

NWTD Stakeholder Liaison Group

27 February 2024

Public



Today's agenda

- Acknowledgment of Country
- Round robin
- NWTD update
- Aboriginal community engagement
- Redeveloping TasNetworks' Stakeholder groups
- Contingent Project Application (CPA) update
- Member survey

Member round robin

NWTD update

Staged delivery approach

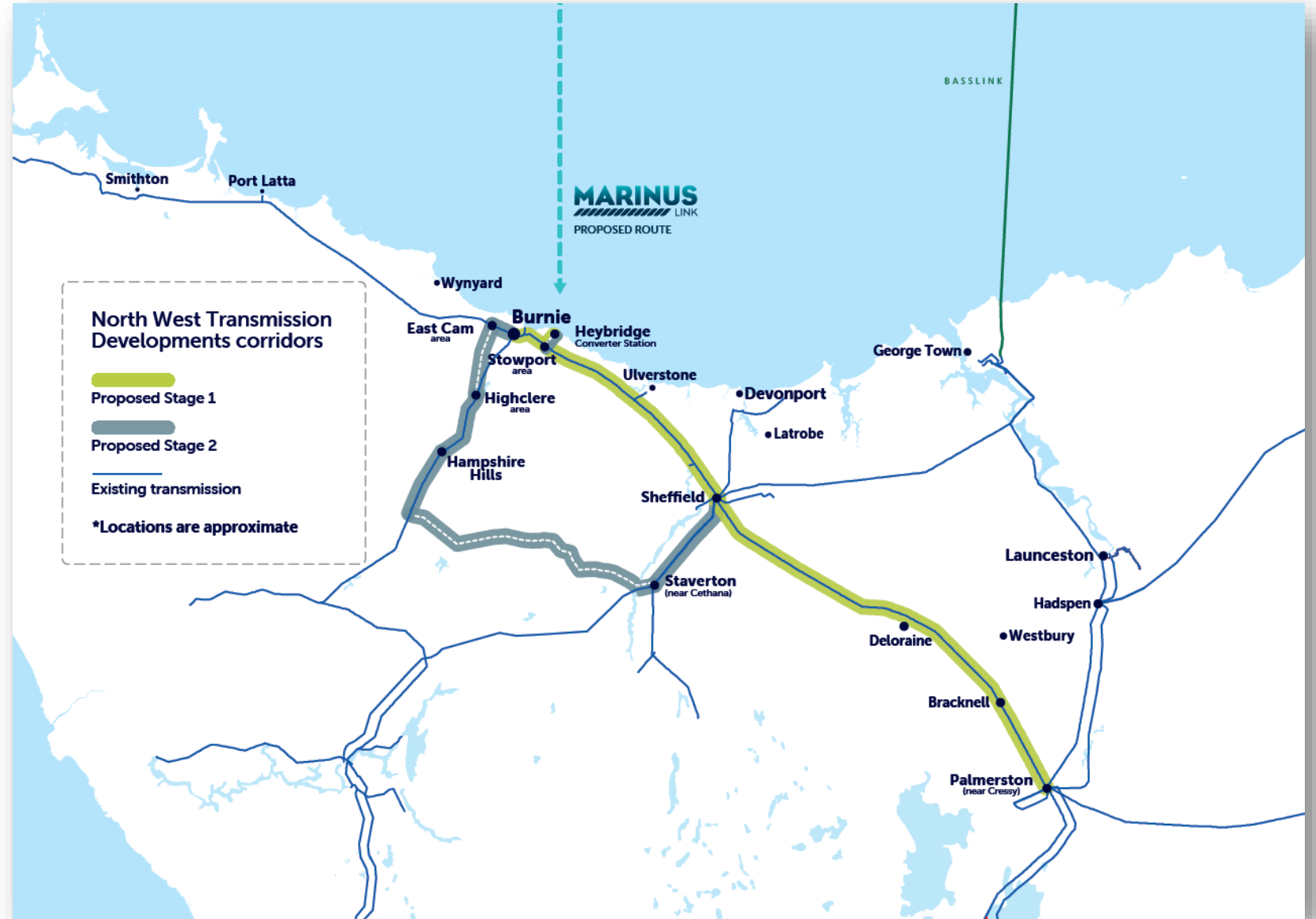
NWTD will be delivered in two stages to align with Marinus Link stages 1 and 2:

