

2018 EUAA Annual Conference

1 November 2018



Our network supports



20%

of Australia's population



229

hospitals



40%

of Australia's LNG export



1737

schools



18.2%

of Australia's GDP



20%

of Australia's jobs



5

major export ports



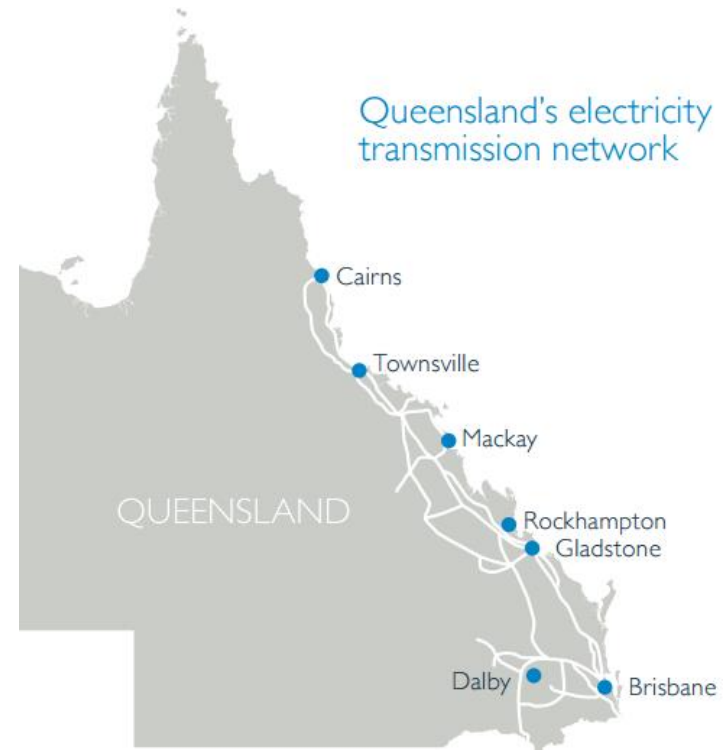
1.98M

homes



1600MW

of committed renewable
generation

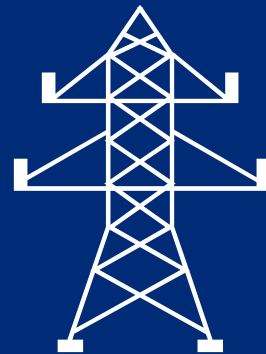


Customer focus

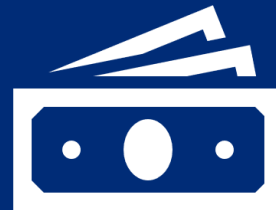


Customers want
**secure and reliable electricity
supply at an affordable price**

We are focused on
**delivering our part of
electricity supply as cost
effectively as possible**

