Consumer Advisory Panel Meeting #40 – 23 February 2026 Minutes

ATTENDEES		
Name	**Affiliation / Title**	**Attendance**
	CAP Members	
Leanne Muffet	CAP Independent Facilitator	Attended
Andrew Richards	Energy Users Association Australia	Apology
Craig Wilkins	Consumer Representative	Attended
Georgina Morris	SACOSS	Attended
Greg McCarron	Central Irrigation Trust	Attended
Cathi Buttfield	SA Business Chamber	Attended (online)
Kelly-Anne Saffin	Cross Border Commissioner	Attended (online)
Mark Henley	Consumer Representative	Attended (online)
Simon Maddocks	Primary Producers SA	Attended (online)
Vikram Kenjle	University of Adelaide	Attended
	ElectraNet Representatives	
Claus Repenning	Executive Strategy	Attended
Simon Appleby	Director Energy Policy & Strategy	Apology
Alycia Martin	Stakeholder Coordinator	Attended
Nidhi Karanam	Business & Project Support Officer	Attended
Bec Malhotra	Manager Regulation	Attended (part)
Brad Harrison	Manager Network Planning	Attended
Joesphine Telfer	Engagement Lead	Attended (part)

1. Welcome & Actions

Leanne Muffet (CAP Independent Facilitator) opened the meeting and led the Acknowledgement of Country.

Andrew Richards noted as an apology and Greg McCarron arrived at 9:50am.

The November action items were reviewed. It was noted that no formal submissions on the draft ISP had been received from the CAP, which had been an action item from the previous meeting.

The minutes from the previous CAP meeting were approved, subject to an amendment on page 3 to include Greg McCarron's name alongside Simon Maddocks as leading the Energy Charter discussion.

A CAP member queried whether there had been an update from AER on CCP engagement. Mark Henley advised as a member of CCP there has been no update.

It was noted that Andrew Nance (SAPN CAF) has formally transitioned from SAPN to a role within DEM Planning and Forecasting.

Membership update

Leanne Muffet provided an update on consideration of additional CAP membership to address the current single vacancy. It was noted that appointments remain an invitation-only process, based on (a) representation of a key consumer cohort and (b) alignment with the CAP's required skills and experience.

Discussion was held on approaching Catherine Mooney, the new CEO of SACOME, as a potential candidate. Catherine has 25+ years' experience across mining, energy, and local government, known for her deep industry knowledge, stakeholder engagement, and corporate leadership. If appointed to the CAP she would be asked to join the NTX RG.

CAP members supported the intention to proceed.

ACTION 1: Simon Appleby and Leanne Muffet to engage with SACOME to seek interest in joining the CAP.

Policy Update

Claus Repenning, Executive Strategy, provided policy updates on Project EnergyConnect (PEC), future transmission planning, supply chain risks, governance developments and network reliability issues. Key updates and discussions are outlined below.

Project Energy Connect (PEC) – Regulatory and Consumer Impacts

- Transgrid has submitted a regulatory reopener seeking to recover an additional $1.1 billion, in addition to the existing $2.3 billion, for its share of PEC costs.
- Under the regulatory framework, a portion of interstate transmission costs may be shared through the Modified Load Export Charge (MLEC) with these arrangements expected to apply to South Australia and New South Wales from around FY28.
- The impact on South Australian consumers will depend on energy flows:
    - Increased exports to New South Wales would result in a positive outcome.
    - Increased imports may lead to higher costs for South Australian consumers.
- The additional costs sought by Transgrid will increase the New South Wales "cost pool" used in the MLEC calculation.
- For context, historical payments between South Australia and Victoria under similar arrangements have ranged from–$15 million to +$20 million over the past decade.
- It was noted that existing modelling indicates South Australian consumers are approximately $60 million better off with PEC.

CAP members queried the modelling assumptions underpinning export and import impacts and requested that high-level assumptions and data be shared.
This was taken on notice.
A CAP member also queried whether there have been any changes to previously completed modelling and raised questions regarding the impact of supply-chain pressures on capital expenditure for major projects.