NWTD Stage 1

Palmerston (Cressy) to Burnie via Sheffield, Heybridge

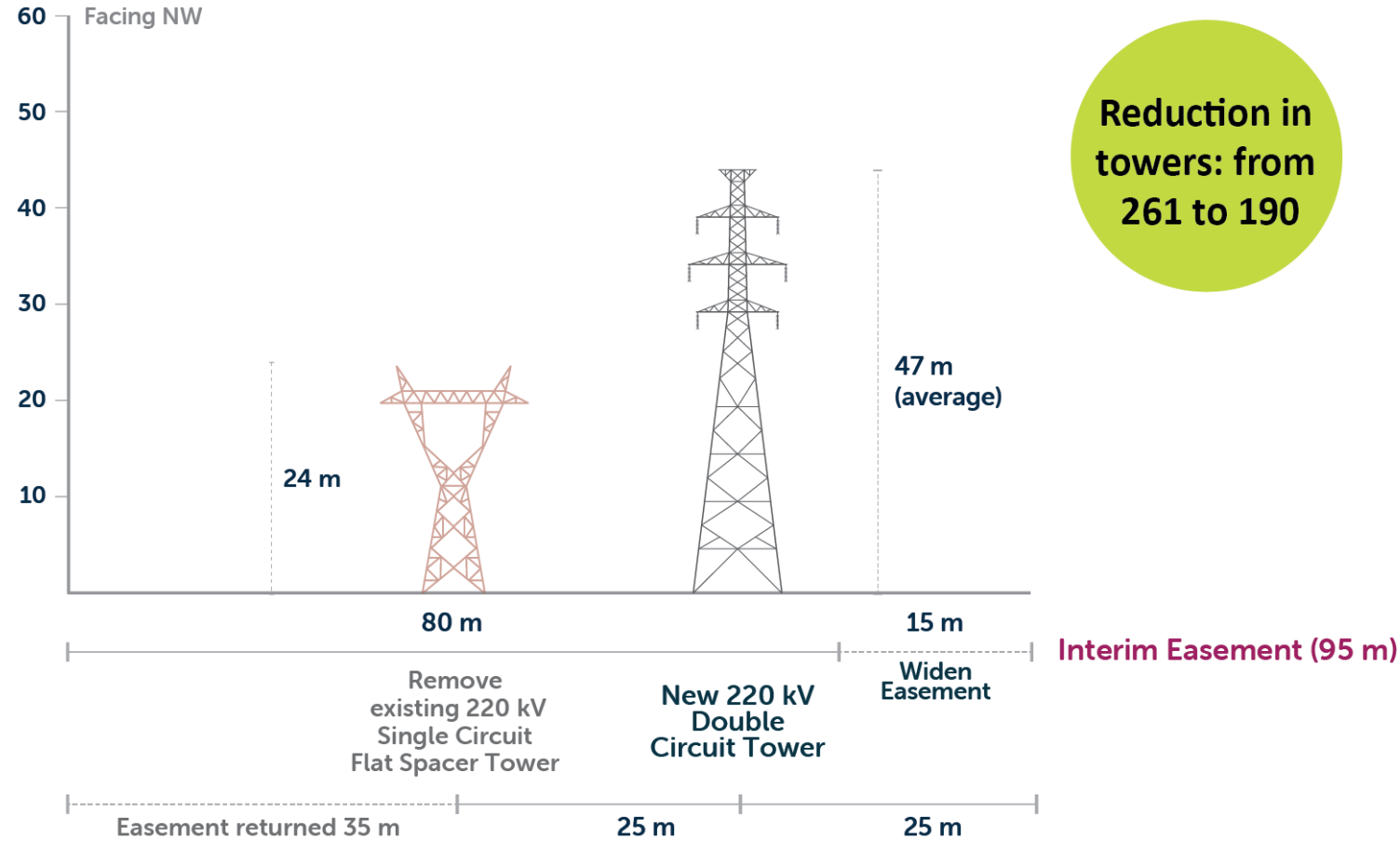
NWTD Stage 2

Sheffield to Burnie via Staverton, Hampshire, East Cam.



1. Palmerston to Sheffield

Height (m)



Final Proposed Easement (minimum 50 m) may vary depending on technical requirements

Stage 1

Length: 80km

Landholders: 100

Land use: grazing (31%), native vegetation/plantation forestry (14%), cropping/irrigated cropping (12%), rural residential without agriculture(6%), other (37%).

Stage 1

Sheffield to Burnie

Length: 47km

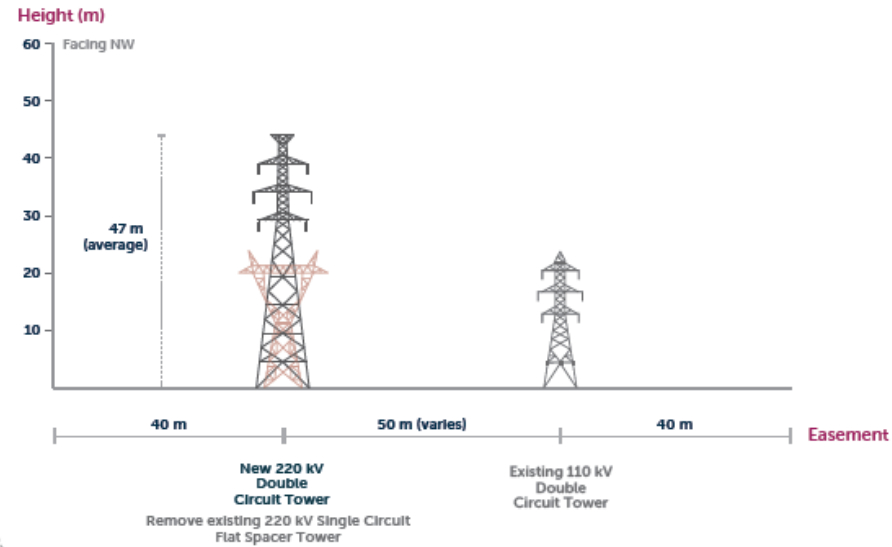
Landholders: 130

Land use: urban residential (27%), cropping/irrigated cropping (19%), grazing (16%), rural residential (14%), residual native cover (14%), native vegetation/plantation forestry (5%), commercial services (2%), other (3%).

