided by ElectraNet	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
A.12 - Opex forecasting methodology						
<ul style="list-style-type: none"> Table 3.2 – ‘Forecast incremental opex for PEC by component’, p.5 Footnotes 7 and 8 p. 6 Section 4.3 - ‘Robust approach to determining forecast incremental opex’, p.7 Section 4.4.3 – ‘Insurance costs’, p.13 Table 4.4 – ‘Incremental insurance related opex’, p.13-14 	Opex	Insurance	Market sensitive cost inputs	Public disclosure could potentially harm TransGrid’s and the third-party’s commercial interests.	Revealing personal information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.

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Footnote 17, p.13						
– Table 4.1 – ‘Maintenance activity’ column, p.9	Opex	Maintenance	Market intelligence	Details of maintenance plans for the assets	Public disclosure of this information could undermine TransGrid in future negotiations with suppliers.	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
A13. Opex Model						
– Inputs’ – Cells C30:C48, Cells F30:F48, and Cells M30:M48	Opex	Maintenance	Market intelligence	Details of maintenance plans for the assets	Public disclosure of this information could undermine TransGrid in future negotiations with suppliers.	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.

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– ‘Inputs’ – Cells P30:Q48	Opex	Maintenance	Market sensitive cost inputs	Details of maintenance task unit rates	Revealing unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
– ‘Inputs’ – Cells C80 and O82	Opex	Insurance	Market sensitive cost inputs	Public disclosure could potentially harm TransGrid’s and the third-party’s commercial interests.	Revealing personal information and unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
A.14 Insurance report						
– p.4, table 2 and paragraphs 2 and 4	Opex	Insurance	Market sensitive cost inputs	Public disclosure could potentially harm TransGrid’s	Revealing personal information and	While the detriment of publishing the

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<ul style="list-style-type: none"> – p.15 to 17 - 'summary of premium estimates' – p.28, Appendix 5 				and the third-party's commercial interests.	unit rates for procuring particular types of materials or services could set a floor in the market when procuring such services in the future	information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.
A15. Demand Forecast Model						
<ul style="list-style-type: none"> – All sheets 	Detailed flow data by date, hour and direction	Forecast demand	Market intelligence	Details of asset usage	Public disclosure of this information could undermine TransGrid in future negotiations with suppliers.	While the detriment of publishing the information is clear, we are not aware of any public benefit in publicly disclosing this information that could outweigh the detriment.

Other supporting documents

Memo - Revised estimate of EnergyConnect Biodiversity Offset Liability and Update to Strategy

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<ul style="list-style-type: none"> – Section 1.1 – ‘Overview’ p.1, paragraph 4 – Section 4.2 ‘Mixed offset option combining BCF payment with BSA’, p.7, – Working Maps 1 – 7 (no page references) – Section 5 – ‘Key risks to biodiversity offset liability estimate ‘ (paragraphs 4 and 5) p. 16 – Table 7.1 – ‘Summary of likely biodiversity offset liability for recommended BOS approach’ p. 20 – Section 7.1 – ‘Maximum biodiversity offset liability estimate’ (paragraph 2) p. 20 – Table 7.2 – ‘Summary of likely biodiversity offset liability for recommended BOS approach’ p. 21 – Appendix A – Previous offset scenario advice 	Private property and ownership identifiers	Privacy information	Personal Information	<p>Information (property names, descriptors, and ownership names) would make private landowners readily identifiable</p> <p>TransGrid is subject to a confidentiality clause within its property negotiation agreements. This currently applies to agreements negotiated for Tareena and Big Bend properties</p>	<p>TransGrid does not have permission from these landowners to release privacy information.</p> <p>Revealing privacy data would compromise TransGrid’s position to negotiate a fair market price with identified landowners.</p>	<p>TransGrid does not have permission from these landowners to release privacy information.</p> <p>Removal of privacy information has no material impact on understanding the estimated biodiversity offset liability.</p> <p>Releasing this information could result in property specific market inflation for TransGrid negotiations – Capex impacts.</p> <p>Appendices A & B, which outline an earlier estimate and includes privacy information, is not required for current estimate explanation.</p>

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<ul style="list-style-type: none"> Appendix B – Offset liability after BSA establishments 						
<ul style="list-style-type: none"> p. 7, section 4.2.1, paragraph 3 Table 4.1 ‘Summary of target PCTs corresponding with most significant residual ecosystem credit liabilities’ p. 8 Table 4.4 ‘Summary of Key Drivers for Offsets Liabilities’ (second row) pp. 13-14. 14, Table 7.1 – ‘Summary of likely biodiversity offset liability for recommended BOS approach’ p. 20 Table 7.2 – ‘Summary of likely biodiversity offset liability for recommended BOS approach’ p. 21 Section 8 – Biodiversity offset liability estimate assumptions and limitations, p. 22 (last main bullet point) Appendix A – Previous offset scenario advice 	<p>Information regarding the market value of offsets and properties considered for potential acquisition.</p>	<p>Sensitive commercial land acquisition information</p>	<p>Strategic Information</p>	<p>Commercial information related to value and strategy for land acquisitions.</p> <p>TransGrid is subject to a confidentiality clause within its property negotiation agreements. This currently applies to agreements negotiated for Tareena and Big Bend properties</p>	<p>Public release would compromise TransGrid’s position to negotiate a fair market price for properties identified in strategy as preferred acquisitions.</p> <p>Market will have information regarding TransGrid’s expenditure estimates, commercial strategy and risks</p>	<p>Releasing the information could result in market inflation for TransGrid negotiations – Capex impacts.</p> <p>Appendix A which outlines an earlier estimate, and Appendix B which identifies offset values for specific properties, is not essential for current estimate explanation.</p>

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– Appendix B – Offset liability after BSA establishments						
JLL Report Land Acquisition Costs Revised 25 August 2020						
– p. 9, Table 6.0	Private property and ownership identifiers	Privacy information	Personal Information	Information (property names, descriptors, and ownership names) would make private landowners readily identifiable TransGrid is subject to a confidentiality clause within its property negotiation agreements.	TransGrid does not have permission from these landowners to release privacy information. Revealing privacy data would compromise TransGrid's position to negotiate a fair market price with identified landowners.	TransGrid does not have permission from these landowners to release privacy information. Removal of privacy information has no material impact on understanding the capex estimate. Releasing the information could result in property specific market inflation for TransGrid negotiations – Capex impacts.
– p. 2, Table 1.0 – p. 3, Table 3.0 – p. 3, bottom set of bullet points	Information regarding the market value of potential property	Sensitive commercial land acquisition information	Strategic Information	Commercial information related to value and strategy for land acquisitions.	Public release would compromise TransGrid's position to	Releasing the information could result in market inflation for TransGrid

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<ul style="list-style-type: none"> – p. 4, Table 4.0 – p. 7, paragraphs 3, 4, 10 & 11 – p. 8, paragraph 8 and list after paragraph 10 – p.9, various values across page – p. 9, Table 6.0 	and easement acquisitions.			TransGrid is subject to a confidentiality clause within its property negotiation agreements.	negotiate a fair market price. Market will have information regarding TransGrid's expenditure estimates, commercial strategy and risks	negotiations – Capex impacts.