

2028-33 Revenue Reset

Engagement Plan v1.0

February 2026



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1 Purpose

This engagement plan aims to establish a structured, inclusive and transparent process for gathering input and making decisions that reflects the needs, expectations and priorities of all relevant stakeholders to ElectraNet's Revenue Proposal for the 2028 to 2033 regulatory period.

This plan aligns with regulatory milestones for the 2028–2033 Revenue Proposal, which will commence in October 2025 and conclude in April 2028 with the Australian Energy Regulator's Final Decision on ElectraNet's Revenue for the next regulatory period.

2 Engagement Goal and Principles

2.1 Engagement Objective

ElectraNet's objective from engagement in relation to the 2028 to 2033 Revenue Proposal is to ensure that the Revenue Proposal, and the numerous decisions that feed into it, give appropriate regard to consumer perspectives. This will be demonstrated by the Consumer Advisory Panel (CAP) being able to produce a comprehensive report accompanying both the Revenue Proposal by 31 January 2027 and Revised Revenue Proposal by 31 December 2028. The report would address two themes:

- Engagement – the extent to which consumer preferences and priorities, as expressed by the CAP through the engagement process, have driven the development of the Revenue Proposal
- Outcome – the extent to which the expenditure forecasts reflect and respond to the concerns of electricity consumers as identified by ElectraNet during its engagement with electricity consumers through the RRRG

To achieve this, the CAP has established the Revenue Reset Reference Group (RRRG). A key role of the RRRG is to prepare the engagement and consumer-outcomes report for the CAP, including an assessment of whether engagement was undertaken as outlined and a recommendation on CAP endorsement for submission to the AER.

2.2 Key goals of the engagement process

- **To ensure transparent and inclusive engagement:** Ensure stakeholders are well informed, understand the process, and have meaningful opportunities to provide feedback.
- **To ensure stakeholder perspectives are heard:** Ensure a comprehensive, transparent engagement process that allows stakeholders to provide meaningful input into the revenue determination process.
- **To build trust and strengthen relationships:** Establish a two-way communication process to foster a sense of partnership with stakeholders, ensuring transparency, open dialogue and trust-building.

2.3 Key principles of engagement

As part of ElectraNet's commitment to consumer led engagement, we asked the RRRG what good looks like when it comes to meaningful involvement in the revenue determination process. The RRRG articulated a clear set of engagement principles that set the benchmark for how ElectraNet should design and deliver its engagement over the 2028-33 period.

- **Purposeful and strategic engagement:** clear purpose and mandate, information shared early and in a way that invites strategic, constructive feedback.
- **Informed participation:** ensuring that the RRRG has access to the right people and/or resources, high level of being informed, acknowledging informational asymmetry.
- **Consumer centric values:** reflects community needs, consumer fingerprints evident in the final proposal.
- **Transparency and accountability:** use plain language, pass the "pub test". Emphasis on transparency and responsiveness.
- **Transparency in decision making:** demonstrate how stakeholder input has been considered and integrated into decision-making. Commit to explaining to the CAP and, through the Revenue Proposal, to the AER how ElectraNet responded when there were diverse stakeholder views on key issues, including the factors considered e.g., their weighting, and how we arrived at our final positions. Where disagreement exists, ensure reasoning is clear.
- **Outcome focused approach:** while the goal is a Revenue Proposal that reflects and responds to the concerns of electricity consumers, success is measured by the integrity of the process and the extent to which consumer perspectives are heard and respected.

3 ElectraNet's Engagement Approach

As a transmission business, ElectraNet's approach is to engage with consumer representatives rather than directly with consumers. This reflects the fact that our customers are, technically, distribution networks, large loads and generators. It also reflects the cost implications of more broad based engagement efforts.

Therefore, effective stakeholder engagement involves identifying relevant groups and understanding their interests, concerns, and level of influence. Key stakeholder groups for this engagement process include:

- Consumer representatives
- Industry participants
- Regulators and policy makers
- Consumer advocacy groups
- Community groups and environmental organisations.

3.1 Targeted and fit for purpose

The CAP fulfils its role in two broad ways:

1. by providing guidance and oversight in the development of our customer engagement approach
2. by representing the views and interests of customers and wider stakeholders.

