**Powercor Transmission Licence Webinar**

**Transcript**

16 May 2024, 12pm-1pm

 **Scott Thomson** 0:32
Powercor acknowledges and respects Victoria’s Traditional Owners as the original custodians of the land and waters which our network covers. They recognise their heritage, culture and inherent rights as Traditional Owners leading to the development of respectful and mutually beneficial relationships, increased opportunities, greater equity and better outcomes for all.

We're here today to talk about Powercor’s application to the Essential Services Commission for a transmission licence which will allow it to design and build transmission infrastructure within the Powercor network.

During the webinar, you'll hear more about what it would mean for Powercor to be granted a transmission licence and how local communities would benefit.

We'll also explore what services Powercor would provide, the skills and resources it would bring to the table, and how powerful will work with communities to ensure the best possible outcomes for all.

I'm delighted to introduce the members of Powercor’s executive team who are leading this transmission licence application. First, Renate Vote, Powercor’s General Manager Regulation Renate was appointed as senior as general manager in December 2016 and has more than two decades of experience in electricity infrastructure. Renate is a strong advocate for a customer first approach and is heavily involved in Powercor’s extensive customer engagement programmes to deliver better outcomes.

And second, we have Glen Thompson, general manager, electricity networks at Powercor. Glen joined Victoria Power Networks in January, January 2016, working as general manager of Beon Energy Solutions before being appointed GM of electricity networks for Powercor and CitiPower earlier this year. Glen is also CEO of Australian Energy Operations, a Victorian electricity transmission business focused on providing competitive grid connection solutions to enable renewable developments to be deployed more efficiently. Glen has 20 years’ experience in the energy sector as well, having hold senior business development and project engineering roles in Australia, the USA, Europe, Middle East and Asia.

Renate and Glen will speak briefly in turn and will then have 15 minutes for questions. I want to express my gratitude to those who've already submitted questions prior to the event. You're encouraged to share your questions during the conversation today in the chat section; we will answer as many as we can in the time that we have, but for any that we don't get to today, we'll publish responses on the Powercor website.

I’ll now hand over to Renate and Glen for their presentations.

 **Renate Vogt** 3:01
And it's a pleasure to be with you all today. At Powercor, we move power to 922,000 customers across two-thirds of Victoria. The 30 years, we've served our customers as one of the lowest cost and most reliable electricity distribution networks in Australia.

Now with this experience as an established network service provider, we're excited to be embarking on this new role having submitted our application to the Essential Services Commission for Powercor to become a transmission operator in Western Victoria, covering the Powercor distribution network area.

If we could go to the next slide. Thank you.

There are three key benefits that we believe will be achieved through acquiring a transmission licence. We'll be able to provide more choice for customers which results in lower costs and better service. Additional market capability to deliver transmission services, which will mean the connections and more capacity below customers such as data centres, and for our export customers such as large wind and solar farms and ultimately driving economic growth and investment in Victoria.

We could jump to the next slide.

Our application for Powercor’s transmission licence is ultimately driven by need to improve competition in the market. We know that choice drives competition which leads to lower prices and better services for customers. But currently there are only a few providers delivering transmission upgrades and connection services in Victoria.
This is delaying crucial grid upgrades and driving up costs for households and businesses. This is what we want to change.

A transmission licence for Powercor will provide major businesses and renewable energy projects across our network, from large scale solar and wind generation to battery storage to data centres and commercial and industrial businesses, with more choice in how they connect to the trans to the Victorian electricity grid.

This will be critical as the energy transition gains speed and Victoria competes both on the national and global stage to attract investment and jobs. By creating more competition and in turn significantly driving down connection costs and reducing delivery times, we will support more investment in our state. We already have a strong track record in delivering affordable and quality service for customers with this licence, Powercor would offer services including design, construction and maintenance across both distribution and transmission,

I wanted to be very, very clear. We won't be building large new transmission line corridors like VNI West or Western Renewables Link will be focused on customer-initiated works building and upgrading transmission infrastructure to connect projects to the grid.

I’ll have next slide. Thank you.

Powercor is already playing a critical role in supporting Victoria's Clean Energy transition. Today, the Powercor distribution network has around 2.6 gigawatts of renewable generation connected onto its network, but we know that faster transmission connection and greater capacity is essential to support Victoria's ambition to deliver 65% renewable generation by 2030 and help unlock more than 10,000 megawatts of capacity within our states designated renewable energy zones.