Change of alignment

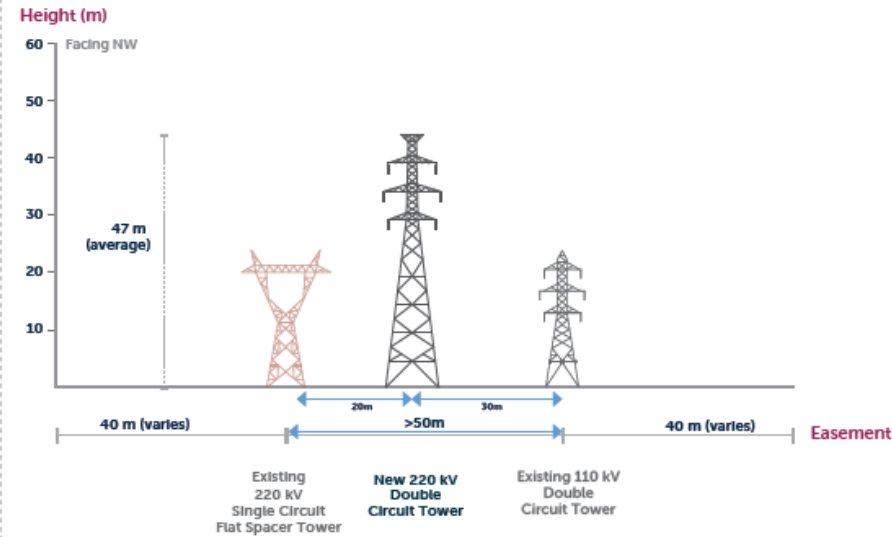
39 km from Sheffield to Stowport cannot be constructed on the centreline of the existing 220kV infrastructure, as previously planned, affecting 86 landholders.

Construct on centreline



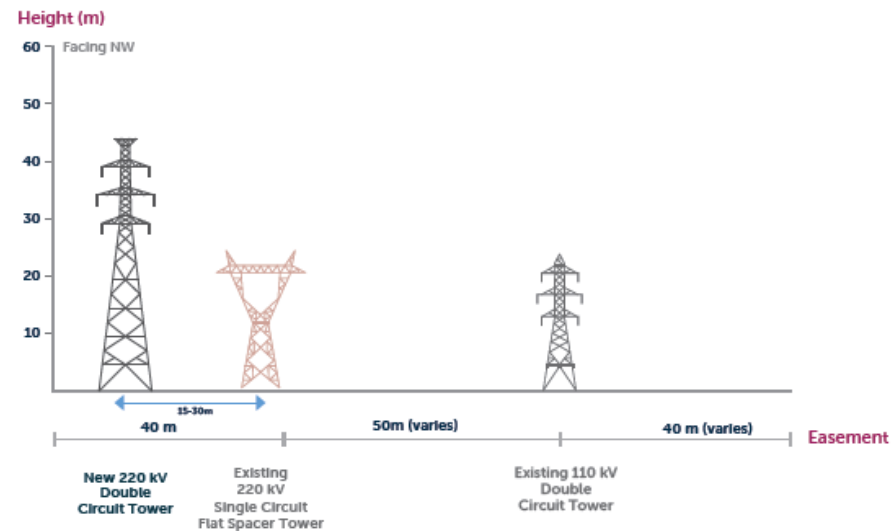
Potential approximate percentage of route use (route length 47km total): 8.2km or 17% of route length

Construct offset between the existing transmission lines



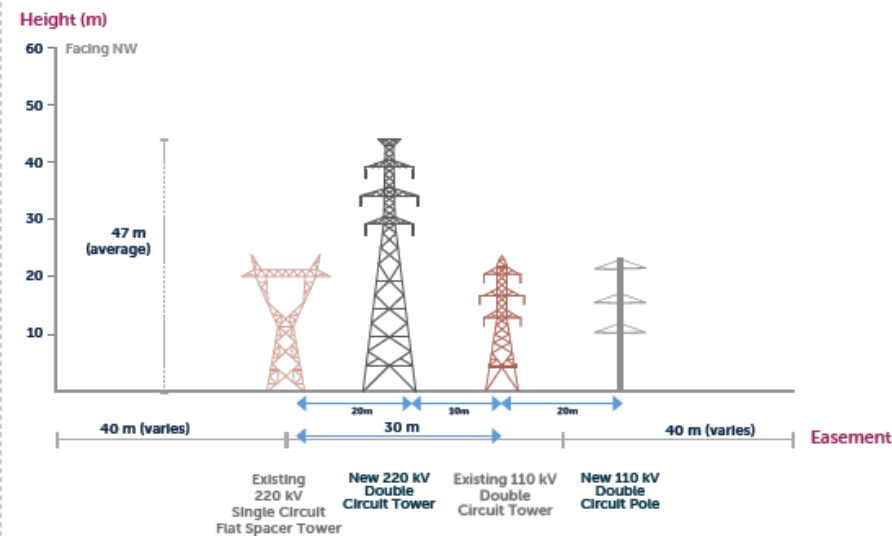
Potential approximate percentage of route use (route length 47km total): 13.9km or 30% of route length