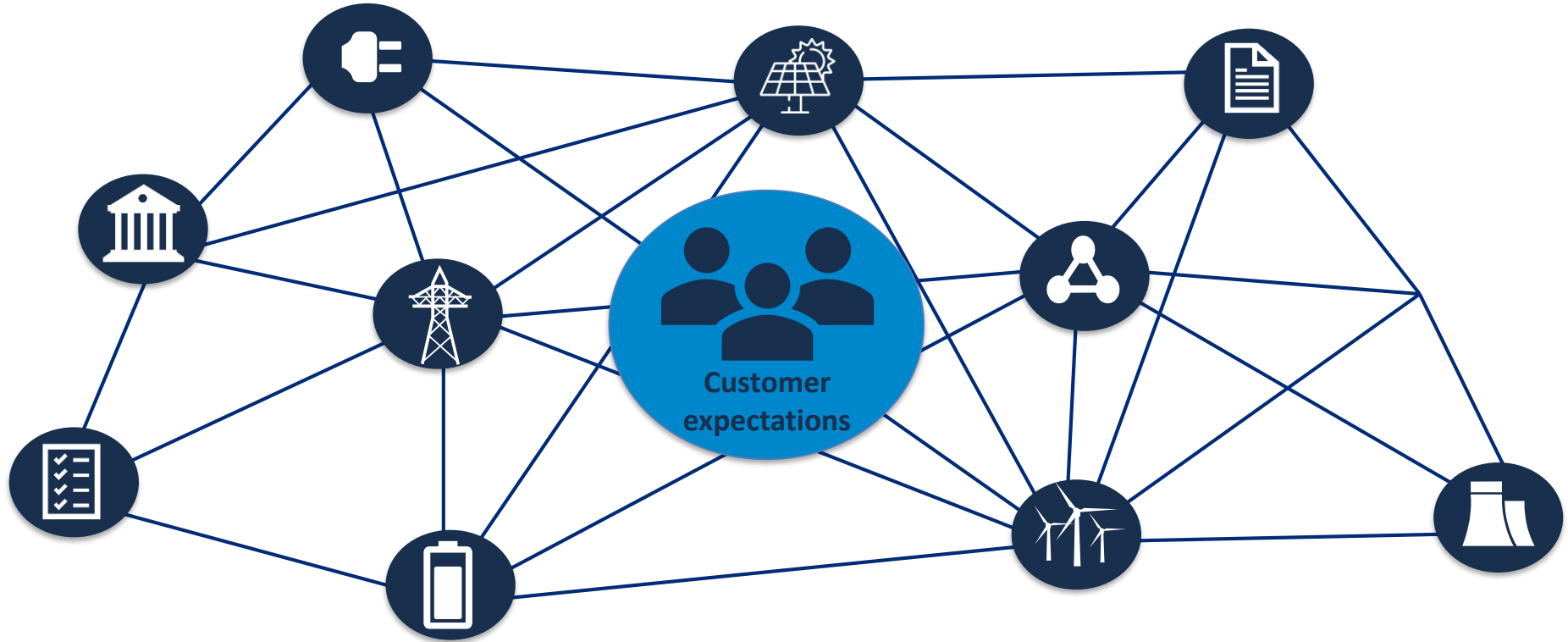


In the past year,
electricity
transmission
charges
reduced by
a third on average



An annual saving
of between
\$23 to \$38
for the average
Queensland residential
household

Industry outlook



Disruption across almost every element of the value chain

Our role is changing

Council of Australian Governments (COAG) Energy Council

Sets policy direction

Energy Security Board (ESB)

Advises COAG on National Electricity Market reform



Australian Energy Market Commission (AEMC)

A statutory commission responsible for developing the rules for the National Electricity Market and for market development

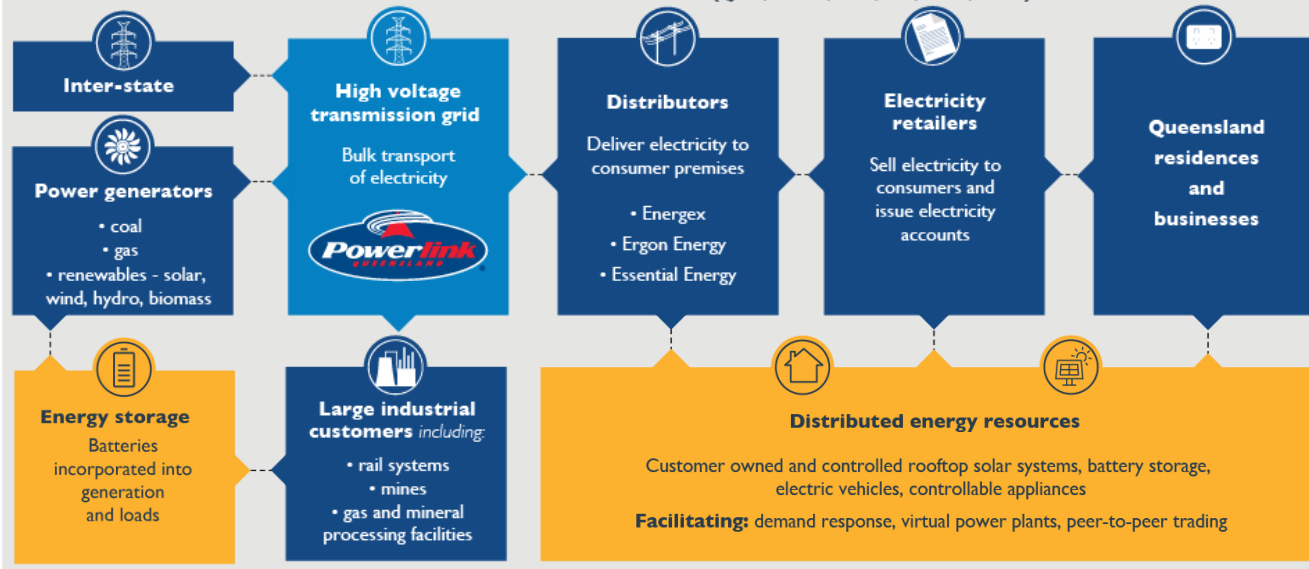
Australian Energy Market Operator (AEMO)

