

Consumer Advisory Panel

22 March 2019

Round-the-table check-in Travis Crozier

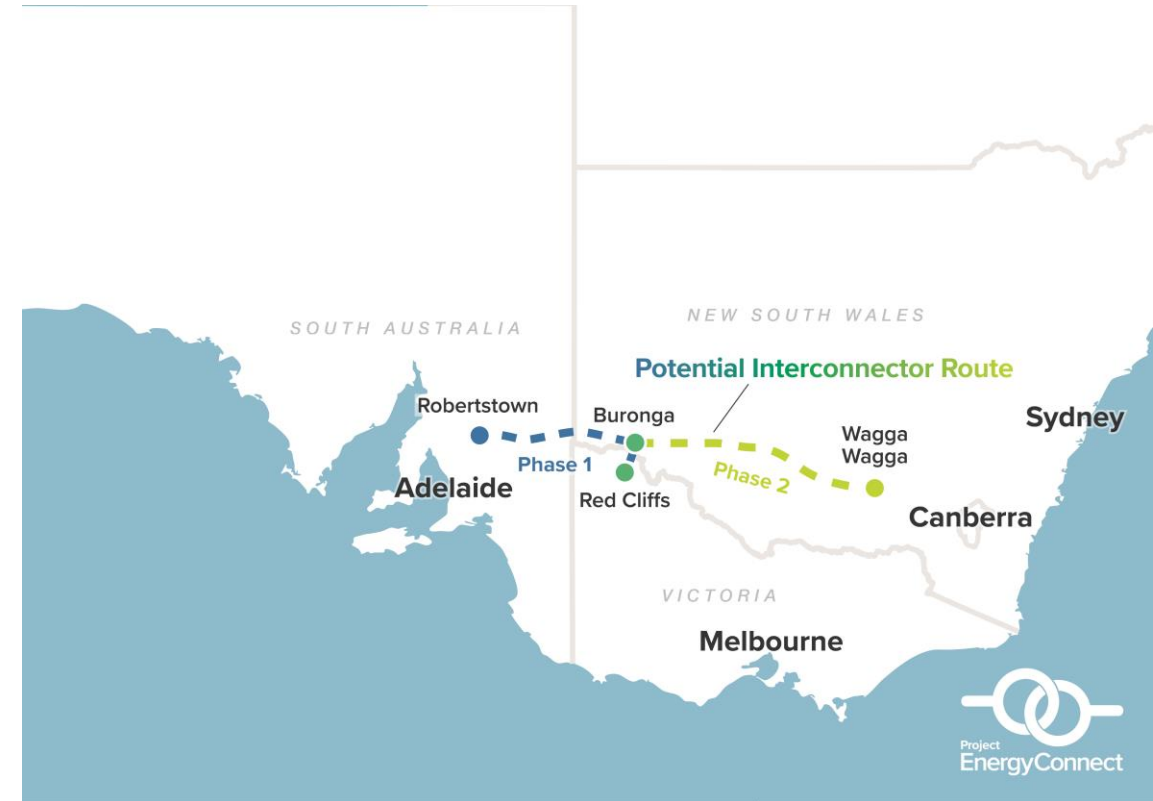


SA Energy Transformation RIT-T

Rainer Korte, Group Executive Asset Management

Regulatory process

- Dispute period ended 15 March
- One dispute raised – largely concerning system security considerations
- AER review of RIT-T continues with timeframes not expected to be impacted
- Energy Security Board proposed a Rule change to allow AER 5.16.6 RIT-T review and contingent project process to be conducted in parallel – due for finalisation in April
- SA and NSW Governments continue support for project
- AER approval expected by September 2019



Pre-approval works

- Route selection process well underway
- Key stakeholder, landholder and community input ongoing
- Cross-government working group/steering committee including NSW
- State and Commonwealth approvals progressing
- TransGrid completing similar works in NSW in collaboration with ElectraNet