Construct offset to the South West



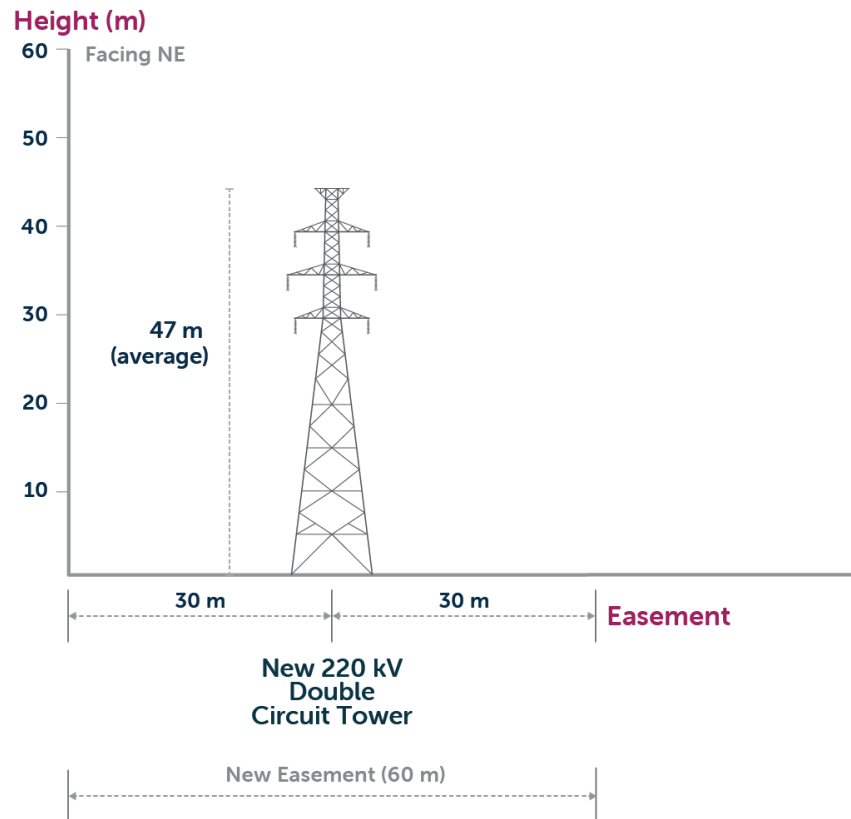
Potential approximate percentage of route use (route length 47km total): 19.9km or 43% of route length

Construct both 220kV and 110kV offset



Potential approximate percentage of route use (route length 47km total): 4.7km or 10% of route length