Its members represent a broad range of interests, and bring together peak representative organisations spanning general consumers, the disadvantaged, business interests, local government, industry, small business and the mining sector.

It was established in 2015 to assist with our decision making in relation to our engagement activities. It will continue to play a key role in informing our decisions, while influencing ElectraNet's Revenue Proposal. The Current membership of the CAP is set out in table 1.

Table 1: Consumer Advisory Panel Membership

Customer and Stakeholder representatives	Panel Members
Energy Users Association Australia	Andrew Richards
South Australian Business Chamber	Cathi Buttfield
Consumer Representative	Craig Wilkins
South Australian Council of Social Service	Georgina Morris
Central Irrigation Trust	Greg McCarron
Department of Premier and Cabinet	Kelly-Anne Saffin
Strategic Matters P/L - CAP Independent Facilitator	Leanne Muffet
Consumer Representative	Mark Henley
Primary Producers SA	Simon Maddocks
University of Adelaide	Vikram Kenje

3.1.1 Revenue Reset Reference Group

The CAP has established the RRRG to focus on ElectraNet's 2028 to 2033 revenue proposal.

The RRRG will serve as an advisory body to the CAP and ElectraNet, meeting regularly (4-6 weeks) with ElectraNet staff. These meetings will enable in-depth discussions on key matters the RRRG identifies for engagement throughout the revenue determination process, particularly in the development of our Revenue Proposal.

This group will report back to the broader CAP, helping to ensure that the Revenue Proposal is aligned with consumer and stakeholder expectations.

ElectraNet initially gauged interest from CAP members in early 2025 and prepared a Terms of Reference for the RRRG, which was then established in April 2025.

Table 2 below outlines the membership of the RRRG and Table 3 provides an overview of the operational relationship between the CAP and the RRRG throughout the Revenue Determination process.

Table 2: Revenue Reset Reference Group Membership

Customer and Stakeholder representatives	Panel Members
Energy Users Association Australia	Andrew Richards
South Australian Business Chamber	Cathi Buttfield
South Australian Council of Social Service	Georgina Morris
Central Irrigation Trust	Greg McCarron
Strategic Matters P/L - CAP Independent facilitator	Leanne Muffet
University of Adelaide	Vikram Kenje

Table 3: Overview of Revenue Reset

	Consumer Advisory Panel	Revenue Reset Reference Group
Standing membership	9 external representatives	5 members of the CAP
ElectraNet representation	6 ElectraNet Representatives (incl Facilitator)	Facilitator - Chair Head of Regulatory & Economic Strategy Manager Regulation Manager Corporate Affairs
Invited stakeholders & observers	AER Consumer Challenge Panel (CCP TBC), AER Staff, ElectraNet staff as required	AER Consumer Challenge Panel (CCP TBC), AER staff, ElectraNet staff as required, other CAP members
Meeting frequency & duration	Quarterly	Every Six to Eight weeks of two to three hour duration
Focus areas	Provide input and guidance on key aspects of the Revenue Proposal, including areas for discussion at the RRRG meetings.	Detailed involvement of key aspects of the Revenue Proposal. Report back to CAP on discussions and recommendations.

	Consumer Advisory Panel	Revenue Reset Reference Group
Budget to support engagement on revenue determination process	ElectraNet will financially support reasonable expenditure by the CAP and RRRG to enable in person attendance where appropriate and possible. In addition, ElectraNet will fund tailored training, or consultancy advice for reference group members to assist their understanding of electricity networks,	

3.1.2 Revenue Reset Reference Group expectations

As representatives of consumers, the RRRG expects that it will play a central role in shaping ElectraNet's revenue reset process. To enable meaningful participation and informed input, the RRRG has outlined the following expectations of ElectraNet for the 2028–33 regulatory period engagement process:

- Transparent process with early sharing of drafts.
- Clear flowchart of engagement process.
- Access to personnel, resources and subject matter experts.
- Help with messaging to consumer groups.

The RRRG would like to see:

- Mechanism for communication back to the CAP
- Clarification of who else ElectraNet is consulting, especially regarding SA government input.
- Engagement options with directly connected customers explored.