- ElectraNet advised it will continue to update the CAP on known changes and maintain a watching brief, with a focus on delivery outcomes, cost escalation, and risk. It was stated that not all cost increases are expected to be passed through to consumers.

ACTION 2: Brad to follow up on PEC modelling assumptions and provide an update to the CAP.

ACTION 3: ElectraNet to consider what PEC modelling it can share with the CAP

PEC Timing

- **A CAP member** queried the timing of PEC, noting Transgrid is still constructing the project.
- It was confirmed that the expected completion date is the end of 2026.

Future Transmission and Infrastructure Planning

- **A CAP member** shared that Infrastructure Australia has finalised a detailed analysis of:
    - The materials required to deliver major transmission projects across Australia.
    - How these materials could be utilised nationally.
    - Areas where infrastructure planning alignment could be improved.
- The analysis also considers market capability to deliver large-scale transmission projects.
- Key areas of interest include how market escalation may affect project costs and the implications for the Consumer Advisory Panel.
- **Kelly-Anne Saffin** will receive a briefing from *Infrastructure Australia* including material supply and export considerations for transmission projects, and will update the CAP

ACTION 4: Kelly -Anne Saffin to provide an update from *Infrastructure Australia to the CAP*

AEMO Governance Review

- **Claus Repenning** advised that Energy Ministers have agreed to a wide-ranging review of AEMO's governance, announced on 12 February. The review is anticipated to be brief and targeted, with a draft report due in April and a final report to Ministers in May.
- While the motivations for the review are not yet clear, it was noted that it appears to be driven by concerns regarding AEMO's accountability to the states.

Yorke Peninsula Network Reliability

- **A CAP member** raised issues relating to outages on the Yorke Peninsula and queried whether these were within the SAPN network.
- It was confirmed that the outages are entirely within SAPN's network and that ElectraNet has not experienced any unplanned outages in the area. Insulator pollution was identified as a key contributing factor.
- SAPN advised it is developing a replacement program for affected infrastructure and continues to undertake washing activities.
- ElectraNet noted it has invested significant effort in the Yorke Peninsula to minimise the risk of unplanned outages. This matter will be explored further in the RRRG
- **A CAP member** queried whether increasing the frequency of washing had been considered and whether SAPN was already undertaking this activity. It was noted that helicopter washing has occurred; however, SAPN faces challenges due to the scale and age of its infrastructure and the need to prioritise resources.

System Strength

- **Claus Repenning** advised that following engagement with the technical regulator, new gas turbines will be required to include clutches as part of system strength requirements. ElectraNet strongly advocated for these infrastructure costs to be borne by project proponents and addressed upfront, rather than flowing through to consumers via operational costs.

2. CAP Hot Topics

A CAP member highlighted key topical areas, including AEMC pricing, the review of network requirements, and the AEMO governance review, noting these may have interdependencies.

It was noted that these reviews align with broader pricing enquiries and ongoing ISP/DSP-related rule changes. Members also noted that the AEMC has instituted a review of network regulation, which may intersect with the AEMO review.

A CAP member provided an update on emerging supply-chain challenges, noting increasingly complex interstate discussions relating to port capacity and competition, including the Port of Portland, the proposed Port of Hastings and other Victorian ports. It was observed that these cross-border issues are becoming more pronounced and highlighted the importance of greater certainty in supply-chain access.

Cathi Buttfield noted the completion of the **SA Business Chamber consumer energy** December 2025 survey. This included questions relating to energy reliability, outages, and impacts on business expectations. Cathi agreed to present the findings to the May CAP meeting.
ACTION 5: Cathi to provide a summary presentation of the SA Business Chamber consumer energy survey results to the May CAP meeting.

A CAP member provided an update from AEMO relating to renewable energy uptake, noting that government home battery programs have driven significant development in the energy market.

It was observed that while uptake of virtual power plants and home battery schemes has been substantial, the aggregate capacity available to influence the network remains uncertain.

It was suggested that a presentation on distributed energy trends and their potential impacts on the network would be valuable. ElectraNet advised that SAPN could provide a data-driven presentation on distributed energy to support the CAP understanding.

ACTION 6: ElectraNet to explore a presentation from SAPN re: distributed energy trends and their likely impacts on the network.