We are rapidly approaching a critical point in our transition to net zero. When major network upgrades will be required to accommodate a huge amount of wind and solar energy, the more participants in the market that can enable grid connection, the quicker we will achieve our targets.

In addition to renewable generation, we will also be supporting our load customers to connect onto our network. Whether or not that is data centres or other large commercial and industrial projects. This will support economic growth, create more jobs and generate more investment in regional and rural Victoria.

If we could jump to the next slide. Thank you.

Our transmission services will reach our entire distribution network, which spans from the western suburbs of Melbourne through central and western Victoria to the South Australian and NSW borders. We know and understand Victoria's transmission regulatory system and the importance of regulatory compliance to ensure networks are operated in customer focused, safe and reliable manner.

During the three decades that we've held an electricity distribution licence, we’ve regularly interacted with transmission network service providers. This has given us the knowledge, expertise and experience required to hold an electricity transmission licence, and a precise understanding of exactly what is involved in undertaking a transmission project to set us up for success.

With a transmission service, we will maintain our focus on low cost and seamless customer experience, complimenting what we already deliver as a distribution business.

The new Victorian Transmission Investment Framework being implemented by VicGrid will offer a new approach, giving communities real voice in the planning process for the transmission network and will attract the investment Victoria needs to transition to renewable energy. We'll work closely with VicGrid, and ensure our plans abide by the new framework. This will include feeding into the new Victorian transmission plan that will be published every four years and prepare the state for a range of possible future energy scenarios to minimise the risk of both under and over investment in the network.

We could jump to next slide. Thank you.

Taking on a transmission role in addition to our role as a distributor, we'll also bring extensive benefits for our regional communities. At Powercor we're locals, we're part of the communities in which we operate with 700 field staff, many who live and work in the community in Western Victoria.

We have a deep understanding of what customers want and need and we understand the community angst in relation to transmission network investment. We also understand regional growth and what is needed to drive future growth in Western Victoria. We'll also work with local contractors where appropriate, and when we don't have the expertise, for example, traffic management or civil works to support our regional communities and make sure investment is going where it is needed. This will be supported by our existing community partnerships programmes, which supports organisations across Western Victoria.

By keeping this sort of work in the country, it will also allow Australia to be a competitive in a global market, for example, where data centres could move overseas. We want these businesses to choose to operate here in Australia.

Above all, we know that genuinely engaging with the communities who live and work in the areas where transmission infrastructure is built is critical to facilitating the economic development in our country. This focus on our communities is already deeply embedded in our business. As a distributor, we are on the ground in our communities every day talking to customers about major projects. We know that listening to and engaging with our customers is essential to increasing our understanding of community needs, generating, buying and ultimately delivering a network that is fit for the future.

In fact, we're currently reaching the conclusion of the biggest engagement programme we've ever undertaken as part of our regulatory reset to inform our next five-year distribution business plans. We understand that engagement must be built on trust, credibility and legitimacy, and we'll continue taking this approach.

We recognise First Peoples distinct rights to country as traditional custodians who have ongoing connection and caring responsibilities. A critical element to Powercor building transmission to connect renewable energy projects will be ensuring that we have respectful relationships with First Peoples. We are committed to engaging First Peoples as early as we can in planning, transmission and ensuring we are protecting and preserving the rich Aboriginal cultural heritage that dates back over 60,000 years.

Powercor is committed to engaging and partnering with those peoples. Under the current legislative frameworks and to build mutually beneficial relationships, we're also committed to partnering with First Peoples businesses throughout our supply chain and creating electrical career opportunities for first peoples in our distribution network. This practise will continue if we are granted a transmission licence in building transmission infrastructure.

Furthermore, Powercor is committed to building transmission in a way that minimises impacts on Country and provides dedicated benefits to first people whose countries these projects will be on.

I've talked about some of the benefits a transmission licence would provide and why I believe, why we believe, our dedicated, experienced team of distribution and transmission specialists working side by side will provide our customers with the quality of service they require.

I'd like to hand over now to my colleague Glen Thompson. He will take you through our offer in more detail. Thanks Glen.

 **Glen Thomson** 13:27
Thank you. And great to see such strong interest in our application, particularly from customers to industry participants, even industry peers. So as Renate said I’m here with you today as we know it said, I'll say reiterate you know why we're applying for a licence, what is the customer need, I'll touch on our capability in history in this space and also go over how we'll approach community engagement in delivering the projects we will pursue in the future.

Totally what I want to try and cover off is our desired outcome, and that is basically adding additional market capacity that will result in positive outcomes for customers in Victoria.