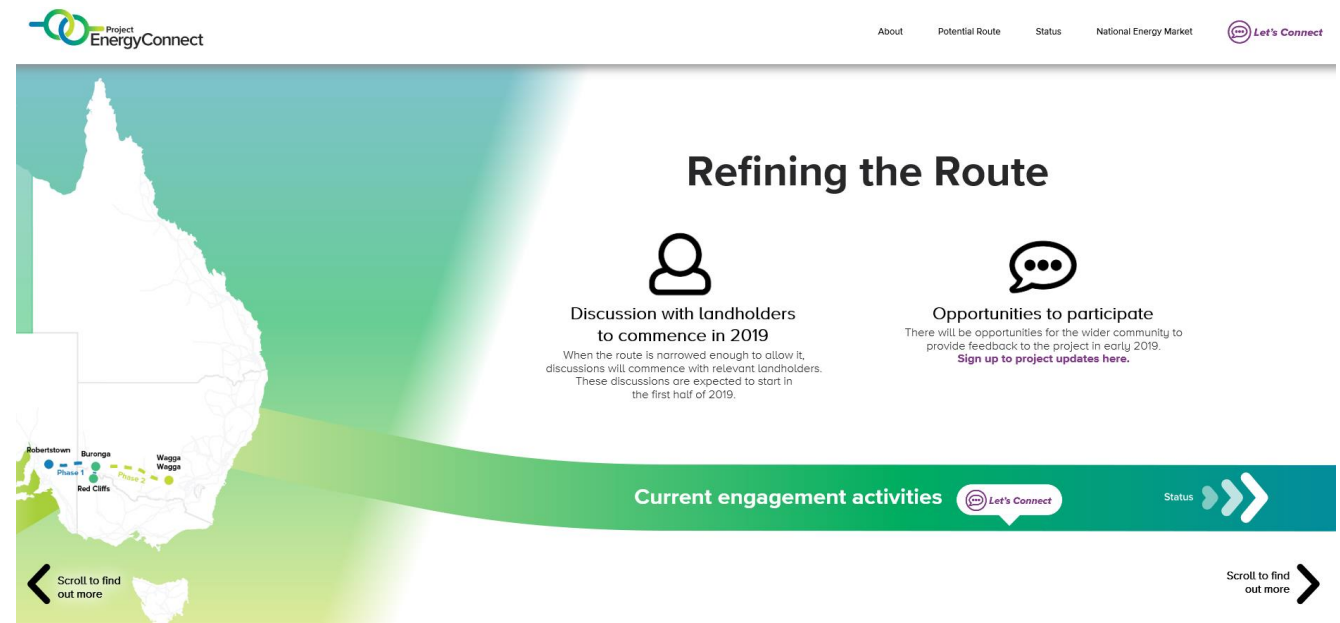


Communications and Community Engagement

Megan Lloyd, Communications Manager

Current status – communications and media

- Project EnergyConnect website
- ElectraNet and TransGrid communications teams meeting regularly
- Communication strategy, engagement schedule and content
 - Data capture
 - Communication protocols and materials
- Communications strategy under way



Project launch



EXCLUSIVE Interconnector to deliver cheaper electricity

FLICK THE SWITCH



DANIEL WILLS
STATE POLITICAL EDITOR
HOUSEHOLD power bills are expected to be slashed by \$66 a year under final plans for a new \$1.5 billion extension.

ure company ElectraNet's draft proposal released last year. ElectraNet will today release its long-awaited final proposal for the "Project EnergyConnect" link.

Big power bill cuts from new NSW-SA interconnector

Angela Macdonald-Smith and Simon Evans

South Australian households will save more than twice as much as earlier expected on their power bills if a \$1.52 billion electricity interconnector cable is built between the state and NSW, new modelling has found.

The final analysis by ACIL Allen for the 900-kilometre cable, which now includes an extra spur line into Victoria, found that South Australian households would see a net \$66-a-year saving, after taking into account the circa \$9-a-year extra cost for the project, which would come online in 2022. That compares with a saving of up to \$30 a year calculated in a draft report last June.

