



# Clarifying Outputs & Engagement for 2026

Revenue Reset Reference Group

27 JANUARY 2026

# Agenda

Item	IAP2	Time
Introduction and Acknowledgement of Country	N/A	10:00 to 10:15
Finalise RRRG's Terms of Reference and output	Collaborate	10:15 to 10:45
This year's engagement / meeting schedule	Empower	10:45 to 12:30
Resourcing RRRG in 2026	Collaborate	
Other items	Open discussion	12:30 to 1:00
Close		1:00

# RRRG Expected Output

Collaborate

# Proposed amendment to RRRG Terms of Reference

**Two limbs: Minimum acceptable & Target level**

First limb: aligns with AER Better Resets Handbook

Second limb: align with NER 6A.6.7.5A(5) (capex) & 6A.6.6(e)5A (opex)

**Outputs: Independent report; written responses**

RRRG comment on how forecasts address consumer concerns

Potentially remove PRP response if item 2 adopted

# Proposed amendment to RRRG Terms of Reference

## Anticipated Outcomes

- 2
- → ...
- → Prepare a written response for the CAP to ~~an anticipated "Preliminary Revenue Proposal" and responses to~~ the Australian Energy Regulator (AER) about the degree of acceptability of both the ~~initial Revenue Proposal~~ and Revised ~~Regulatory Revenue~~ Proposals.
- → ~~For the Revenue Proposal would take the form: Production~~ of an "Independent report" as per the AER's Better Resets Handbook.
- → ~~The report would address two themes:~~
  - → ~~Engagement -- the extent to which consumer preferences, 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 include expenditure to address the concerns of electricity consumers as identified by ElectraNet in the course of its engagement with electricity consumers through the RRRG~~
- → ~~The report in relation to the Revised Revenue Proposal would be similar, but adjusted to reflect the issues addressed in that proposal.~~
- → Overview of ElectraNet's capex and opex performance during the during the current period.
- → Contribute to the CAP Annual Report and ElectraNet Board presentation with contribution to other reports or presentations if required.
- → ~~Prepare a written response to ElectraNet's Revenue Proposal and Revised Revenue Proposal for CAP consideration~~

Refer pp. 1-2 of attached  
*Terms of Reference\_proposed adjustment.docx*



# Revenue reset engagement approach

Collaborate and Empower

# Approach as per engagement plan (collaborate – now complete)

TNSPs approach consumer engagement by engaging with consumer representatives rather than individuals

Transmission is an abstract service for consumers

Direct consumer engagement would be costly/inefficient

CAP is our mechanism for consumer engagement on the Reset

RRRG is CAP's approach to consumer engagement on the Reset

Confirmed in the engagement plan (excerpt)

## 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 representatives organisations spanning general consumers, the disadvantaged, business interests, local government, industry, small business and the mining sector.



# Is this the answer to the question?

## Capex

Capex forecast

Forecasting method

Inputs and assumptions

(Repex projects - 80:20 rule )

Non-Network ICT

Contingent and ISP projects

## Opex

Forecasting method

Step changes

Trend and productivity

(Base year)

(Non Network ICT)

## Other

Depreciation

Trade-offs optionality

Resilience and climate adaptation

ESG

RAB transfers

Are (all of) these (all of) the issues you must consider this year to support you in writing the report we just aged on in the terms of reference?

1. What do you want to retain?
2. What do you want to change?
3. What do you want to add?
4. What do you want to remove?

# Potential Capex approach

(one we prepared earlier)

Item	Description	IAP2	When	How long	Sequencing
Forecasting method	Conceptual discussion of how capex forecasts are prepared by segment: <ul style="list-style-type: none"> <li>• Repex</li> <li>• Network</li> <li>• ICT</li> <li>• facilities</li> </ul>	Inform	Ready now	90 minutes	Any time
Inputs and assumptions	Show values used across forecasting	Inform	Ready now	Part of forecasting method	Any time
Non-Network ICT (80:20 rule)	Description of sample of proposed Non network ICT projects ( <i>note that uncertainty will exist as to capex opex (cloud) split</i> )	Consult	TBD ask Prue	90 Minutes	After methodology
Repex projects (80:20 rule)	Description of sample of proposed Repex projects	Consult	TBD ask Prue	90 Minutes a few times	After methodology
Contingent and ISP projects	Summary of proposed Contingent projects Can't really anticipate future ISP projects	Consult	TBD ask Prue	90 Minutes	After methodology
Capex forecast	Progressive update of level of total forecast reflecting changes throughout the year (not necessarily to explain the changes but to observe them)	Inform	Ongoing	Meeting open	ongoing

# Potential Opex approach

(one we prepared earlier)