As you're aware, the purpose of Powercor had a distribution level is to ensure all forms of distributed energy resources are connected to the grid efficiently and then includes customer loads both new and existing to ensure that we have a system that is integrated efficiently and flexibly so it can benefit all customers in Victoria and help grow the economy.

As noted, there's been a significant interest from our customers and if we are granted a licence, we are confident that would make a positive contribution to our sector and the communities we operate in.

The experience we will provide will build greater confidence in our set that help deliver the critical infrastructure, transmission infrastructure, just as essential as the projects we intend to connect.

We're doing this at a time when there is significant amount of investment in the sector to providing innovative, cost effective and alternative solutions that customers are pushing for. We’ll help enable those connections to the grid to be done efficiently. Our insource business model also allows us to better understand customer's needs and deliver what they are asking for from design right through to energisation operation and maintenance over the life of the asset.

The Powercor business has been providing transmission solutions in Victoria for more than a decade, having supported the development of an ongoing operation of two terminal stations in Victoria and the connection of four wind farms. And this is application is merely just an extension of that existing capability.

The next slide please.
So what we’ve heard from our customers across Victoria's is a clear need for greater competition and more options in the transmission sector. The large-scale grid connections such as data centres, new wind and solar products can connect to the grid more efficiently.

The customers are providing and placing greater value on price and delivery to meet their needs. They want more cost-effective solutions and timely service to support their business ambitions. To increase in competition in one way is to deliver transmission services required in Victoria and to support our rapid transition to our net zero targets.

Renate mentioned Powercor’s network already supports more than 2.6 gigawatts of large-scale renewables and is timed to four of Victoria's six renewable energy zones.
On renewables in the last five years, we've connected six large data centres in the western suburbs of Melbourne and there is a lot more to come.

If we're granted a licence, our focus will be on working with customers and providing quality service to net them efficiently to the grid for clarity and to reiterate Renate's earlier comments, it's important to note we are not considering construction of large transitional line corridors, like the Western Renewal Link or VNI West.

We expect the majority of projects to be located relatively close to existing transmission infrastructure and we'll be intending to build and operate these assets if that's the customer's preference.

We also know that our customers want a process that is simple and streamlined. With this licence, we would offer design, construction, operation and maintenance of the new terminal station infrastructure to enable generation and load, to allow the Victorian declared transmission network to be connected efficiently.

Next slide please.

Our in-house skills and resourcing partners with our existing network will allow us to offer customers like anywhere in Western Victoria a more efficient choice for transmission, with the intention that this results in lower costs for connection.
We would also be able to own, operate and maintain any upgrades required of these assets and then we can look after the whole life cycle of transmission project from design through to the operation and maintenance phase.

As a business that is operated across Victoria for decades, we're on the ground in these communities and know the areas we work. It is that insight, coupled with our technical and operational capability, which allows us to come up with the most efficient and least cost solutions.

Customers will ultimately be able to choose between the regulated solution provided by the incumbents, or the alternative solutions which we may offer. Many of our people have extensive experience managing and operating both transmission and distribution networks.

As noted earlier, our resources have already played a key role building and operating two terminal stations in Victoria, connecting four wind farms. We’ve got a team of more than 2000 people working across 14 depots and offices in Western Victoria. Having a distribution and transmission specialist working side by side will allow us to be agile and provide an even better level of service for our customers.

Our people live and work where these projects will be delivered and where needed, we will scale that workforce for construction, operation and maintenance or transmission network. Any additional resources will ultimately depend on the volume of activity that customers let Powercor provide transmission solutions for.

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Importantly, as Renate mentioned, we understand the need for empathetic and authentic engagement with communities and other stakeholders. We have stakeholder engagement specialists who are embedded across our major projects. Their deep knowledge and expertise will be used to support engagement with those communities living near any major transmission projects.

We will take learnings and practices from our role in distribution into transmission. Our usual practice when undertaking distribution works is to engage closely with those who will be impacted. This means negotiating with landowners in the effort to reach a mutual agreement, rather than relying on compulsory land access powers.

We plan to continue this approach when building new transmission infrastructure, aligning to the ESC’s new Land Access Code of Practice to build and demonstrate community understanding and buy-in.

As we do today, we’ll seek to minimise impact on landowners wherever possible by using existing land access rights, for example by constructing lines in road reserves as an alternative to crossing private land.

One last thing I would say in relation to our approach to community engagement. We engage constructively with the communities we operate in, not because we have to, but because it's the right thing to do.