Operates the National Electricity Market and manages power system security

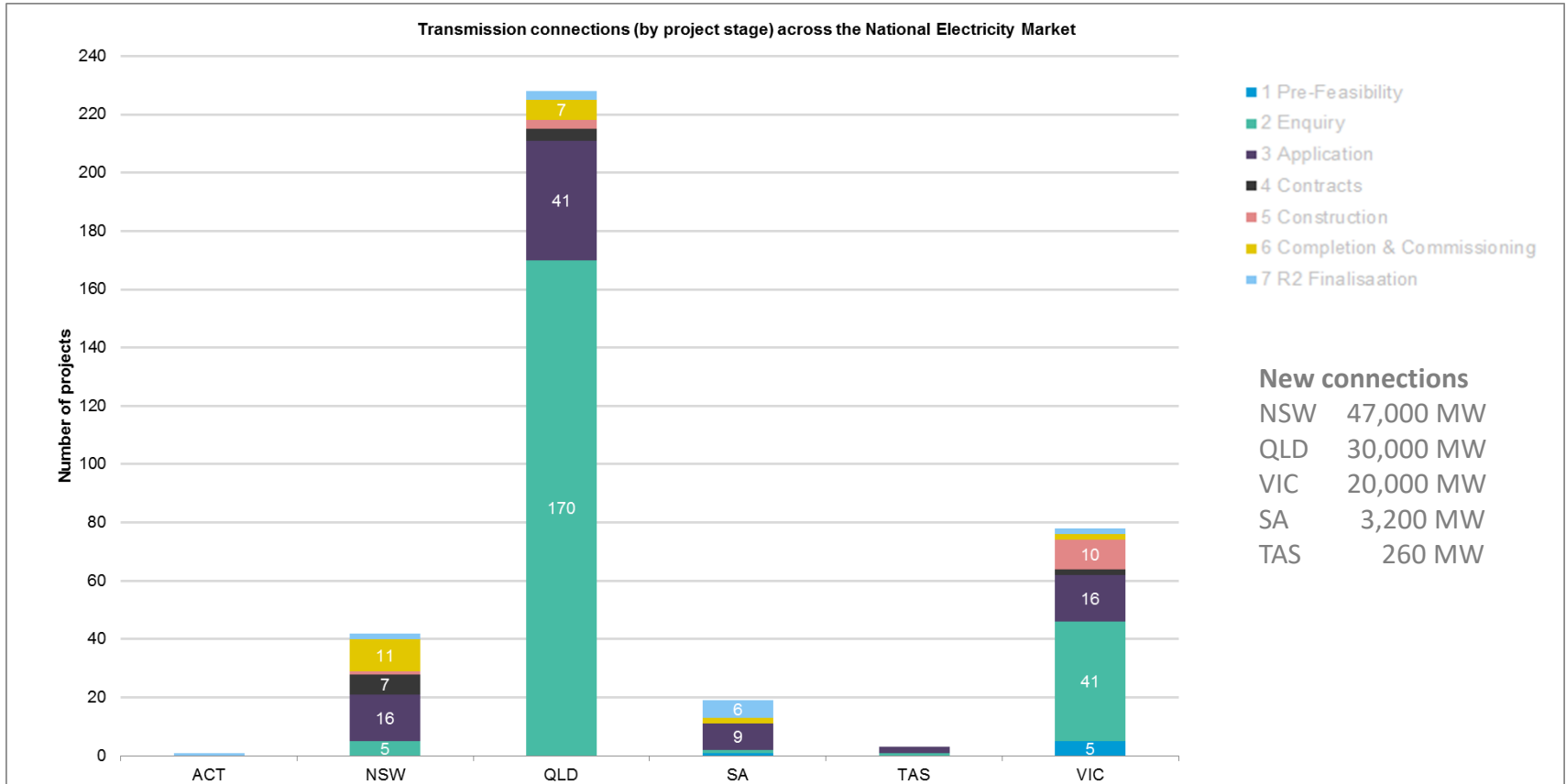
Australian Energy Regulator (AER)