3.1.3 Consumer Challenge Panel (CCP) v RRRG Roles & responsibilities

Table 4 – Roles & Responsibilities

	RRRG	CCP
Primary Role	RRRG purpose is to: <ol style="list-style-type: none"> 1. Provide advice to the CAP on whether and how the engagement process undertaken by ElectraNet reflects consumer preferences, values and priorities and therefore how to respond to the Revenue Reset. 2. Ensure ElectraNet's Revenue Reset Proposal is informed by a robust and genuine consumer engagement process, aligned with RRRG's agreed engagement principles. 	Advise the AER on whether network proposals reflect the long-term interest of consumers.
Focus	Provide consumer-focused feedback on whether ElectraNet's engagement approach has been thorough, fair, transparent, and responsive to consumer input –ensuring that consumer preferences are considered in the revenue proposal. It is not on the prudence or efficiency of the proposal itself.	Assess the quality and effectiveness of consumer engagement processes undertaken by ElectraNet.
Engagement	Apply a consumer lens to assess the quality and integrity of the engagement conducted by ElectraNet, ensuring it reflects consumer values, principles and perspectives.	Review and critique network proposals from a consumer advocacy perspective.

	RRRG	CCP
Outcome	<p>Provide networks with actionable consumer input to inform their proposals i.e., clearly evidenced impact of reset engagement.</p> <p>Provide feedback to the AER on:</p> <ul style="list-style-type: none"> - Whether the engagement has influenced the proposal in line with consumer input. - Areas where the RRRG is uncertain or requires further clarity. - Any part of the proposal that the RRRG recommends the AER examine more closely. 	<p>Provide independent advice to the AER to inform regulatory decisions</p>

Important Notes:

The RRRG does not endorse or approve the business case or specific expenditures – that is the AER’s role.

The RRRG’s role is not to make value judgements on prudence or efficiency of the proposal.

The RRRG can confirm (or not) that they feel the process has been thorough, fair, that ElectraNet have been open to feedback, have satisfactorily answered RRRG questions and have provided clarification/evidence when asked.

Potential overlaps

Shared objectives: both aim to ensure that consumer interests are considered in the regulatory process.

Collaborative opportunities: insights from RRRG engagement can inform the CCP assessments, leading to more robust regulatory outcomes.

Clear distinctions

RRRG: operates at the grassroots level, representing consumer interests.

CCP: operates at the regulatory level, providing expert analysis and advice to the AER.

The Better Resets Handbook emphasizes the importance of high-quality consumer engagement in network proposals, aiming for outcomes that better reflect the long-term interests of consumers.

3.1.4 Support a Business Narrative

ElectraNet’s Business Narrative is being developed to provide a strategic context for our Revenue Proposal, outlining ElectraNet’s long-term vision, operational challenges and opportunities. It is informed by a range of internal and external strategies and plans including:

ElectraNet’s Vision: Energising South Australia’s clean energy future.

ElectraNet’s Purpose: We are leaders in the clean energy transition, delivering reliable and sustainable electricity transmission services and valued customer connections.

The business narrative aims to:

- Contextualise our Revenue Proposal, offering stakeholders insight into the strategic direction and priorities that underpin our regulatory submission.
- Facilitate effective engagement by providing customers and stakeholders with the necessary background to participate meaningfully in our consultation process.

In line with the Better Resets Handbook, we commit to updating this Business Narrative to reflect any material change in our operating environment that may impact our operations, ensuring ongoing transparency and alignment with consumer interests.

3.1.5 Seek Early Involvement from the AER

For ElectraNet to successfully meet its engagement objective, early involvement from the AER is essential to provide input and feedback on key elements of the Revenue Proposal.

Customer and stakeholder representatives depend on the AER's technical analysis to build confidence in the more complex aspects of the Revenue Proposal.

ElectraNet invited an AER representative to participate in our RRRG meeting in May 2025.

Additionally in August 2025 ElectraNet and the RRRG reached out to the AER to request early and ongoing engagement with the AER's Consumer Challenge Panel (CCP). Moving forward, we will continue to invite representatives from both the AER and the CCP to our RRRG meetings and other significant engagement forums throughout the revenue reset process.

3.1.6 Apply a Transparent and Rigorous Approach

ElectraNet is committed to maintaining a transparent and rigorous approach throughout the engagement process to ensure that stakeholders can trust and understand how their input influences decision-making. This approach will involve clearly communicating the objectives, scope, and methodology of the engagement process from the outset, ensuring stakeholders are well-informed at every stage.