I'll just briefly touch on environmental management again, it's no different than the way we operate today. We a focus on reducing our environmental impact as much as possible, ensuring all transmission works have the required environmental approvals, assessing the need for environmental, planning and heritage related permits and approvals where required.

Final slide for me before we move into Q&A. So, in summary, and perhaps reiterating, expanding into transmission will have a hugely positive impact on competition for the provision of transmission infrastructure in Victoria, as an extension to our existing distribution capability. I

This is largely about three key benefits: more choice, better service for customers; additional market capability and capacity to deliver transmission services in a timely and cost-effective manner, delivering economic growth and investment in our state.

We've spoken today about the 30-year history as being one of the lowest cost, being one of the most reliable, electricity distribution networks in Australia, which puts us in a strong position to build, operate and maintain transmission networks and assets that will deliver benefits for all Victorians.

So, to conclude, if granted a licence, our experience will build greater confidence in our sector to deliver the transition services that are needed in a timely and cost effective way, and generate economic growth for an investment in our state.

Thank you for listening and I'll hand over to Scott now to summarise next steps and to coordinate the Q&A.

 **Scott Thomson** 23:07
Excellent. Thank you very much Glen and Renate. So as a next step, the ESC is now looking for feedback on Powercor’s licence application and we encourage you all to take the opportunity to respond to that survey or make a submission via their website before the deadline of the 11th of June. There's more information about the consultation available on Engage Victoria's website and the link for that is on the screen. Now there's QR code there to allow you to access that easily.

We'll also send these details to you all via email after this event. I should point out also, I saw some chat in the in the chat function. This recording will be made available for anybody who wasn't able to hear because of AV issues or whatever. We'll now address questions from the audience, and again, I'm seeing lots of action in the chat function. We did actually receive quite a lot of questions in advance to the email of the event, so we're going to tackle those initially and then hopefully we'll have some time to pick out some questions from the chat today,

So just to begin with one for you Renate:

The Powercor ESC submissions premise on the notion that Powercor will offer more timely and cost-effective connection solutions for renewables in its patch, what assurance is proposed to ensure that this becomes a reality? More competition is a good thing. If it's real competition, not just me too.

 **Renate Vogt** 24:34
Yeah, that's a really good question. As Glen said, we are committed to a competitive tender process to demonstrate our credentials and we will work from into the existing regulatory framework. We have provided a draft of Powercor’s tender policy which we submitted to the ESC with our application. You can find it on the ESC website, and you can also find it on our website, the Powercor website. I do encourage everyone to have a look at that policy, and if there's any feedback or improvements that we can make, we're, we're all ears.

So, what does that mean in practise? So if a customer wanted to connect onto our sub-transmission line and there was associated works required, associate transmission works required, we would tender for those works and we would choose the least cost solution whether or not that was from Powercor transmission, if it was granted a licence or from another TNSP.

If the augmentation works was driven by demand on the distribution network, then that would just go through its usual process, where AEMO would actually tender for the works. And I think in 2025 it'll be VicGrid.

 **Scott Thomson** 25:55
Excellent. Thanks for that. Next one's for you, Glen. Does Powercor intend to exercise compulsory access powers under this new licence to enter and construct where agreements for corridor locations have not been made?

 **Glen Thomson** 26:09
Thanks, Scott. I mean just to be clear, our role will be to design, build and connect customer projects to the existing transmission network if granted a licence. We don't intend to be building a large transmission line corridors such as Western Renewals Link, VNI Link, as I touched on earlier.

The location of where the new transmission infrastructure will be located will ultimately depend on the customers and the where the customer projects are located. Some within the existing corridor locations, some may not be, so while we have compulsory access powers in those instances where we may need to build assets on private land, our focus will be on coming to mutual agreement with landowners.

We've already published our land access commitment on our website, so we encourage people to do that, and quite often, you know, we're a customer may have already done those arrangements as well.

 **Scott Thomson** 27:18
Excellent thanks, Glen. Renate, another one for you: will a transmission licence, Powercor’s applying for be a conditional one or a full licence like any other transmission service providers are holding in Vic?

 **Renate Vogt** 27:31
That that's an interesting question. It is conditional in the sense that it covers the Powercor distribution network, geographical area, and it's only up to 22 KV.

 **Scott Thomson** 27:48
Excellent, Glen, one for you. Where will the resources come from? Currently there's a short…

 **Renate Vogt** 27:53
Sorry, that’s 220 KV.

 **Scott Thomson** 27:58
Thank you. Glen, where will the resources come from? Currently there's a shortage of electrical fitters and tower linesman, will they be coming from overseas?