NSW homes would see a net saving of \$30 a year, while the savings for small businesses would be at least double as much as for households in both states, according to the analysis which will be assessed by the Australian Energy Market Operator.

grid," Steve Masters, chief executive of ElectraNet, which is leading the newly named Project EnergyConnect. NSW grid owner TransGrid is also involved. "The new interconnector would also lower wholesale electricity costs in both states, improve network and energy security, and support Australia's energy transformation towards a low carbon emissions future," Mr Masters said.

The 330-kilovolt interconnection cable was a key recommendation of the Australian Energy Market Operator in its Integrated System Plan last year and a memorandum of understanding was signed by both state governments on the project in December.

But it is still undergoing a lengthy regulatory investment test, to check it is warranted as a regulated asset, which would earn a guaranteed return. Network companies are at the same time facing calls for huge writedowns of their poles and wires assets from the

"We've been told by proponents of new renewable energy projects that it makes South Australia more attractive as a place to invest," the minister said.

For South Australia, on the edge of the national power grid, the cable would improve energy security in its renewables-dominated supply system, enabling it to more easily surplus energy outside the state, while improving its access to generation and storage resources elsewhere, including the proposed Snow 2.0 project.

For NSW, the cable would help with the development of a renewable energy zone in the state's South West and improve its access to low-cost renewable energy.

There are also significant benefits to state and federal economies.

Steve Masters, CEO, ElectraNet

- 538 media reports
- Potential audience = 4 million

NEWS

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BREAKING NEWS Former Australian Tax Office Deputy commissioner Michael Cranston has been found guilty of misusing his position to benefit a family member

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Interconnector proposal between SA and NSW to 'reduce bills'

By Sarah Scopelianos

Posted Wed at 12:35pm

An electricity interconnector between South Australia and New South Wales worth \$1.52 billion will lower power costs and improve network and energy security, the companies involved in the project are predicting.

The proposal, which is a 900-kilometre link



Premier predicts more plants in SA

New interstate power link to spark 1000 jobs

DANIEL WILLS
STATE POLITICAL EDITOR

A THOUSAND jobs are expected to be created during construction of a \$1.5 billion power link between SA and NSW which aims to slash \$66 from average household bills

al Electricity Market, which again should cause downward pressure on prices," he said.

Premier Steven Marshall said he "completely dismisses" Opposition claims that the

bills in the nation, and many suffered a huge 22 per cent increase in the 2017-18 year.

It found that was leading to alarming increases in disconnections and household debt.

Power project to bring savings

BY JARRAD DELANEY

SOUTH Australian residential power bills will reduce by about \$66 per year and \$132 for small businesses if the new interconnector with New South Wales is built according to a report released by ElectraNet.

A final report into the planned interconnector between the two states was

modelling has found that a typical residential power bill in South Australia would reduce by about \$66 per year while small business customers would receive an annual saving of \$132, he said.

Mr Masters said the interconnector would also lower wholesale electricity costs for both states, improve network and energy security

Mr Treloar said it also theoretically at the export of power from the Eyre Peninsula to other states.

The Energy Security Party member Sawyer said the position on the interconnector had not changed since the release of the draft report last year, it was

Consultation stages and key milestones

March > April:

- Local stakeholder briefings
- MP briefings
- Website Phase 2
- Consultation Manager data capture
- Stakeholder newsletter (e-version and hard copy)
- Social media
- Feedback hubs in region