ElectraNet will collect and analyse stakeholder feedback, providing updates on how their contributions are being considered and integrated into our decisions. All engagement activities will be documented and made available, allowing stakeholders to track the progress and outcomes of the process.

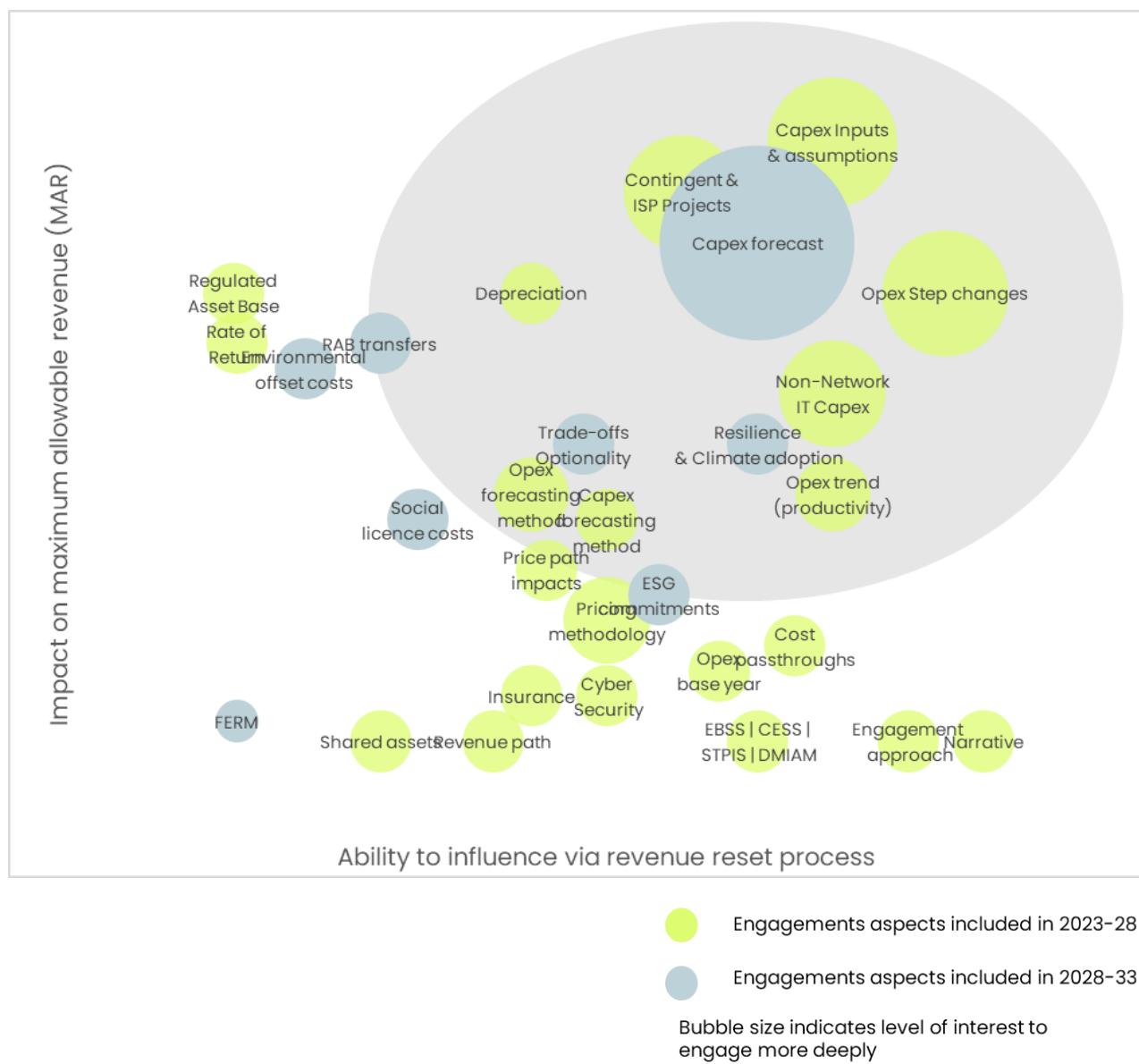
4 Scope of Engagement

By establishing a clear scope for engagement, we can ensure that all parties, representatives, ElectraNet and the AER can allocate their time, efforts and resources effectively and in a focused manner to get the optimum outcome. This approach ensures that key issues are prioritised and addressed efficiently and effectively throughout the process.