3. Stowport area to Heybridge Converter Station



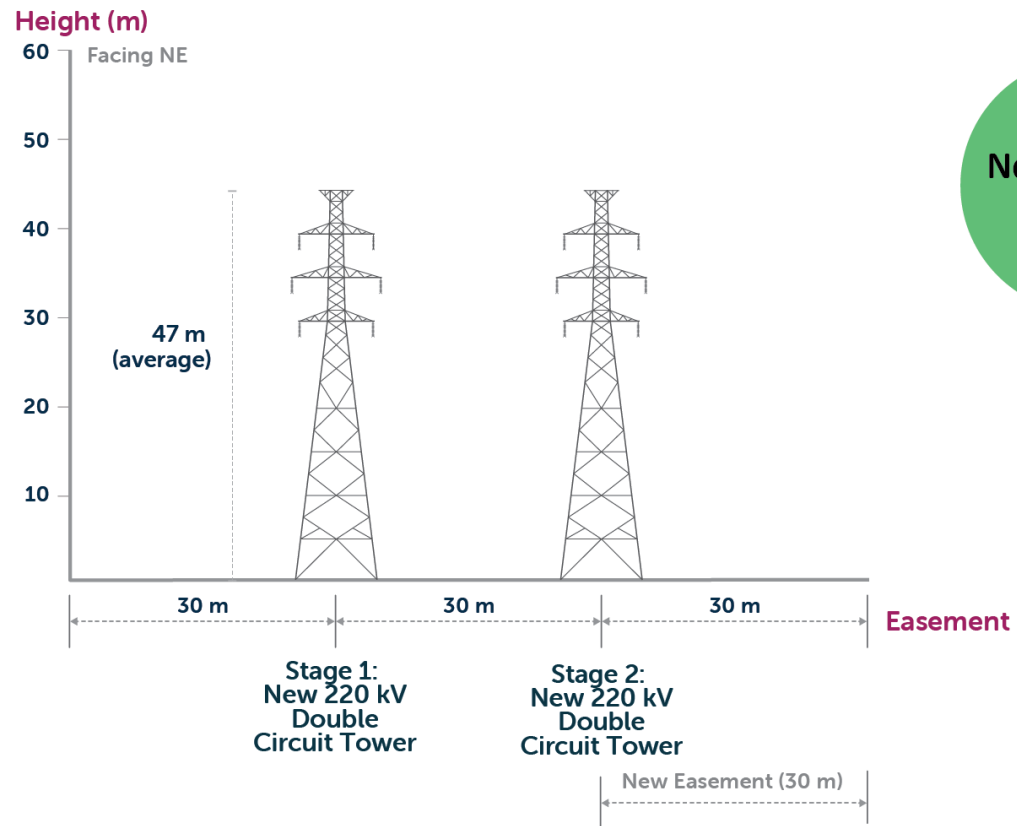
New towers:
~9

Stage 1

Length: 3.2km
Landholders: 5

CONFIDENTIAL

Stowport area to Heybridge Converter Station



New towers:
~9

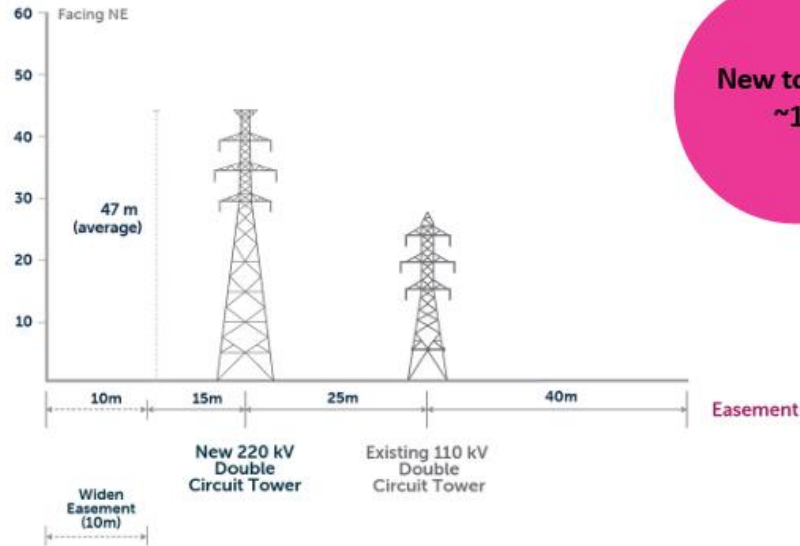
Stage 2

Length: 3.2km
Landholders: 5

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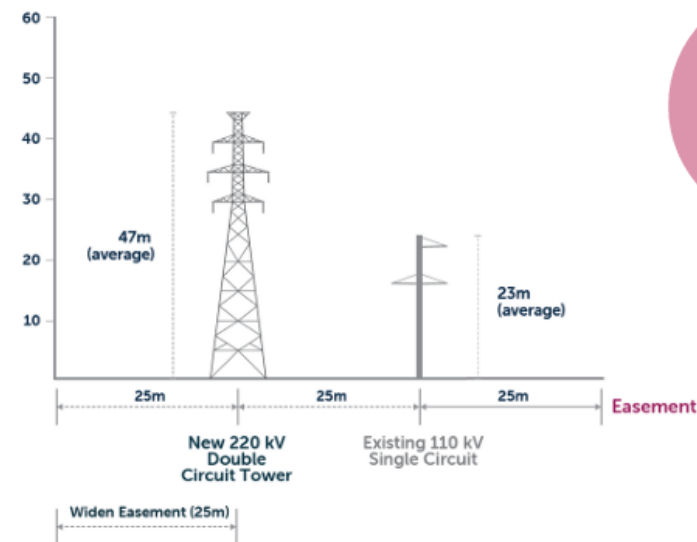
5. Burnie to East Cam area

Height (m)



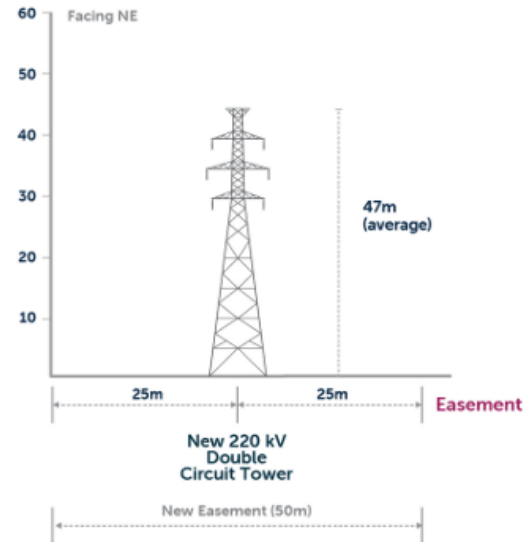
7. Highclere area to Hampshire Hills

Height (m)



6. East Cam area to Highclere area

Height (m)



Stage 2

Burnie to Hampshire Hills (BU-EC, EC to HC and HC to HH)
Total Landholders: 60 total
Total Length: 30km total

Burnie to East Cam

Length: 5km

Land use: grazing (28%), cropping/irrigation (17%), rural residential (7%), residual native cover (13%), plantation forestry (4%), urban residential (2%), other (29%)

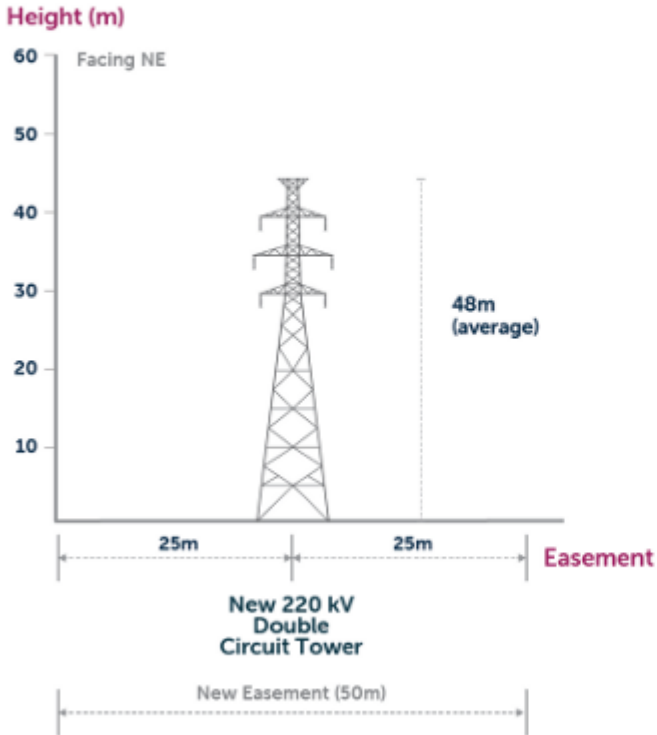
East Cam to Highclere and Highclere to Hampshire Hills

Length: 25km

Land use: plantation forestry/native forests (57%), residual native cover (17%), conservation area (11%), grazing (9%), other (6%)

Stage 2

8. Staverton to Hampshire Hills



New towers
~124

Length: 60km

Landholders: 15

Land use: grazing (31%), native forests/plantation forestry (21%), managed resource protection (15%), conservation area (12%), rural residential (5%), other (16%).