April > June

- Community drop-in sessions
- Key stakeholder workshop sessions

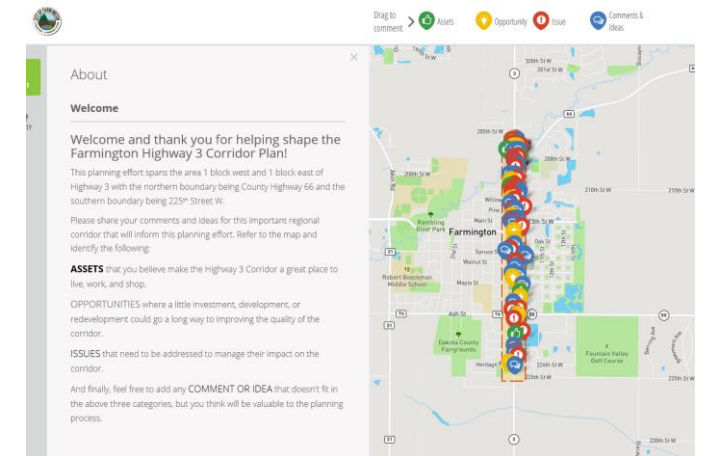
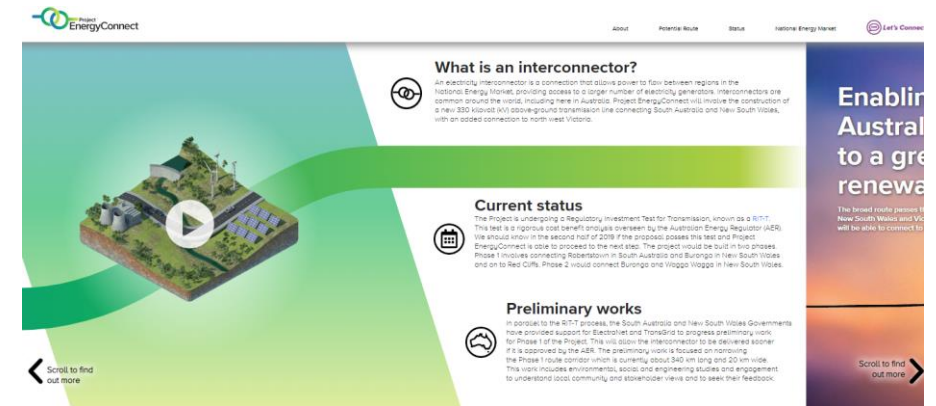
Regional media

State/metro media

National media

Website - Channel Overview

- Inform Community re progress
- Questions answered
- Feedback gathered
- User-friendly and considers internet variability and accessibility in regional Australia
- Ability to integrate other digital technology to site including social pinpoint and animations.



Newsletter – digital and hard copy

- **Latest News**
- **Energy Market and Renewables Transition** - Increase understanding of NEM, transition to greater renewables
- **Interconnector and benefits** – Explanation and how project may impact communities (positive and adverse)
- **Personal stories** – from locals/community leaders/business owners etc.
- **Project people** - day in the life of an electrical engineer (or similar)
- **Project EnergyConnect in the community** - what is happening, field studies, how stakeholders can engage, how community can participate
- **Story of the region** - eg historical piece on Robertstown and its power use; story of natural environment, cultural heritage, social and economic values along route
- **Project Legacies** – Community benefit projects
- **Project environmental / development assessments** – educate about process, updates about status and how community can get involved.

Work in progress

- Project Legacy opportunities and engagement
- Local philanthropy opportunities
- Local Content Strategy





Project
EnergyConnect

Eyre Peninsula Transmission Line - Project Details

Rainer Korte, Group Executive Asset Management



Approvals



AER approval

- Final RIT-T report published on 18 Oct 2018
- Application for AER to conduct review of RIT-T outcome lodged on 23 Nov 2018
- AER engaged Frontier Economics to assist with review
- AER decision expected by mid April
- Contingent project application to follow

Other approvals

- Crown development lodgement scheduled April/May 2019
- Environmental and native vegetation

Project metrics

- New transmission line – 290km long
- 158km Cultana-Yadnarie, 132km Yadnarie-Pt Lincoln
- 600+ towers
- 100m-wide easement
- 207 land parcels
- 3 conservation parks
- New Yadnarie substation at Yadnarie
- Existing access tracks used extensively
- 200+ construction jobs plus local supply opportunities
- 6 Council areas (Whyalla, Land Not Within Council Area, Franklin Harbour, Cleve, Tumby Bay, Lower Eyre Peninsula)
- 18-month construction commencing mid-2020





Cultural Heritage

- Field survey between Cultana and Port Lincoln with Barngarla traditional owners
- Cultural Heritage Management Plan and micro-siting required for clearance
- Native Title agreement to be negotiated