 **Glen Thomson** 28:10
No, I mean just again to reiterate, we already have a lot of the skills and capability within our business to deliver transmission services and infrastructure, and with more than 2000 people in the wider businesses and spread across multiple offices throughout Western and Northern Vic.

The volume of what we need in addition to that will depend on the customer volume, and how much work is awarded to us, is ultimately going to depend on the customers’ choice

When we need to scale up, you know, we'll obviously be creating new jobs as they're needed, and we're always growing, with around 50 apprentices each year, depending on really customer demand, and I guess the energy transition as a whole.

Naturally, we're embedded in the communities we work in. We want to support them. We're always leveraging local contractors where it makes sense to do so.
So as a whole, we see this is a quite a good benefit for the Powercor patch of people, I guess and local businesses where those projects will be located.

 **Scott Thomson** 29:25
The best if you're a linesman or an electrical fitter, get in touch basically.
Renate back to you. Does Powercor already have potential transmission projects in the pipeline? If so, is one of them the wires project? Otherwise, why are you applying for transmission licence without identifying any transmission assets?

 **Renate Vogt** 29:44
At this stage we don't have any projects planned. The projects will on the whole be customer initiated and customer driven. I guess just to reiterate the point that the reason why we've applied for a geographical licence, which is pretty unprecedented, covering the Powercor distribution network across Western Victoria is to drive competition to deliver a better service for our major customers. It's pretty simple.

 **Scott Thomson** 30:19
OK. Glen is this one is sort of a bit of a follow on from the previous question, but has the current skill shortage both professional and trade been considered, and will this be affected by current EBA regulations?

 **Glen Thomson** 30:32
We have considered all aspects of you know, how to make sure this is a success should be granted a licence. You I said, we're a large business in our own right already and a lot of in-house skills and in terms of EBA regulations, you know, we already have EBAs in foot. They will continue and those relationships are positive, always being enhanced and we expect that to continue as this progresses.

 **Scott Thomson** 31:08
OK, Renate, I admit I do not understand this question, but I'm sure that you will. There's an uneven playing field when it comes to all network use of system charges for transmission connected batteries versus network of use of system for grid scale batteries on sub transmission and distribution networks. If Powercor’s granted a transmission licence, will that enable it you to offer negotiated NUIS offers for batteries on sub transmissionand distribution, similar to what's already on offer from TNSPs with respect to transmission connected batteries.

 **Renate Vogt** 31:46
So yeah, that is a complex question. I'm assuming a battery proponent asked that question. So, if we were granted a licence, a Powercor transmission would have more flexibility in terms of how it's set a network charge for a battery proponent connecting onto the transmission network.

Today, the rules require a distribution network to apply a network charge to a battery proponent who connects onto the distribution network, it's actually specified in the rules. However, if a battery proponent connects onto the transmission network that can be negotiated, and depending on the circumstances, it can mean no network charge is applied.

Which is really has become actually an issue because it means that battery proponents are more likely to connect onto the transmission rather than onto the distribution network. Because of these rules.

 **Scott Thomson** 32:47
OK. Thank you. We'll move on to another one for you, Renate. What's the usual time frame when the licence shall be granted. Is Powercor in a position to enter the market straight away, for instance, does it have in-house skilled labour? I understand the land access planning and environment approvals work required. If you give someone answer this, but perhaps you could address that.

 **Renate Vogt** 33:07
In relation to the first part of that question, the ESC is the best body to determine to answer that question because they'll be assessing our licence application. It's actually up on the website for consultation, so I do encourage people to provide their feedback.
And if we are granted that licence, we'll be ready, as Glen said, we have the expertise, we have the skills and we have the resources to deliver transmission services today.

 **Scott Thomson** 33:45
Thank you. Back to you, Glen, does Powercor require a dispensation to hold both transmission and distribution licences as a service provider to operate in Vic?

 **Glen Thomson** 33:56
No, Powercor will have all required licences to act as a transmission infrastructure provider in Victoria, and there's no ring fencing provisions preventing Powercor other providers from holding both distribution and the transmission licence. Can in fact existing providers already do have both.

 **Scott Thomson** 34:20
And another one for you, Glen. Does a proposal include neighbourhood batteries and substations which connect domestic rooftop solar?