Administers the National Electricity Rules and makes regulated revenue determinations for monopoly networks

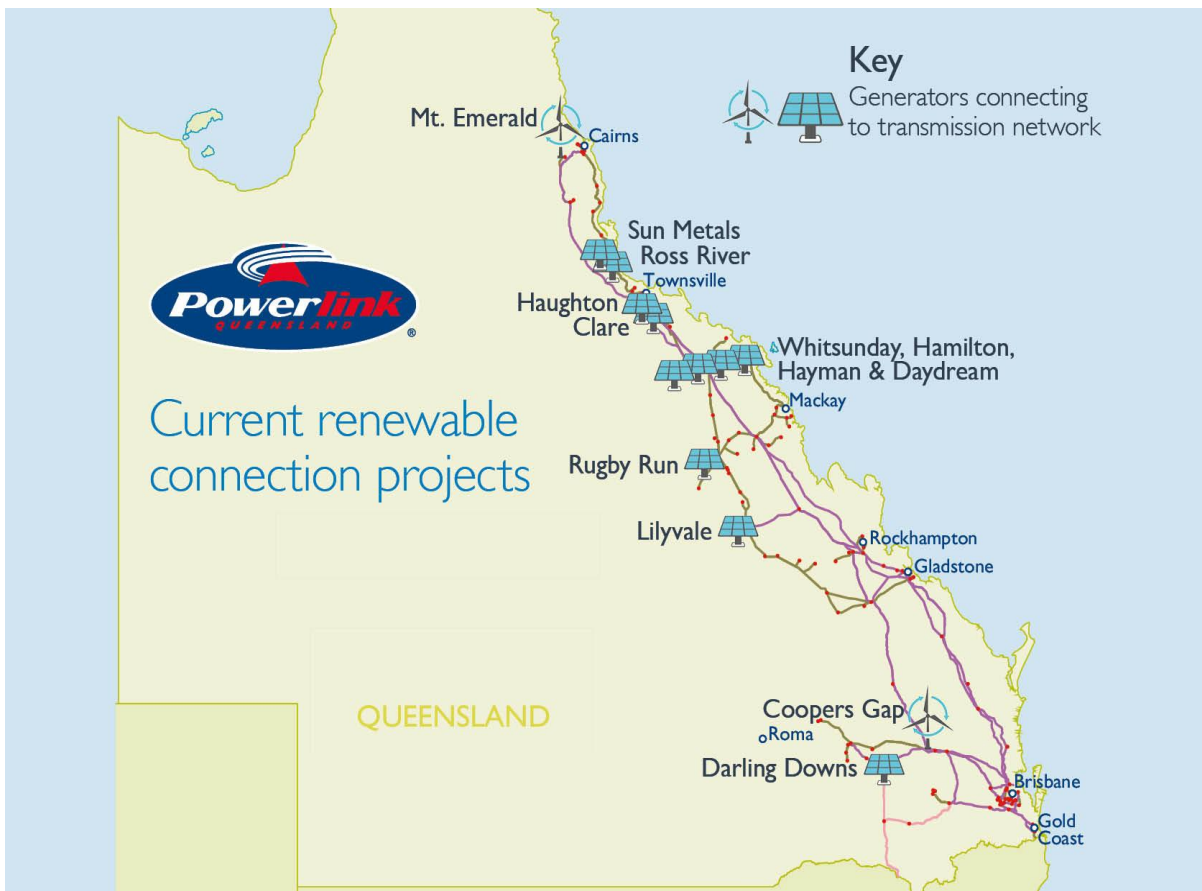
NATIONAL ELECTRICITY MARKET (QLD, NSW, VIC, SA, TAS, ACT)



Renewables drive



Committed connection projects



AEMO Integrated System Plan (ISP)



First ISP - important step forward in integrated planning of transmission and generation in the NEM

Road map for future network planning - coordinated investments in transmission and interconnector capacity