A CAP member noted recent pricing changes flowing through to large consumers, including a significant reduction in Large-scale Generation Certificates (LGCs), which have fallen by approximately 75%. He also highlighted changes to South Australia's REPS scheme, which has reduced scheme size and excluded larger businesses.

A CAP member responded, noting that the REPS scheme changes have had negative impacts on many smaller businesses across the supply chain. It has been observed that DEM significantly diverged from what was proposed during the March 2025 consultation, shifting away from growth and substantially scaling the scheme back. While some elements were partially reinstated, there remains ongoing uncertainty regarding implications for smaller businesses of the REP scheme and vulnerable consumers.

A CAP member advised that the Department for Energy and Mining is seeking feedback on the South Australian Electricity Development Plan 2025 – plan can be accessed here

3. Demand Forecast Working Group

The Demand Forecast Working Group (DFWG), comprising CAP members Andrew Richards, Mark Henley and Simon Maddocks and facilitated by Leanne Muffet, engaged Energy Quest to independently review ElectraNet's demand forecasting framework and its implications for future transmission augmentation. The review identified potential for additional demand over the next decade, however significant uncertainty remains around key demand drivers and major projects. Current forecasts do not support immediate construction investment but do support continued planning and refinement of future transmission options.

Simon Maddocks presented the outcomes of the review, noting that while there is potential for increased electricity demand over the coming decade, there is substantial uncertainty across key demand drivers and several flagship projects.

- It was noted that, at this stage, none of the assessed projects have a high likelihood of proceeding in the near term, with further decisions required by governments and project proponents before greater demand certainty can be established.
- Under AEMO's Step Change (Base Case) scenario, electricity consumption is forecast to remain largely flat through to 2029–30, with demand growth expected to occur beyond that period, driven primarily by the business sector.
- The findings indicate that while there is no justification for immediate construction investment, there is a strong case for continued planning, monitoring and refinement of major transmission projects to ensure readiness should demand materialise.
- CAP Members noted the importance of maintaining a flexible and evidence-based planning approach given the evolving policy, investment and market environment.

CAP members agreed the independent advice was valuable and consistent with the CAP's current position. Discussion reinforced the importance of maintaining planning readiness while avoiding the risk of building infrastructure ahead of confirmed demand.

Members also noted the value of stronger and more regular information sharing between ElectraNet and the CAP, and the benefit of using the Energy Quest assessment as a reference point over time. Thanks were extended to **Andrew Richards** for leading the RFQ process.

CAP members agreed the findings reinforced that demand forecasting is inherently uncertain:

- The CAP does not currently have sufficient high-probability demand to justify construction investment
- Planning expenditure (approximately 10%) was considered appropriate, while construction was not supported by the current demand outlook
- Risks were noted both in building infrastructure ahead of need and in delaying too long if demand materialises
- It was noted that gas-based steel production at Whyalla would not materially increase electricity demand compared to hydrogen-based pathways
- **A CAP member** suggested using Table 1 (page 7) of the Energy Quest report as a consistent baseline for future CAP discussions, noting the importance of maintaining a stable framework to assess changes in demand drivers, project likelihood and confidence over time, rather than resetting the analysis with each update.

ACTION 7: CAP members to regularly revisit and update Table 1 (page 7) of the Energy Quest report during CAP-only sessions, using the same format as a baseline to track changes over time. Updates will be cross-checked with ElectraNet staff to validate assumptions and ensure alignment with current knowledge and research.

4. Revenue Reset Reference Group Update

Vikram Kenjle provided an update on the Revenue Reset Reference Group (RRRG) meeting held on 27 January 2026. The meeting was also attended by AER representatives as observers.

The CAP and RRRG are not being asked to comment on acceptability of the Revenue Proposal, but rather to *provide informed advice on engagement quality and outcomes*.

Key discussion points included:

- Updates to the Terms of Reference
- Development of a 2026 meeting schedule and program of work
- Identification of key focus areas, including Capex and Opex forecasting, trade-offs, cumulative impacts and interdependencies
- Confirmation that the existing 'bubble diagram' remains appropriate, with flexibility to revisit as issues emerge

ElectraNet outlined enhancements to the engagement process, including earlier and more iterative engagement with the AER and CAP, sharing models and draft material earlier.