4.1 Workshop Proposed Scope

ElectraNet held engagement scoping workshop in July 2025 to help establish the scope of engagement for our 2028-33 Revenue Proposal. The workshop included representatives from the CAP (including RRRG members), and ElectraNet staff. During the session, participants identified key elements they believed had the greatest impact on the Maximum Allowable Revenue (MAR) and assessed their potential to be influenced through greater engagement. A consolidated summary of the output is presented below.

Figure 1 - Engagement Focus



Our engagement plan has been updated to reflect the outcomes of the engagement scoping workshop.

Given the early commencement of the Revenue Reset planning process, the RRRG will have the opportunity to revisit the relevant categories as new information emerges, that may influence the assumed scale and positioning of certain parameters – such as resilience and climate adoption, social licence costs etc.

4.2 IAP2 Spectrum Participation Level

As engagement progresses ElectraNet and the RRRG will consider the appropriate form of engagement to apply to various aspects of the revenue proposal. As this happens, the following table can be updated.

Table 5: IAP Spectrum Participation Level

IAP2 Spectrum Level of Engagement	Aspect of Revenue Proposal
Empower: To place final decision making in the hands of consumers and stakeholders.	TBC
Collaborate: To work together with our consumers and stakeholders to formulate alternatives and incorporate their advice into final decision to the maximum possible extent.	TBC
Involve: To work directly with customers and stakeholders to ensure their concerns and aspirations are directly reflected in the alternatives developed.	TBC
Consult: To obtain consumer feedback on analysis and/or alternatives and draft proposals.	TBC
Inform: To provide consumers with well balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	TBC

5 Engagement Techniques

In line with the Better Resets Handbook, we will use a variety of engagement methods to ensure stakeholders can engage at different levels, from informing to co-designing. These methods may include: (to be worked through with the RRRG)

- **Information Sharing** – Regular updates through email newsletters, dedicated sharing site and information sessions. This will ensure stakeholders are informed about key milestones, developments and outcomes.
- **Consultation Workshops** – Facilitate workshops with key stakeholders (consumers, regulators, advocacy groups) to discuss key elements of the revenue proposal, such as pricing structures, investment priorities and service standards.
- **Advisory Panels and Working Groups** – A consumer advisory working group (the Revenue Reset Reference Group) will ensure customer perspectives are considered in decision-making.
- **Decision Rationale Workshops** – convene dedicated sessions post-consultation to walk the RRRG through the rationale behind final positions, including how conflicting feedback was balanced and weighted.
- **Public Forums** – ElectraNet will present its revenue proposal at public forums held by the AER and will take questions from the public. Consideration will be given, in consultation with RRRG, to other public engagement activities, though given that the focus is on engagement with representative groups, this may be limited as is common for transmission network processes.
- **Digital Platforms** – Use of social media, webinars, and online platforms to engage stakeholders through a broad range of platforms.
- **Site tours** – where appropriate we will use site tours to inform the RRRG regarding discussions on capital and operating maintenance expenditure. This allows the RRRG to see our assets, their location, condition and factors with contribute to our asset management practices firsthand.

6 Engagement Evaluation

6.1 Lessons Learned

ElectraNet is committed to genuine engagement with stakeholders through the RRRG. This section outlines the key learnings from our 2023–28 Revenue Proposal engagement process and how we have incorporated these insights to improve the 2028–33 engagement Plan. These improvements respond directly to feedback from CAP members¹ and are guided by the principles in the AER's Better Resets Handbook.