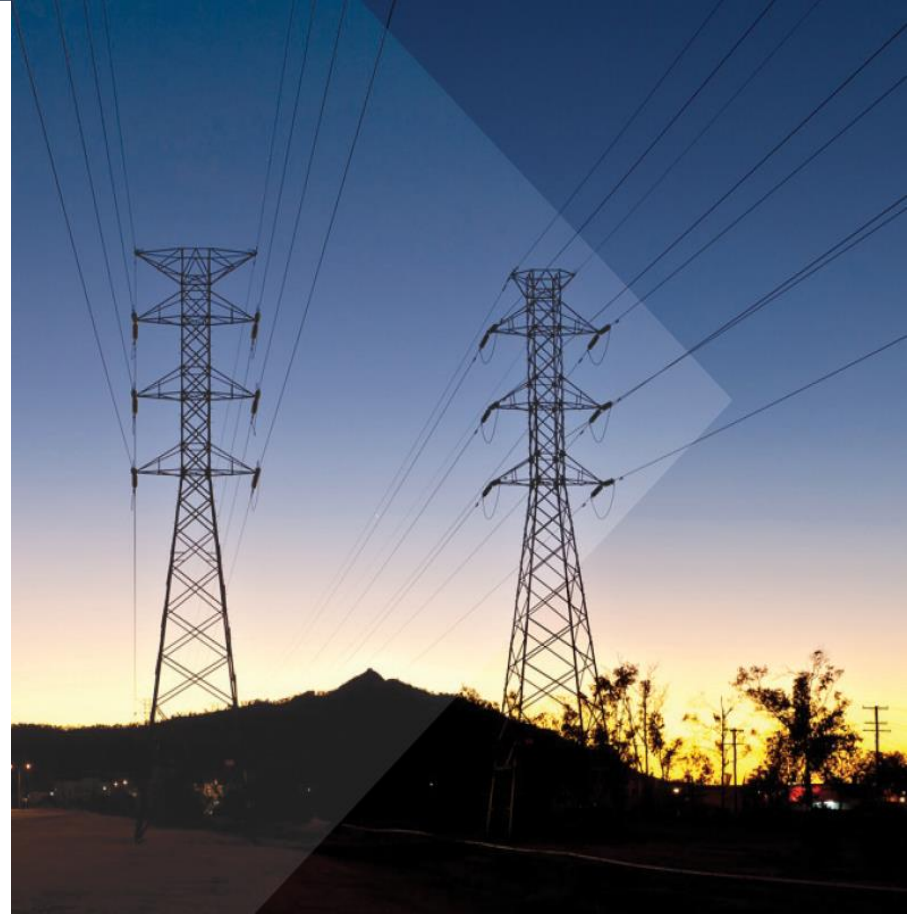
Other key findings:

- Provides for electricity from new generation replacing retiring coal-fired plant to be better shared across the NEM
- Renewables need to be supported by transmission and storage
- Distributed energy resources increasingly important to power system
- Recommended augmentations, including investment to provide additional transfer capacity between NSW and Qld via interconnector
- Renewable Energy Zones (REZ) concept developed by Powerlink and now included in ISP

Interconnector (QNI) investment



- Powerlink and TransGrid investigating options for providing additional transfer capacity - key national transmission priority in ISP
- Commenced Regulatory Investment Test for Transmission (RIT-T) process
- Further details on investment options to be released as part of this process
- Project Specification Consultation Report expected to be out in December 2018



Where to now for National Energy Guarantee (NEG)?



Main outcomes of October Council of Australian Governments (COAG) meeting:

1. Energy Security Board (ESB) would cease work on NEG
2. ESB to develop draft bill for Retailer Reliability Obligation
3. Australian Energy Regulator to develop a reference price, with goal for it to be in place by 1 July 2019

More discussions at December COAG

How is Powerlink responding?



- Delivering a safe, cost-effective and reliable transmission network
- Ongoing customer input
- Greater clarity on investment decisions
- Implementing outcomes from reviews and regulatory changes
- Adapted approach for RIT-T process providing additional information



Network vision



- Currently developing a 30 year network vision
- Transmission network is a critical platform to keep economy moving
- Vision focused on navigating industry transformation in the shift to a low carbon future



Thank you

