

Meeting Minutes

Consumer Advisory Panel Meeting #31

Date:	Monday, 20 November 2023, 1:30pm – 4:30pm
Meeting Objectives:	<ul style="list-style-type: none">• Creating stronger strategic alignment with the CAP and ElectraNet Board + CEO• Highlighting and exploring key learnings from an evaluation of the CAP's last 12 months• Engaging with the CAP on key items (TAPR, Endgame)
Attendance:	Refer Attachment 1

1. Welcome + General Updates

Leanne Muffet, Independent Facilitator, opened the meeting, and lead the Acknowledgement of Country. Leanne and Simon Appleby, Head of Corporate Affairs, provided the following updates:

- Formal apology received from Vikram Kenjle.
- The new Independent Chair of ElectraNet Dr Julie Beeby and Simon Emms, Chief Executive Officer, were introduced and welcomed to the meeting.
- Craig Wilkins, individual Consumer Representative replacing Mark Parnell was introduced and welcomed to the CAP.
- ElectraNet and the Barnjarla Determination Aboriginal Corporation jointly won the SA Premier's Award for Energy and Mining - Community Category, recognising ElectraNet's successful collaboration on Eyre Peninsula Link, the new 270km high voltage transmission line from Cultana to Port Lincoln. The CAP congratulated ElectraNet on this award.
- Project EnergyConnect (PEC) in South Australia remains on track with the physical completion of construction to be completed this calendar year, followed by inter-network testing. Stage 1 involving first power transfer of up to 150 MW between Robertstown and Buronga, is expected to be operational by mid-2024.
- ElectraNet recently published its 2023 Transmission Annual Planning Report (TAPR). The report highlights the growing electricity demand outlook in South Australia driven by electrification of the economy and new industrial loads, and the priority transmission solutions needed to meet this demand.
- The proposed 2024 meeting schedule was noted with the following points raised:
 - Potential for a regional meeting to be considered further.
 - Potential meeting with SAPN Community Advisory Board to be planned.
 - The proposed November meeting date can be aligned with the ElectraNet Board meeting that month if desired.
- The notes from CAP meeting 30 held on 24 August 2023 were endorsed by the CAP.

ACTION ITEM: ElectraNet to circulate the updated CAP meeting schedule proposed for 2024.

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Action items were reviewed and accepted by the CAP as follows.

Action Items (from previous meetings):

1. Provide a briefing to the CAP on the State Government's Hydrogen Strategy – in progress.
2. Provide the CAP with further information the Energy Charter and its purpose and operation – in progress.
3. Send the CAP the slides from the recent briefing on Project EnergyConnect – complete.
4. The CAP to consider further conversations needed with AEMO on Integrated System Plan inputs and assumptions – in progress (workshop scheduled 18 January 2024).
5. CAP to work with ElectraNet to explore customer price impacts of transmission developments under various demand scenarios and consider further analysis around optimal timing of these projects – in progress (workshop scheduled 18 January 2024).
6. ElectraNet to present a proposed program of DMIAM initiatives to consider (early 2024) – in progress.
7. Leanne to lead the development of an Annual Report from the CAP aiming to get to the ElectraNet Board in November – complete.
8. ElectraNet to prepare a meeting schedule for 2024 – complete.

2. Introduction of ElectraNet Chair

Simon Emms formally introduced Dr Julie Beeby, Independent Chair of ElectraNet, appointed in July 2023 following the retirement of Gordon Jardine.

Dr Julie Beeby shared the following:

- Thanked the CAP for its Annual Report, due to be discussed by the Board on 22 November 2023, and expressed support for the CAP's desire to have more connection with the Board.
- It is important for the Board to hear directly from the CAP as part of its due diligence and governance.
- Both the Board and Management reiterate their commitment to genuine engagement with consumers and the importance of a collaborative approach between the CAP and ElectraNet.
- Acknowledged the rapid pace of change in the energy sector and highlighted the necessity of staying informed about the evolving priorities and issues of consumers.
- The CAP can influence outcomes not only by influencing ElectraNet's decision making but also by providing scrutiny and verifying assumptions on processes and projects and confirming existing directions. The CAP's influence can therefore be greater than is evident.
- ElectraNet's shareholders are focused on long-term value, which is positive for consumers and stakeholders as this requires sustainable, reliable and efficient operation of the business and longevity of service provision to customers.
- The shared values of shareholders and ElectraNet were discussed. These included a commitment to the energy transition, people safety, social licence to operate, mutual

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benefits to communities and the business, efficient costs to consumers and environmental sustainability.

- A face-to-face meeting with the Board was proposed to occur late next year to provide an opportunity for the CAP to present its Annual Report.

Dr Julie Beeby also put the following questions to the CAP to consider:

1. What are the key messages from the Annual Report for the Board?
2. Are there any other 'burning' issues to take to the Board?
3. How do we get the customer voice into the Boardroom?

Discussion ensued during which the following matters were raised:

Q: What are the key social licence challenges and how can the CAP help with those challenges?