Feedback	Commitment / improvement in 2028–33 cycle
Reinstate an independent facilitator to support CAP (RRRG) effectiveness.	ElectraNet has reappointed an independent facilitator for all CAP reference group meetings to support inclusive discussion, ensure consumer expectations are met, and help guide engagement processes.
Provide meeting materials in advance	Presentations and supporting materials will be provided one week before meetings, giving CAP members time to review and prepare.
Earlier involvement of the RRRG in proposal development	A Reference Group has been established and engaged early to enable active review of the preliminary proposal, with a new focus on trade-offs and areas of optionality.
Support for independent training of RRRG members	ElectraNet will fund tailored training, or consultancy advice for reference group members to assist their understanding of electricity networks, regulatory processes, and economic frameworks.
Develop clear and measurable engagement success criteria	ElectraNet are introducing a set of KPIs/performance measures, co-developed with Reference Group members, to ensure progress can be monitored and evaluated.

In addition, we will continuously evaluate the effectiveness of the engagement process and make adjustments as necessary. This will include:

- **Stakeholder satisfaction surveys:** regular surveys to gauge stakeholder satisfaction with the engagement process and identify areas for improvement.
- **Post-engagement review:** after the conclusion of key milestones, we will conduct a review to assess the effectiveness of engagement and determine lessons for future engagements.

6.2 Key Performance Indicators

ElectraNet has identified a set of potential evaluation criteria for some qualitative and quantitative measures to be developed within this Engagement Plan. ElectraNet's intention is to work further with the CAP and RRRG to finalise the KPIs and seek input from other stakeholders.

¹ Seed Advisory Consumer Engagement Report for ElectraNet, 28 February 2022

Table 6: Potential Evaluation Criteria

KPI	Target	Measurement
Effectiveness and quality of information provided to stakeholders	Overall satisfaction rating of 7/10 or above for quality of information provided.	Pulse check surveys. Informal debriefs.
Stakeholders were engaged at appropriate level on the IAP2 spectrum	Identified that majority of stakeholders had appropriate level of influence on ElectraNet decision-making.	Survey/solicit feedback from external stakeholders. Internal review. Peer review/audit.
Satisfaction level of stakeholders with engagement activities	Overall satisfaction rating of 7/10 or above for engagement activities.	Formal research. Post-activity satisfaction surveys. Informal debriefs and feedback.
Impact of engagement on ElectraNet decision-making and quality of feedback provided	Ability to demonstrate what changed as a result of engagement.	Survey/solicit feedback from external stakeholders. Internal review. Peer review/audit.
Timely delivery of engagement program	Engagement program delivered on schedule.	Internal monitoring.

6.3 Engagement to Date

Table 7 – ElectraNet Engagement to Date

Month	RRRG Meetings – Focus Area	Revenue Proposal Key Milestones
Apr 2025	High Level Plan Revenue Reset 101 Best Practice Engagement IAP2 Expert observations from a peer	
May 2025	Introduction to the Spheres of influence Deep dive prioritisation session Observations from an AER representative	
Jul 2025	Scoping & Estimating Q&A Finalise Engagement Scope Review Engagement Plan Impact of others (AEMO, ESCOSA, SA Gov't AER)	
Aug 2025		RRRG & ElectraNet write to AER to request early CCP engagement
Sep 2025	Revenue & Pricing update Reflection on other reset engagements Retrospective and look forward	
Oct 2025		ElectraNet writes to AER to amend framework and approach paper.

7 ElectraNet Engagement Schedule

Table 7 outlines the planned engagement activities with the Revenue Reset Reference Group (RRRG) throughout the revenue determination process, up to and including the publication of the final determination by the AER. This will be reviewed and amended in line with engagement with the RRRG.

Table 8: ElectraNet Engagement Schedule

Month ²	RRRG Meetings – Focus Area ³	Revenue Proposal Key Milestones
Jan 2026	Finalise Terms of Reference & Engagement Plan Overview & Prioritisation of future sessions	
Mar 2026	Framework and approach – AER position / update Current regulatory period summary Capex Deep Dive 1 – Repex forecast including inputs and assumptions, forecasting methodology, value framework, sample of key projects.	AER publishes preliminary positions on framework and approach paper.
Apr 2026	Opex Deep Dive 1 – including Forecasting approach, inputs and assumptions, forecasting methodology, base year, step changes and trends, EBSS Function.	
May 2026	Capex Deep Dive 2 – Augex, contingent projects, non-network ICT, safety & security forecast including inputs and assumptions, forecasting methodology, sample of key projects.	
Jun 2026		ElectraNet lodges Expenditure Forecast Methodology with AER. Preliminary Proposal to CAP
Jul 2026	Capex Deep Dive 3 – Future Network including network modernisation, network operability / AEMO capability framework. Opex Deep Dive 2 – update	AER publishes final framework and approach paper. ElectraNet publishes Preliminary Proposal
Aug 2026		ElectraNet submits draft models to the AER for review ElectraNet presentation of the Preliminary Revenue Proposal to the AER Board
Sep 2026	Deliverability Trade-offs and optionality Resilience and climate Change ESG, RAB transfers Pricing Methodology Depreciation	Pre-lodgement PRP feedback from the AER