 **Glen Thomson** 34:29
No, we obviously connecting to distribution networks, so not a transmission matter.

 **Scott Thomson** 34:36
OK. Renate, what will make you different to other proponents currently on the market.

 **Renate Vogt** 34:48
Yeah, that's a good question. I guess you know the first point I'll make is that we've got a good track record. The Powercor distribution network is the lowest cost and most reliable rural distribution network in the country. So, I guess that's my first point.

The second is the point that Glen made was that we have our in-house team who'd live and work in Western Victoria and a part of the local communities, so they understand what our customers need and we're listening.

The third point is also the one that Glen has already made was that we have many opportunities to use our existing sites to plan and build for transmission infrastructure, which will mean that our footprint will be far, far smaller when you compare it to the large 500 KV transmission line corridors.

 **Scott Thomson** 35:57
Excellent. Thank you. A couple for you, Glen. Firstly, will Powercor be developing REZs connected to the Powercor network.

 **Glen Thomson** 36:07
No, the transition division, won't be divided REZs if granted a licence to be clear. Existing businesses is located where there's four of the six existing Victorian REZs at present. But where we are participating near that in effect what we're doing is providing competition to the alternate, but the REZs are already nominated so we're not developing a REZ by ourselves.

 **Scott Thomson** 36:41
And this one, I note, actually came up in the chat as well, but Powercor recently was fine 2.1 million for failing to manage vegetation around Glenmore, wouldn't addressing these issues be a high priority rather than focusing on a transmission licence?

 **Glen Thomson** 36:57
I don't know who that addressed to, but obviously that's a constant focus and that doesn't change whether we have a transmission licence or not.

 **Scott Thomson** 37:07
Yeah, fair. And Renate, how can regional communities’ benefit from the licence?

 **Renate Vogt** 37:16
Regional communities can benefit from the licence because we'll be using, well, one, the footprint of these projects will be a lot smaller. Two, we will be using people from those local areas to help build those projects, so it'll help in terms of encouraging employment in regional and rural areas. It will also mean a greater focus and high reliability in those areas.

I do notice that a lot of questions are actually coming through, in fact reset questions on the need for regional and rural upgrades in Victoria and that's certainly something that we are very, very focused on in our next five-year investment plan.

 **Scott Thomson** 38:09
We might actually include the engagement website in our in our update just so people can see that they'll the type and level of engagement in the outputs of the engagement activities that have that have come from that.

And another one for you. Glen, I'm interested to know how a civil company who supports CPPC on minor civil works might best position itself to develop compliance, accreditations, etc for the transmissions and renewable energy projects that come from the acquisition of the transmission line.

 **Glen Thomson** 38:42
Yeah, I mean, that's obvious, we have a lot of contractors already part of our system and it's hard to tell where that first or second or third project will be because as noted, there will be customer driven and some contractors have sort of statewide capability, some are more niche in terms of geography or skills.

So, I think naturally wherever there is a large project that should be well publicised through our various procurement platforms and certainly where there's additional skills to be utilised for the benefit of delivering those projects. We'll be seeking them out. But I dare say if that someone has capabilities already today, they can also help our distribution business, so they can engage without waiting for transmission.

 **Scott Thomson** 39:33
Excellent. So, we'll let we're actually through the sort of pre submitted questions, we'll draw some from the from the submitted ones in the chat. This one's for you, Glen, if granted the licence, how long will Powercor need to build up its internal capability and resources to commence transmission construction or augmentation project or is Powercor confident of its current capability and resources being adequate to a TNSP now?

 **Glen Thomson** 40:00
It's certainly more of the latter, given we've been doing this for a decade in supporting an associate transmission business to build those referenced to terminal stations and the multiple connections and 1/3 underway. So, the capability already exists to commence; what we don't know, I guess is you know if there's going to be an influx of inquiries and more volume then then we would need to ramp up. So certainly have the capability today, obviously, if there was more required then we would grow accordingly, but that would be somewhat organic.

 **Scott Thomson** 40:37
Thank you. And one for you Renate, why do you need a transmission licence ahead of knowing what you will even build, how does that open up competition?

 **Renate Vogt** 40:50
That's a really good question. The reason why we had sought a geographic licence is because it just speeds up the process today you can, submit for an asset transmission licence which a lot of service providers have applied for, but it slows down the process. If we are granted a geographical licence, we can respond to customers far more quickly.

 **Scott Thomson** 41:23
And again, this is about the tendering process and perhaps for you, Renate. But why are you tendering for work? Why not award all work from Powercor distribution to Powercor transmission?