Item	Description	IAP2	When	How long	Sequencing
Forecasting method	Conceptual discussion of how opex forecast is prepared: <ul style="list-style-type: none"> <li>• Base Year</li> <li>• Trend (rate of change – describe inputs to AER method)</li> <li>• Step changes (describe how this works)</li> </ul>	Inform	Ready now	30 minutes	Any time
Trend and productivity	Description of AER's approach (levels available later) to: <ul style="list-style-type: none"> <li>- Rate of change</li> <li>- Productivity improvement</li> </ul>	Consult	TBD	45 Minutes	After methodology but values only available later
Base year selection	Discussion of ElectraNet's considerations in proposing opex Base Year	Consult	TBD ask Finance?	45 Minutes	After methodology
Non-Network ICT (80:20 rule)	Description of sample of proposed Non network ICT projects ( <i>note that uncertainty will exist as to capex opex (cloud) split so this is listed twice but really in capex</i> )	Consult	TBD ask Prue		Incorporated into capex discussion
Capex forecast	Progressive update of level of total forecast reflecting changes throughout the year (not necessarily to explain the changes but to observe them)	Inform	Ongoing	Meeting open	ongoing

# Potential 'other' approach

(one we prepared earlier)

Item	Description	IAP2	When	How long	Sequencing
Depreciation	Quite a mechanical process with little or no discretion for TNSP. Process known now. Levels known later?	Inform	When are levels available?	60 minutes	Anytime but later if levels
Trade offs and optionality	Not a separate discussion but a matter to be discussed in capex projects? This is maybe not so much a topic of discussion as a question to be considered through all discussions?	Consult	Ongoing	Ongoing	Ongoing
Resilience and climate adaptation	Will be relevant to some capex projects. Speak to Brett but I don't think there is a lot of (any) explicit resilience spending under consideration	??	Speak to Brett	Within capex?	Speak to Brett
ESG	This is an input to many decisions but not a reset parameter as such. We would be happy to talk the RRRG through what we do here but it is not a line item in the reset as such	Consult	Anytime		Anytime
RAB transfers	Arguably should be part of capex though methodologically very different. Not expecting much here	Inform	Late, after PRP		Late, after PRP

# Mode of engagement

# Mode of engagement

How do we want to approach this?

# More detailed engagement approach – Empower

Base engagement on draft Preliminary Revenue Proposal

Share progressive drafts of PRP with RRRG

Update the draft PRP each meeting

Use bubble diagram to track topics and progress

Traffic light system to track which aspects are resolved



# What are the Preliminary Revenue Proposal and Revenue Proposal Overview

## Preliminary Revenue Proposal

Voluntary/ informal document not prescribed in the Rules

- We can develop it to suit ourselves
- Some guidance in *Better Resets Handbook*