- Community expectations are constantly changing. Important focus areas include safety, reliability of the network and affordability for customers.
- The price of electricity is acknowledged as a core concern for customers. While prices may not fall for some time, ElectraNet needs to help minimise increases by improving utilisation of the network and meeting growing demand which helps reduce unit costs.
- Social Licence is about relationships with the communities we operate in. This includes a focus on early engagement - often.
- Ongoing support from the CAP is welcomed on these matters.

Q: Having worked with other transmission businesses, is there a difference between a Government owned corporation compared with a private organisation?

- There can be more process in a Government owned business and slower decision making, as a broader range of drivers and factors need to be considered.
- A close working relationship with Government remains essential for a private network business. It is crucial to ensure that network development aligns with Government priorities, as it plays a vital role in supporting the economic growth of the State.

3. CAP Evaluation Report

Simon Maddocks and Rebecca Knol presented the key findings from the CAP's Evaluation Report, which forms the Annual Report to the ElectraNet Board.

The CAP recognises that the relationship with the Board will take time to develop and acknowledges ElectraNet's commitment to active, participatory, early and transparent stakeholder engagement.

The CAP's involvement in the Revised Revenue Proposal was a steep learning curve but assisted Members to understand their role and prepared the CAP for engagement on the Integrated System Plan (ISP) and Transmission Annual Planning Report (TAPR).

The CAP is ready to collaboratively work with ElectraNet to enhance customer relationships, contribute more strategically to ElectraNet's decisions and ensure clarity of the Board's perception of the importance of the CAP including having a voice to the Board.

The CAP outlined the strategic items the CAP has identified and potential areas of interest for ongoing engagement over the next 12-24 months. These include timely engagement on policy

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and regulation matters and in ensuring clear feedback loops, demonstrating how the CAP has had an impact.

The key areas where the CAP is seeking to collaborate with ElectraNet were identified as follows:

- Broader engagement on ESG and social licence matters.
- Contribute to decision-making processes with ElectraNet.
- Identify opportunities for input into strategic positioning, forward planning and specific matters.
- Develop stronger interface with ElectraNet's Board, potentially including an annual meeting.
- Enhance feedback and communication loops.

The CAP also noted it is seeking more two-way engagement, time to reflect on what is put forward, noting that compressed timeframes for engagement do not promote the best outcomes, and to have the CAP's voice in the boardroom to ensure it is receiving unfiltered messages.

The CAP highlighted its capacity to provide valuable consumer insights, contributing to the improvement and reinforcement of ElectraNet's decision-making framework.

Julie Beeby expressed support for the directions proposed by the CAP, to be discussed by the Board.

Simon Emms reinforced Managements' intent to support what the CAP is seeking and to explore practically how this can be achieved. The challenge is to balance the desire of the CAP to engage more deeply with the limited time Members have available. It will be important to prioritise clearly to ensure the best use of the CAP's time, noting it is not possible to engage on all issues.

ACTION ITEM: ElectraNet to provide CAP with the Board's response to the Annual Report.

4. Major Project Update

System Strength Requirements

Brad Harrison, Manager Network Planning and Brad Parker, Principal Engineer Power Systems, outlined ElectraNet's plans to undertake a Regulatory Investment Test for Transmission (RIT-T) in response to the new requirement for ElectraNet to provide an "efficient" level of system strength based on AEMO's forecasts of inverter based resources in South Australia.

Key points from this discussion were as follows:

- System strength refers to the ability of an electricity system to withstand changes in generation output and load levels while maintaining stable voltage levels. System strength therefore helps support grid stability.
- This is important to enable the power system to reliably generate, transmit and distribute electrical power to meet the demand of consumers.
- The new system strength framework provides for a coordinated approach to ensure there is an "efficient" level of system strength services in the National Electricity Market (NEM). The need for system strength increases as inverter based renewable energy sources displace traditional synchronous generation sources that historically provided these services. This is because synchronous generation sources naturally provide system

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strength in the way they operate whereas inverter based variable renewable energy sources such as wind and solar generation typically do not.

- The new framework requires that new generators must pay for their share of this service when they connect to the network or elect to provide system strength themselves.
- To date, inverter based resources such as wind farms, solar farms and batteries have largely been “grid following technology”, meaning that they cannot provide system strength. However, some of the battery projects connecting to the grid are expected to be grid forming in future. This means that they have increased capacity to provide system strength.
- As future generators connect, they will fund the system strength services provided by ElectraNet. Any remaining costs will be met by customers. ElectraNet is required under the National Electricity Rules to provide a coordinated solution for these services. This coordinated solution is anticipated to deliver greater overall efficiency compared to the scenario where each generator independently provides system strength.
- AEMO published the forecast that determines the system strength requirement to be met by ElectraNet by December 2025 in its latest annual System Strength Report in December 2022. However, the timeframe required to undertake the RIT-T and deliver a solution is expected to take longer than three years. This creates a timing challenge.
- AEMO will be publish its next annual System Strength Report in December 2023 and the forecast system strength requirements may change.
- CAP members expressed interest in exploring timeframes for procurement and whether there is opportunity to have the Federal Government to provide financial support via *Rewiring the Nation* to procure synchronous condensers early. Questions were also raised around the system strength framework under the National Electricity Rules.
- The CAP also queried the credibility of alternative solutions, when a commitment to synchronous condenser solution would be required and the potential costs involved.
- The CAP indicated it needs more time and information to be able to make a meaningful contribution on this issue and recommended a separate workshop be held to further engage on this topic.