² Dates are subject to change

³ Given the early commencement of the planning process, the RRRG will have the opportunity to revisit the relevant focus areas as new information emerges.

Month ²	RRRG Meetings – Focus Area ³	Revenue Proposal Key Milestones
Nov 2026	Overview of Revenue Proposal	
Dec 2026	Engagement evaluation	
Jan 2027		ElectraNet lodges Revenue Proposal with AER
Mar 2027		AER publishes issues paper
Apr 2027 – Aug 2027	TBC	
Sep 2027		AER publishes Draft Decision
Oct 2027	TBC	
Dec 2027	Overview/update of revised Revenue Proposal	ElectraNet lodges revised Revenue Proposal with AER
Feb 2027	Engagement evaluation	
Apr 2027		AER publishes Final Decision

Appendix A AER Guidance on engagement.

The AER's Better Resets Handbook (2021) outlines its expectations for consumer engagement, emphasizing a principles-based approach rather than prescribing specific methods or models. These principles are designed to provide flexibility while ensuring that engagement is meaningful and effective. These principles include:

- ***the nature of engagement*** – is about how networks engage. This has regard to factors such as the sincerity of engagement, whether consumers are partners in forming revenue proposals, how consumers are equipped to effectively engage with the material as well as transparent reporting and delivery of commitments;
- ***the breadth and depth of engagement*** – this incorporates elements such as providing a clear and transparent engagement plan that sets out objectives, issues/topics for discussion and the level of participation and influence expected. In addition, consumers should help guide the proposal and be consulted on the long-term outcomes; and
- ***clearly evidenced impact of this engagement*** – this is the link between consumer views and how the revenue proposal gives effect to these. This also involves having regard to whether consumers support proposals either verbally or in writing, to help assess the quality of engagement undertaken.

Appendix B Reference guide to a revenue proposal

The following provides a high-level explanation of key elements of the building blocks and other elements of a revenue proposal. It is intended to help stakeholders understand some of the terms and concepts commonly referenced.

Term	Description
Organisations	
Australian Energy Market Commission (AEMC)	The organisation that manages and updates the National Electricity Rules (Rules).
Australian Energy Market Operator (AEMO)	The national body responsible for managing the operation of electricity and gas markets across Australia.
Australian Energy Regulator (AER)	The organisation that monitors performance and compliance with the Rules.
Transmission network service provider (TNSP)	An organisation that owns, controls or operates a transmission system.
Building-blocks and core components	
Maximum allowed revenue (MAR)	The maximum revenue set by the AER for a regulated business, determined through a building-block approach.
Regulatory asset base (RAB)	The total value of regulated assets.
Rate of return	The return a business can earn on its regulated assets each year – expressed as the weighted average cost of capital (WACC).
Weighted average cost of capital (WACC)	A financial metric used to measure a company's cost of capital, representing the average rate a company needs to pay its investors to finance its assets and operations. The methodology adopted by the AER to determine the rate of return is published in the Rate of Return Instrument.
Depreciation	An annual allowance to reflect the reduction in the value of an asset over its lifespan i.e. due to wear and tear.
Tax	The calculated tax payable by the business.
Operating expenditure (Opex)	The expenditure to operate, maintain and support network assets and business activities.
Capital expenditure (Capex)	Expenditure to build, replace or enhance assets.
Incentive Schemes	
Capital Expenditure Sharing Scheme (CESS)	A regulatory scheme that applies to capex, designed to encourage a business to make efficient capital expenditure (investment) decisions
Efficiency Benefit Sharing Scheme (EBSS)	A regulatory scheme that applies to opex, designed to provide a continuous incentive for a network business to pursue cost savings in operating and maintenance expenditure over a regulatory period.