 **Renate Vogt** 41:35
I think because we're focused on what the best outcome is for the customer and the best outcome for the customer is the lowest cost solution, and to best ensure that is through a competitive tendering process. I mean ultimately at the end of the day, these costs, what we when we talk about transmission costs are passed on to the customer. So, the reason why we're doing this is in the best interests of customers.

 **Scott Thomson** 42:08
Thank you. And Glen, so what effect on transmission infrastructure pricing do you think Powercor’s transmission licence will have?

 **Glen Thomson** 42:18
Just reiterating, these are customer projects, so providing choice always provides competition, so the customer will have the choice whether to go for the current status quo versus the alternative solution, and they'll make a choice on what is the best interests of their project in both cost and time. That means if the solution put forward by a Powercor transmission licence is not the first choice, and that's probably a good thing, it means the current situation has improved.

 **Scott Thomson** 42:56
Thank you. Another one for you, Glen, distribution and transmission are very different. What skills and knowledge do you have about the sector? I think you've somewhat answered this.

 **Glen Thomson** 43:07
Yeah. As I said, we have been doing it for quite some time and that's part of the reason why we've also limited our focus to Powercor patch and up to 220 KW because it’s stuff we've done already. All of our engineering team, all is not quite correct, quite a large portion of our engineering team has transition experience. We do it today and we'll continue to.

 **Scott Thomson** 43:33
Thank you. Perhaps one for you. Renate. What is the relationship between Transmission Operations Australia at TNSP and Powercor and are they both in the CKI family?

 **Renate Vogt** 43:49
Yes, they're both in the CKI family. But there's ring fencing arrangements that are put on the Powercor distribution network, so there's clear boundaries that are set between the regulated business and the unregulated business. And that will be the case for Powercor if we're granted a licence for Powercor transmission as well. And in fact, there's currently, I think the AMC has just approved a rule change in relation to strengthening transmission ring fencing arrangements.

 **Scott Thomson** 44:28
Thank you, Glen. This might be one for you, but how will Powercor work with landholders?

 **Glen Thomson** 44:35
Yeah, it's iterated through the process, first of all, it's early engagement quite often being customer led projects, most likely the customer will start that engagement. But at the same time, we'll do what we normally do and be on the front foot, open and transparent engagement, if it's led by us. But I suspect the initial engagement we led by the customers and by the time it comes to us expect products have already been approved and proceeding that positive relationships are already in place.

That's certainly obviously a key part of the due diligence process is to make sure that wherever we're delivering these projects that the communities have been engaged, the people that are you going to benefit them or are on board and it's done in a in a mutually acceptable fashion.

 **Scott Thomson** 45:26
Thank you. I think another one for you too, Glen. How will you work with AEMO and VicGrid?

 **Glen Thomson** 45:33
That’s what we do today at distribution level and there's always crossovers between distribution and transmission in the first place. Obviously, there are moves afoot between AEMO and VicGrid. We have strong relationships with both, and I think both would be happy to see competition and improve pricing in transmission projects. I suspect they'll be happy to see this move forward, but that's for them, and I'm sure they'll engage with ESC too, but to me it's BAU to make sure projects are connected efficiently.

 **Scott Thomson** 46:13
Thank you. And this I think is probably another one for you. Glen, will this licence enable existing 66 KV distribution large load customers to become 66 KV transmission customers on the existing network infrastructure?

 **Glen Thomson** 46:28
Could be one for Renate is suspect. The nuances of the rules there, I'm not sure, but might have to take that one on notice.

 **Renate Vogt** 46:35
Yeah, I think that there is a bit of a nuance in the rules in Victoria where it can be kind of classified, you know, 66 KV is distributional or transmission.

 **Glen Thomson** 46:46
Just noting that Powercor is the distribution authority planning authority for 66 KV.

 **Scott Thomson** 46:56
This one's for you, Renate. I'm a Powercor distribution customer, what does this mean for me?

 **Renate Vogt** 47:03
What does it mean for you? I guess what it means for you is that, you know, we will continue as we always have to deliver you the lowest cost and most reliable service in the country. And we're very committed to that, and we'll continue to be committed to that. And as I noted, you know there has been a number of comments that really have touched on our reset and we heard loud and clear through our reset engagement, the need to improve reliability and performance for our regional and rural customers and we are certainly planning a package of works to start improving the regional and rural infrastructure in Vic.

 **Scott Thomson** 47:53
Thank you. I'm just quickly looking at the chat function see if there's any that we haven't attended to. Perhaps this one, developers with grid scale batteries on transmission networks can negotiate transmission services with TNSPs as negotiated service. These options not available for grid scale batteries connected at the sub transmission and high voltage distribution level. If their application successful, would it be possible for developers of grid scale batteries to negotiate services and NUOS charges with Powercor as a negotiated service for connections at the sub transmission and high voltage distribution level?