Propose to use PRP as the basis for engagement and iterative feedback

PRP will become the *overview paper*

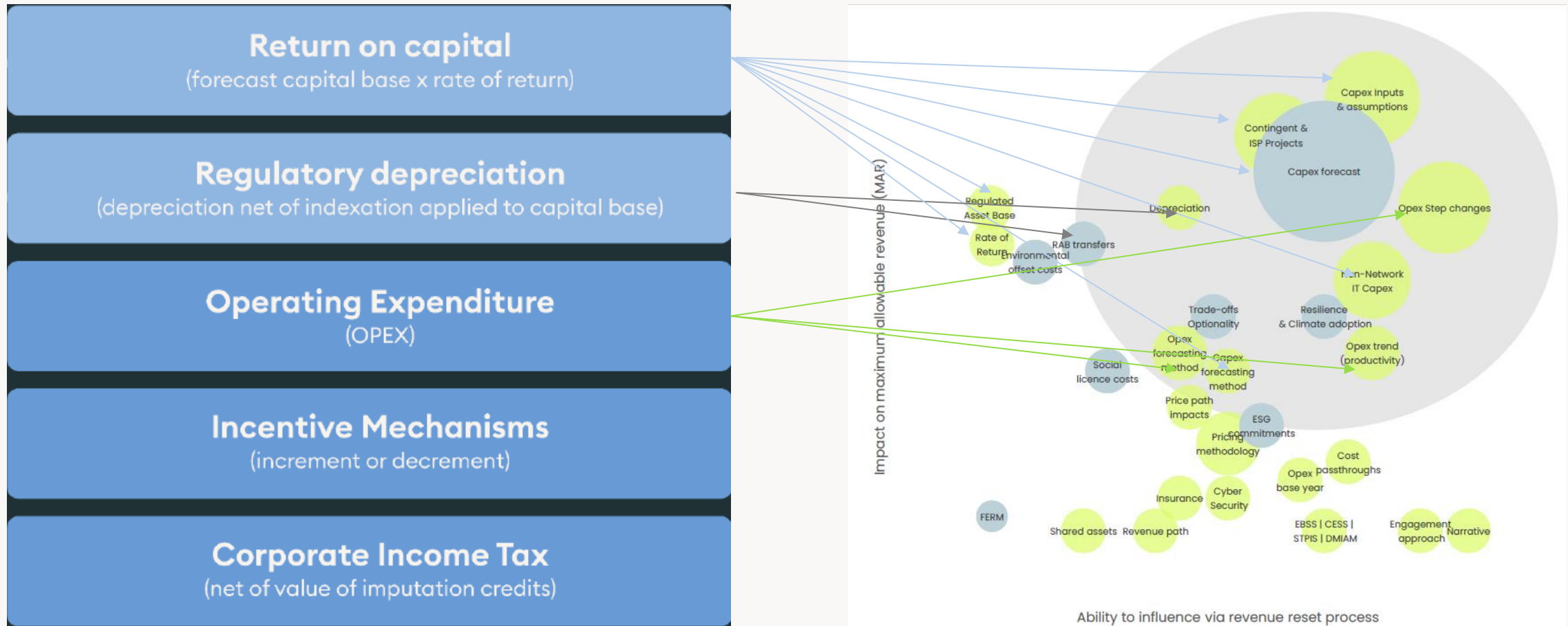
## Revenue Proposal Overview

*The Revenue Proposal must be accompanied by an overview paper which includes each of the following matters:*

- 1. a summary of the Revenue Proposal the purpose of which is to explain the Revenue Proposal in reasonably plain language to electricity consumers;**
- 2. a description of how the Transmission Network Service Provider has engaged with electricity consumers and has sought to address any relevant concerns ... ;*
- 3. a description of the key risks and benefits of the Revenue Proposal for electricity consumers;*
- 4. a comparison of the Transmission Network Service Provider's proposed total revenue cap with ... the current regulatory control period...*

NER 6A.10.1(g)

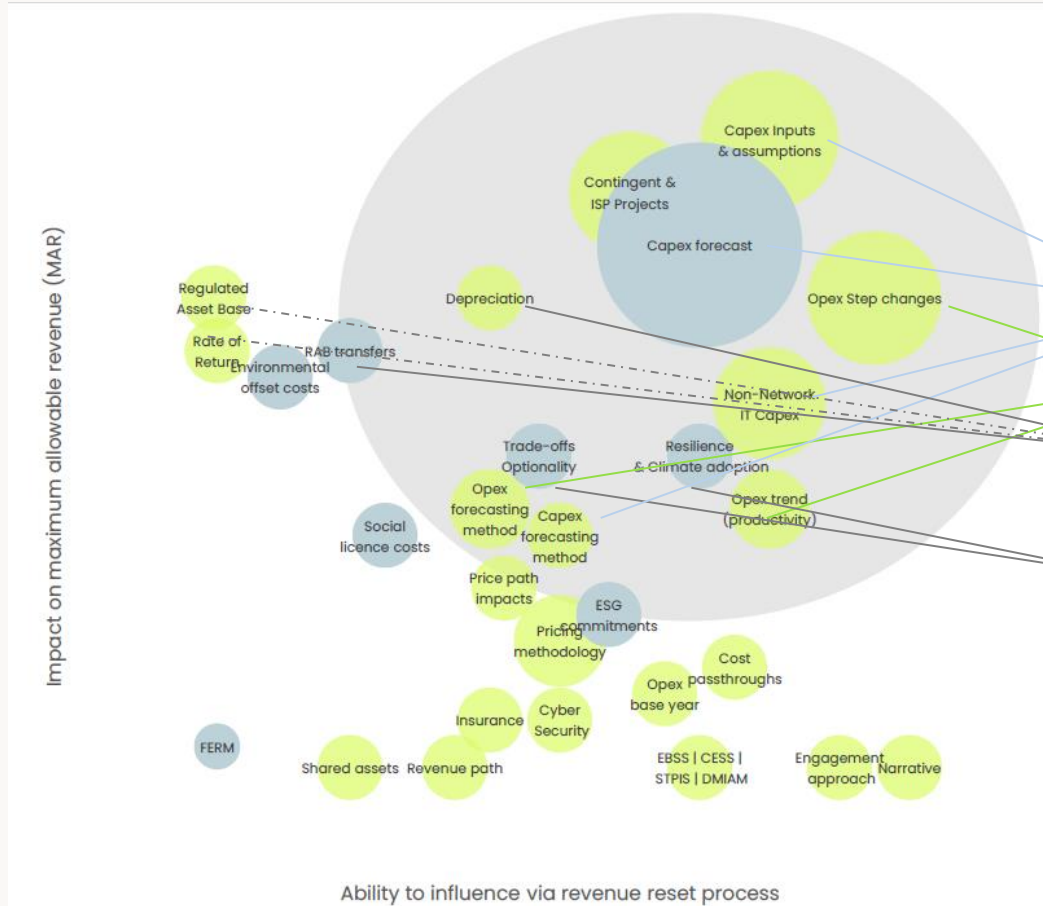
# A summary ... to explain the Revenue Proposal in reasonably plain language to electricity consumers



# A summary ... to explain the Revenue Proposal in reasonably plain language to electricity consumers

## Contents

1. About ElectraNet
2. How consumer engagement has shaped our Revenue Proposal
3. Capital Expenditure
4. Operating Expenditure
5. Building blocks
6. Forward price and revenue
7. Benefits and risks for electricity consumers



# Resourcing RRRG in 2026 (Collaborate)

How are we going to get it done?