Landholder engagement



Current status

- Landholder onsite visits
- TasFarmers
- Valuations for compensation under the Land Acquisition Act
- Strategic Benefit Payments
- Overhead vs Underground

Strategic Benefit Payment (SBP) options

TasNetworks presented the below two options to the TFGA on 22 December 2022

Option 1

- \$70,000 per km + CPI paid over 20 years which equated to a nominal amount of \$15.8 million over 20 years.

Option 2

- \$100,000 per km + CPI for new easements and \$50,000 per km per year + CPI for existing easements paid over 20 years which equated to a nominal amount of \$13.2 million over 20 years.



Landholder engagement sessions

Sessions held from 3pm-7pm

- Monday 18 March, Bracknell Hall
- Tuesday 19 March, Sheffield Cricket Club
- Wednesday 20 March, Kindred Hall
- Thursday 21 March, Ridgley Comm Centre
- Thursday 4 April, Roundtable session with TasFarmers and landholders

Community engagement sessions

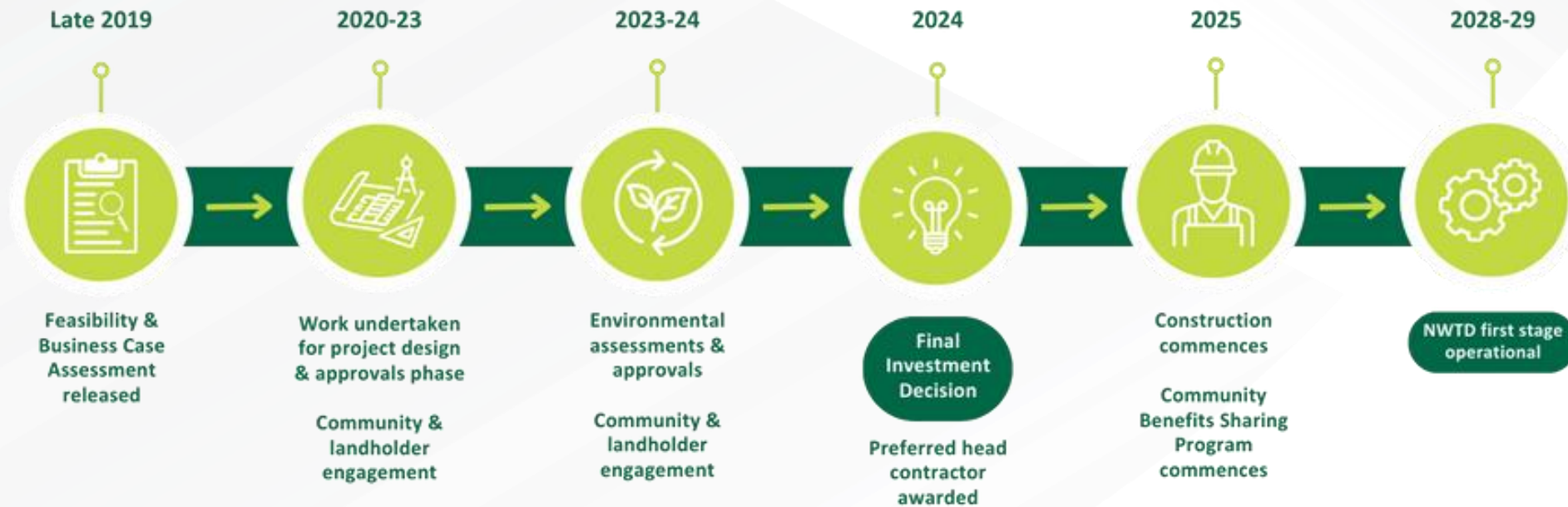
- Saturday 10 March, Taste of North West, Sheffield
- Sunday 24 March, Easter Egg Hunt with RAW, Bracknell
- Saturday 6 April, EcoFest, Ulverstone
- Sunday 7 April, Central Coast Chamber of Commerce and Industry Expo, Ulverstone
- Tuesday 9 April, TasNetworks RAP Launch, Devonport

Council workshops:

- March, Central Coast Council
- April, Northern Midlands Council
- April, Kentish Council



Where we are at in the timeline



Graeme Gardner



Redeveloping TasNetworks' stakeholder groups

Group redesign

Many of our groups have been in place for some time, resulting in:

- gaps in customer representation
- silos across groups
- fluctuating stakeholder trust that TasNetworks acts in the long-term interests of customers.

Redesigning the structure of our groups is a foundational step that will allow us to:

- Focus engagement on what matters most to our stakeholders/customers and where there is an ability to influence
- Strengthen links to business decision makers
- Have an agreed process to track actions/recommendations and their influence on decisions
- Future proof/sets us up to deliver effective future revenue resets
- Streamline engagement to:
 - ✓ Minimise engagement fatigue
 - ✓ Reduce gaps in knowledge, feedback and representation
 - ✓ Ensure a consistent experience/governance across all groups.

Current representative groups

Group	Purpose
Reset Advisory Committee (RAC) Created Oct 2021 (closed Dec 2023) 6 members	Provide independent and expert input into TasNetworks' 2024-29 Regulatory Proposal.
Policy and Regulatory Working Group (PRWG) Created late 2014 (ongoing) 23 members	Seek feedback and input on a wide range of pricing matters, including tariff design, transition paths for tariff reform, and whether our proposed tariffs are implementable and easily understood.
Customer Council Created in 2015 (ongoing) 15 members	Evaluate current policies, procedures and services that are offered to customers, provide ongoing customer feedback on services, regulations, policies, and procedures; and identify new processes that would improve customer engagement.
Generators Forum Created in 2018 (Inactive for 12+ months)	Opportunity to engage large Tasmanian generators about future developments affecting the power network, including energy policy and regulatory frameworks affecting system development.