Term	Description
Service Target Performance Incentive Scheme (STPIS)	(STPIS) A regulatory scheme that encourages a business to improve or maintain high service levels for National Electricity Market (NEM) participants and end users. The STPIS is currently under review with a draft version 6 published in November 2024.
Demand management innovation allowance mechanism (DMIAM)	A regulatory scheme that provides a business with funding for research and development in demand management projects that have the potential to reduce long term network costs.
Key supporting documents	
Business narrative	A document that describes the operating environment and external factors that may impact the business, e.g. economic outlook, regulation, Government policy and customer drivers.
Cost allocation methodology	A document detailing a business' methodology for attributing (operating or capital) costs to prescribed, negotiated or non-regulated transmission services.
Expenditure forecasting methodology	A document required by the AER that sets out how a business will forecast its operating and capital expenditure requirements in its Revenue Proposal.
Pricing methodology	A document that describes how the maximum allowed revenue (MAR) is allocated across different prescribed transmission service categories.
Other terms	
Integrated System Plan (ISP)	A strategic plan developed by AEMO to guide efficient, coordinated transmission investments across the national electricity grid.
Actionable ISP project	A project to address an identified need specified in an ISP and which forms part of an optimal development path.
Contingent projects	Typically, large (>\$30m or 5% MAR in the first regulatory year), uncertain and location-specific projects that may be required to be undertaken within a regulatory period subject to certain triggers. The revenue for these projects is not included in the MAR.
Contingent project triggers	Specific conditions, defined and agreed upon during the regulatory determination process, which indicate when a contingent project should proceed.
Inputs & assumptions	The key inputs and assumptions that underpin a business' capital and operating expenditure forecasts in a Revenue Proposal, e.g. demand forecasts.
Nominated pass-through event	A material event that cannot be insured for or where it is uneconomic to self-insure, e.g. terrorism events.
Opex base year	A year chosen that represents typical operating costs, with any one-off costs removed, to illustrate ongoing, efficient expenditure.
Opex step change	Expected changes in costs (up or down) that have not been captured in the base year or rate of change but are applicable to the next regulatory period.

Term	Description
Opex trend	The expected rate of change in operating costs, based on forecast changes in network activity, costs of labour and materials, and productivity.
Price path	The estimated price that an average customer, like a typical household or business, will pay over a regulatory period.
Revenue path	The total revenue a business is allowed to earn each year over a regulatory period, typically five years.
Shared assets	Assets included in the regulated asset base that provide both prescribed and either non-regulated transmission services or non-transmission services, such as oil testing services for ElectraNet.

Categories of Capital Expenditure

ElectraNet defines its capital expenditure forecasts in the following ways.

Capital Expenditure	
Network	
Augmentation	Works to reinforce or extend the existing network, e.g. new lines and substations.
Easements	Acquisition of transmission line easements and substation sites to facilitate projected expansion and reinforcement of the network.
Replacement	Works required when existing assets need to be retired due to end of life, asset obsolescence, asset reliability or safety requirements.
Security/Compliance	Works to ensure compliance with various technical, safety or environmental legislation, including works to ensure the physical security of ElectraNet's assets.
System services	Works to meet overall power system performance standards and support the secure operation of the power system, including provision of system strength services from network assets.
Other	All other network expenditure that provide prescribed transmission services, e.g. communications systems enhancements and insurance spares.
Non-Network	

Categories of Operating Expenditure

ElectraNet defines its operating expenditure forecasts in the following ways.

Operating Expenditure	
Network maintenance	all transmission network maintenance, including routine, condition based, and corrective maintenance, maintenance projects and field support activities
Operational	activities are those associated with the operation of the transmission network and include system control monitoring and switching as well as fault investigation and network performance monitoring and planning

**Operating
Expenditure**

Asset manager support activities that support the strategic development and ongoing asset management of the network life-cycle cost management including standards development, overall asset risk profile management. It also includes the costs of running processes and systems that support the asset management function such as regulatory costs, IT, network planning and project support.

Corporate support Activities are required by ElectraNet in order to ensure adequate and effective corporate governance

Network support relates to payments made to a generator or other person for providing network support services that is an alternative to network augmentation.