Project legacies

- Port Lincoln High School Science and Engineering Challenge sponsorship
- Adding community value by leveraging infrastructure possibilities include:
 - Green space
 - Telecommunications
 - Community assets



Main Grid System Strength

Rainer Korte, Group Executive Asset Management



Synchronous condenser solution

- Four large synchronous condensers installed with high inertia flywheels to meet system strength and inertia requirements (two at Davenport and two at Robertstown)
- AER published a determination confirming economic assessment on 18 Feb 2019
- AEMO approved solution on 8 March 2019
- Contract awarded for design, supply and installation of first two 129 MVA synchronous condensers at Davenport by September 2020
- Broader stakeholder communications update coming soon
- Contingent project application to follow



ElectraNet Maturity Roadmap

Rainer Korte, Group Executive Asset Management



Maturity Roadmap

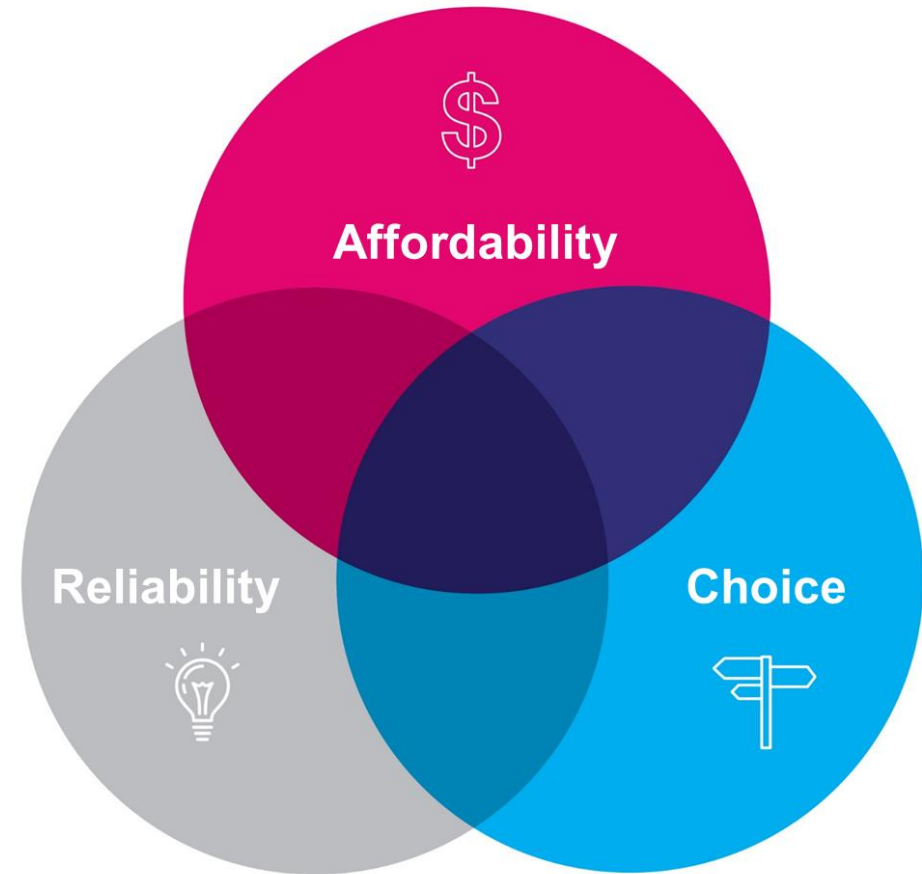
- Continuous improvement to better serve customers and shareholders
- International best practice in asset management
- Asset Management Objectives guide our asset management system
- Reviewed and developed through aspirational goals and what's important to customers
- Feedback please



Proposed Asset Management Objectives*

- Protecting people, equipment and the environment
- Affordable and sustainable electricity supplies
- Security and reliability of changing power system
- Timely, responsive and value adding customer services

* Undergoing internal consultation



Our understanding of customer priorities, Customer Engagement Outcomes Report, 28 March 2017

Other business