Our commitment to future groups

Engagement

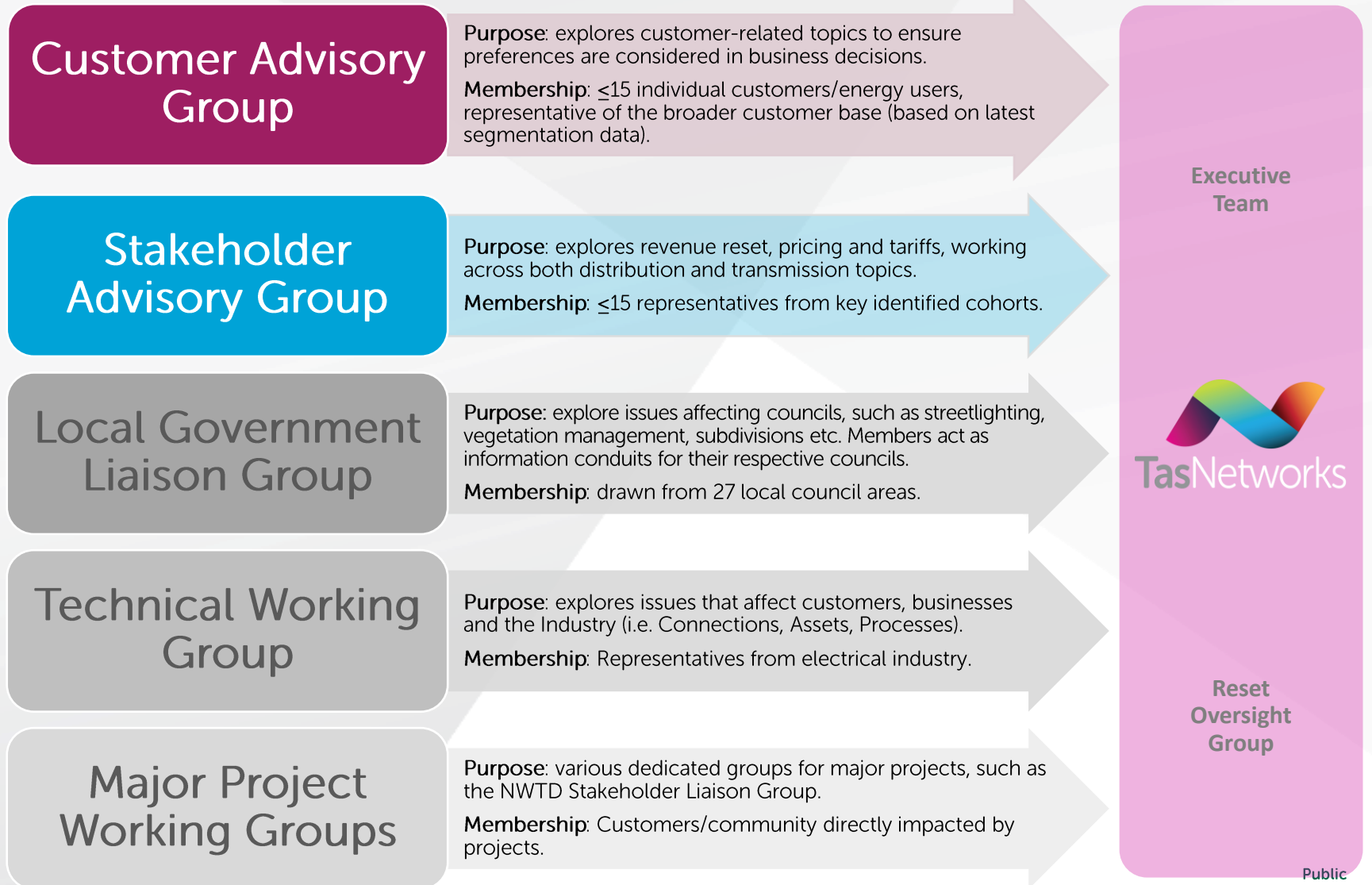
- A commitment to engage genuinely (early and ongoing)
- Access to decision makers (executives) in meetings
- Payment for all members (discretionary acceptances)
- Administrative/coordination support from TasNetworks.
- A consistent, quality experience for all participants.

Support/structure

- Clear Terms of Reference, finalised with each group
- Recruitment via a process with independent observation
- Comprehensive onboarding to ensure equity in support/knowledge
- Access to all materials via Talk with TasNetworks
- Succession planning for all groups.

Option 1

- Chaired by TasNetworks
- Meet minimum of 4x/year
- Groups co-develop forward agendas and share with other groups to help avoid silos/low visibility of key issues
- TasNetworks provides all administrative and reporting support
- Dedicated engagement platform that houses all related information (reporting, notes, actions, decisions, research, presentations etc).



Option 2

- ECC more self-directed, with greater independence from TasNetworks
- Quarterly meeting cycle
- Sub-groups have leads on ECC
- TasNetworks to facilitate sub-groups and support administrative activities
- Dedicated engagement platform that houses all related information (reporting, note, actions, decisions, research, presentations).



Engagement Coordination Committee (ECC)

Purpose: oversight and coordination of all sub-groups below. Consolidates diverging feedback and provides this advice/recommendations to TasNetworks for consideration/action.

Membership: ≤ 10 members: independent chair, one nominated lead from each of the below sub-groups, and skills/knowledge-based individuals.

Customer Advisory Group

Purpose: deliberates over customer-related topics to ensure preferences are considered in business decisions.

Membership: ≤ 10 customers/energy users, representative of the broader customer base (using segmentation data).