ACTION ITEM: ElectraNet to arrange a time for a deep dive or workshop on system strength for interested CAP Members.

ACTION ITEM: Business SA would like information about the supply risk and potential for outages in the coming summer.

Transmission Planning Annual Report (TAPR)

Brad Harrison provided an update on ElectraNet’s TAPR, which was published on 31 October 2023 following the engagement and input from the CAP at previous meetings. A public forum is scheduled for 6 December and submissions close on 13 December.

Brad also noted the previous guidance provided by the CAP on the Integrated System Plan projects in South Australia.

It was noted that AEMO’s draft Integrated System Plan will be released on 15 December 2023. Consultation on the Draft ISP is due to close on 15 February 2024.

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5. SA Transmission Modelling – Initial Findings

Brad Harrison introduced the SA transmission modelling work undertaken by Endgame Economics, following the previous engagement with CAP Members on the key issues to be explored.

Oliver Nunn, Director of Endgame Economics, provided a briefing to the CAP on the preliminary results. The following key points were made:

- ElectraNet is expecting a large amount of additional load in South Australia and Endgame was asked how the additional load may affect the timing of transmission development.
- The key updated assumptions in the modelling, aligned with AEMO's 2024 ISP, are Victorian off-shore wind targets, the total emissions budget, the Queensland Energy and Jobs Plan. These assumptions will have implications for the outcomes of the modelling.
- Endgame found that the Mid North expansion on South Australia's transmission network is required by 2030 under AEMO's 2023 demand forecast, which does not include the additional load expected by ElectraNet.
- This expansion is required earlier if additional load occurs, in line with ElectraNet's expectations.
- If transmission is not built when needed, it may lead to higher prices, possible reliability concerns, compromised ability to maintain 100 per cent renewables, higher connection costs and more transmission investment over the long-term.
- The modelling assumes the full ISP assumptions around orchestration of Customer Energy Resources (CER).
- There may be challenges for new load connecting if the network is not expanded in time, including constraints on their operations and output.
- While there is some interest in grid scale solar development, most new renewable generation investment in South Australia is expected to be wind generation in the immediate future.

ACTION ITEM: ElectraNet to arrange a workshop to explore the outcomes of AEMO's draft ISP and next steps with interested CAP Members.

6. Reconciliation Action Plan update

Nicola Buley, Executive Legal Risk and Governance, presented ElectraNet's first Reconciliation Action Plan (RAP). This has recently been endorsed by Reconciliation Australia and is about to be launched publicly.

ElectraNet reflected on its long journey with Traditional Owners, building cultural awareness and developing long-term relationships.

ElectraNet will look to further its relationships Aboriginal and Torres Strait Islanders through the commitments in its RAP and develop and adopt best practice principles in working with these organisations.

The CAP acknowledged the great work on the RAP and requested a copy of the document.

ACTION ITEM: Reconciliation Action Plan to be sent to CAP Members.

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Action Items

Item	Action	Responsible
1	ElectraNet to circulate the updated CAP meeting schedule proposed for 2024	AM
2	ElectraNet to provide the Board's response to the CAP on the Annual Report	AM
3	ElectraNet to arrange a time for a deep dive or workshop on system strength for interested CAP Members (scheduled 18 January 2024)	CH/SA
4	Business SA would like information about the supply risk and potential for outages in the coming summer	CH/SA
5	ElectraNet to arrange a workshop to explore the outcomes of AEMO's draft ISP and next steps with interested CAP Members (scheduled 18 January 2024)	CH/SA
6	Reconciliation Action Plan to be sent to CAP Members	AM

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ATTACHMENT 1

ATTENDEES	
Name	Affiliation / Title
Members	
Andrew Richards	EUAA (online)
Estha van der Linden	Ai Group
Georgina Morris	SACOSS
Craig Wilkins	Consumer Representative
Greg McCarron	Central Irrigation Trust
Mark Henley	Consumer Representative
Rebecca Knol	SACOME
Simon Maddocks	Primary Producers SA
Yarik Turianskyi	Business SA
Leanne Muffet	Independent Facilitator
ElectraNet	
Julie Beeby	Chair
Simon Emms	Chief Executive Officer
Brad Harrison	Network Planning Manager
Chris Hanna	External Relations Lead
Simon Appleby	Head of Corporate Affairs
Alycia Martin	Stakeholder Coordinator
Brad Parker	Principal Engineer Power Systems (online)
Wickrama Keerthipala	Senior Power Engineer (online)
Apologies	
Vikram Kenjle	University of Adelaide