 **Renate Vogt** 48:25
That's a really good, good question and we will respond to it. Can we just take that one on board?

 **Scott Thomson** 48:43
Yes, absolutely, yeah.

 **Renate Vogt** 48:44
Yeah, and that that wouldn't be, and can I preface that wouldn't be due to a choice by the business. No doubt we would be somewhat I guess restricted or guided by what the rules allow us to do.

 **Scott Thomson** 49:03
Excellent. Thank you. There's a number of questions around the cost and how transmission licence for Powercor will actually deliver lower prices. Can perhaps one of you elaborate on that?

 **Glen Thomson** 49:15
Yeah, I'll cover that Scott. I mean, it's a little bit like the earlier question. Yeah, there’s obviously no guarantee. The ultimate part is providing choice and customers will choose what is best for them. I think competition often brings some efficiencies on costs, so time will tell. I'm certainly confident that having choice will deliver that, it's certainly sharpens the mind of the alternate.

 **Scott Thomson** 49:46
Thank you. And there are a couple of customers questions as well around big transmission projects. I think you've already addressed that, but just for emphasis, will you be building big transmission projects like the Western Renewables Link?

 **Glen Thomson** 50:02
I’ll be really clear, no,

 **Renate Vogt** 50:04
And just to add to that, given the conditions in the licence, we can't. We have no interest, and we can't.

 **Scott Thomson** 50:16
Loud and clear. So, there's many customers that are in energy poverty areas. These areas are also areas with renewable energy generation and leading to more transmission. The distribution network means no uplift or access to the power generated. The transmission also does not allow that uplift. So, what will be the benefits to landholders on SWER lines, landholders in energy, poverty and landholders directly impacted. Perhaps one for you, Renate.

 **Renate Vogt** 50:46
Actually, maybe I'll let Glen first address it and then I'll talk about what we're doing in respect to the reset

 **Glen Thomson** 50:54
Yeah, I mean it's a difficult one outside of sort of SWER lines and distribution and energy poverty as a whole. I mean the transmission licence isn't going to change that in any respect and in in some ways, we don't even know where our customers will want us to be, so very hard to be give a specific answer to that question. We I think we all know it's a challenge for society, but from a Powercor transmission licence application none of that is not going to impact that issue. So that's why I can’t address it from a licenced application perspective. I think it's a whole separate discussion on energy, positive poverty from a societal perspective.

 **Renate Vogt** 51:39
And just building on that, that's a conversation we've been having with our regional and rural communities since 2021. And we've had a number of forums in our regional rural communities, and you know, we've heard loud and clear that they do have lower reliability and performance relative to urban customers just because of the design of the network. It's not as meshed. There's more vegetation. We have more SWER lines, we have more single-phase lines.

And in addition to that, they're paying higher prices. So, this is due to a myriad of reasons. One due to the actual design of the regulatory framework, in terms of actually getting up investment for regional rural customers and for getting approved by the AER because they don't think it's efficient. Regardless, we're pushing forward and as I said, we are planning a package of work which we will have in our 2026 to 2031 business plan for Powercor. We’re actually going to submit our regulatory proposal to the regulator in January next year and then they will the body who will determine how much expenditure they will approve. But we're certainly hearing the message loud and clear and we're doing everything we can.

 **Scott Thomson** 53:06
Excellent. Thank. Thank you so much both. We might leave it there. I'm very conscious that there's lots more questions that have been posted. Some of them have somewhat been answered, but we will undertake to get answers to all of those and we’ll post them up on the website and we'll provide a link to everybody who's attended today after this event.

But you know, thank you to everybody for joining. It's really encouraging to see the level of interest and engagement around the idea of Powercor securing any transmission licence. As I say, if we didn't get to your question today, apologies, but we will address them in at a later stage.

You will get a follow up email with the link to the consultation process online that's being run by the Essential Services Commission and please participate in that answer. The questions that are posed or provide a submission for that. But otherwise, thank you Renate and Glen for your time. And thank you to everybody for joining today. The conversation continues. Please reach out if you have more things to say or more questions to ask and we'll endeavour to answer those. But have a great day and thank you very much for participating.

 **Renate Vogt** 54:11
Thank you everyone.

 **Glen Thomson** 54:12
Thanks everyone. Appreciate it.