Distribution Advisory Group

Purpose: deliberates over distribution-related topics such as tariffs, pricing, future networks, reliability, resilience.

Membership: ≤ 10 representative stakeholders (similar to PRWG and Customer Council).

Transmission Advisory Group

Purpose: deliberates over transmission-related topics: contingent projects, transmission pricing, investment, revenue, network performance, strategy, operations.

Membership: ≤ 10 transmission customers, generators, representative stakeholders.

Technical Working Group

Purpose: engagement on issues that affect customers, businesses and the electricity industry (connections, assets, processes).

Membership: Representatives from electrical industry.

Local Government Working Group

Purpose: engagement on issues affecting councils, such as streetlighting, vegetation management, subdivisions etc. Members act as information conduits for their respective councils.

Membership: drawn from 27 council areas.

Major Project Working Groups

Purpose: dedicated groups for major projects, such as the NWTD Stakeholder Liaison Group.

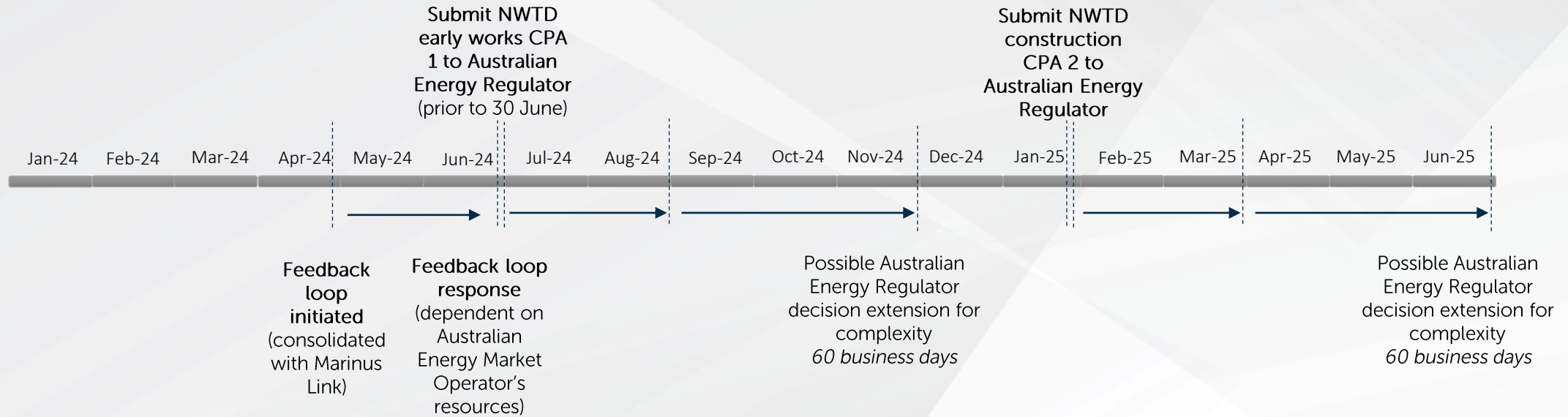
Membership: Customers/community directly impacted by projects.

Contingent Project Application (CPA)

Background

- 20 Sep 2023 – revenue resets, contingent projects and contingent project applications (CPAs)
- 21 Nov 2023 – network price impacts associated with Project Marinus

NWTD CPA lodgement timeline



- TasNetworks is progressing a staged CPA process;
 - Stage 1 CPA (CPA 1) – early works (additional information on next slide), to be submitted by 30 June 2024
 - Stage 2 CPA (CPA 2) – remaining construction costs post class 2 estimates being available, to be submitted January 2025
- CPA 2 should not be lodged prior to the class 2 cost estimates being developed (given the staging change these estimates are not expected until late 2024)
 - The AER's expectation is that costs for a CPA will be based on class 2 estimates and submitting prior to class 2 estimates being available carries a significant regulatory risk with respect to AER approvals of proposed capital expenditure.

What are early works

Early works are not fully defined – the Australian Energy Regulator (AER) considers early works activities are more substantial and distinct from the preparatory activities (which is defined in the National Electricity Rules)

preparatory activities means activities to design and to investigate the costs and benefits of actionable Integrated System Plan (ISP) projects, future ISP projects and Renewable Energy Zone (REZ) stages (as applicable), including:

- a) detailed engineering design;*
- b) route selection and easement assessment work;*
- c) cost estimation based on engineering design and route selection;*
- d) preliminary assessment of environmental and planning approvals; and*
- e) engagement with stakeholders who are reasonably expected to be affected by the development of the actionable ISP project, future ISP project, or project within a REZ stage (including local landowners, local council, local community members, local environmental groups and traditional owners) in accordance with the community engagement expectations.*

TasNetworks considers that the AER is likely to expect that more substantial and distinct activities would include for example:

- costs that secure commercial and contractual positions,
- costs that achieve land access and option rights
- full planning and environmental studies and application activities and cost that are directly linked to physical asset delivery

In general, the CPA for early works should seek to include those costs that are planned prior to the construction CPA to ensure sufficient funding for the project prior to the remaining construction costs being considered in CPA 2.

CPA 1 Engagement

The method of engagement for CPA 1 is a series of online meetings held with all relevant and interested stakeholders, including one-on-one engagement with key stakeholders

- TasNetworks new stakeholder advisory groups will be engaged in the future for CPA 2
- This will complement the NWTD SLG

Topics for discussion include:

- Scope definition
- Update on cost evolution
- Program/schedule
- Long lead equipment
- Procurement

Member survey - 2024

Any other business?



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