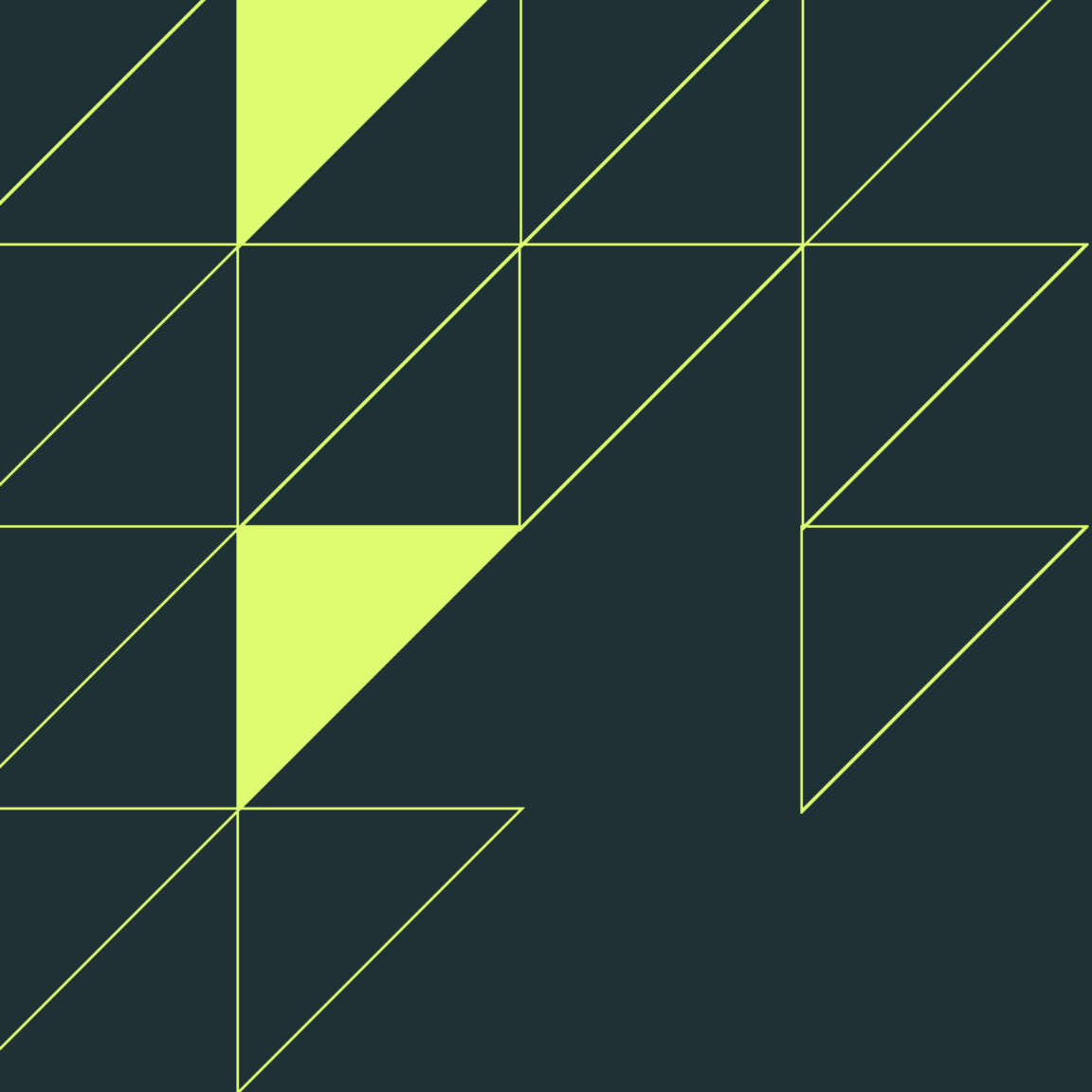
**Other business?**

# Next Steps & Actions

- Agree ToR amendments for RRRG objectives
- Confirm engagement schedule based on draft PRP/RPO
- Identify resourcing requirements for 2026
- Set date for next meeting and circulate materials

# Appendix: Supporting Documents

- ToR (current) and ToR – proposed adjustment
- Previous PRP (for context)
- Contact: Bec Malhotra (Manager Regulation)



**Thank You**