Indicative timing discussed:

- Draft material to be progressively shared with the RRRG from March 2026
- Preliminary Revenue Proposal to be published in July 2026
- Final Revenue Proposal to be lodged January 2027
- CAP-endorsed written response to accompany the proposal in early 2027

CAP members noted the importance of flexibility as new issues arise and highlighted the value of early regulator engagement. The next RRRG meeting is scheduled for 24 March 2026.

The Revenue Reset engagement schedule was discussed and ElectraNet advised that a high-level version can be shared with the CAP.

ACTION 8: Bec to circulate the Revenue Reset engagement schedule (CAP and Board version) to CAP members once finalised.

5. NTx Update

Ralf Riccardi, Head of Major Projects, introduced himself and provided an update on the Northern Transmission Project (NTx). Ralf will take on the role of NTX RG lead, working closely with Leanne and Jo in the future.

Project Rationale and Status

Ralf outlined the strategic importance of NTx in:

- Supporting South Australia's economic growth opportunities and future electricity demand.
- Enabling industrial and renewable development while maintaining reliability and affordability at least cost.
- Reducing reliance on interstate imports in the absence of NTx.

It was noted that:

- CPA1B was submitted in January 2026, incorporating feedback from CAP.
- An AER decision is expected in late March / early April 2026.
- Commitment to construction remains at least two years away, with a Financial Investment Decision targeted for mid-2027.
- Without NTx, affordability is expected to be negatively impacted and reliability risks increase, with greater reliance on imported energy and external generation sources, including offshore wind developments in Victoria.
- While the ISP has introduced some uncertainty, the NTx project has not been rejected and remains under review.
- Further analysis is underway, and the identified need for the project in the ISP remains.
- Current focus is on progressing CPA 1B 'no-regret' activities, including early works and approvals.
- The project scope has been refined, with reductions made and savings from previous submissions incorporated to manage costs and respond to feedback.
- Given ongoing uncertainty, maintaining momentum through no-regret activities is important, as loss of momentum may increase costs, delay delivery and negatively impact community confidence.

Planning Assumptions, Milestones and Uncertainty

Despite demand uncertainty, ElectraNet is keen maintain to momentum through a staged, risk-managed approach to avoid long-term cost and delivery risks. This will include a focus on

- **Momentum vs. Caution:** Continue planning to prevent delays but avoid premature construction.
- **Evidence-Based Decisions:** Progression depends on evolving data; ElectraNet must define the specific evidence thresholds required to move forward.
- **Transparency:** Clearly documenting assumptions is vital for CAP oversight.
- **Upcoming Triggers:** Key inputs for future decisions include the June AEMO ISP update, PADR, and CPA1C.

Route Selection Clarification

CAP members raised concerns that the route selection milestone shown on slides could be misinterpreted. It was clarified that:

- Northern route selection has been completed.
- Southern route selection remains underway, with further updates expected in 2026.
- Discussion of Mid North corridors reflects segmentation of information rather than final decisions.
- NTx South involves connection between Bundey and the Adelaide metropolitan area, with multiple connection options under assessment, including Para, Dry Creek and Bolivar.

Community Engagement Update

Jo Telfer, Engagement NTx Lead, provided an update on engagement activities, including:

- Release of a draft "What We Heard" report summarising community feedback.
- Key community themes raised included land use, environmental impacts, bushfire risk and route selection.
- Public consultation on route options is open for four weeks, closing 16 March.
- Ongoing assessment of options including Mid North corridors, Dry Creek, and a potential new substation at Bolivar.

It was emphasised that the "What We Heard" report reflects community feedback and perspectives, *not CAP views*, and is intended to inform ongoing planning and assessment.

ACTION 9: ElectraNet to update the route selection slide to ensure timing and status accurately reflect current northern and southern route selection progress.

6. TAPR 2026 Overview

Brad Harrison, presented on South Australia's energy transformation and transmission planning context, including demand growth drivers, emerging network constraints and the role of transmission investment, including NTx.

- South Australia is entering a new phase of demand growth, driven by State and Federal decarbonisation policies with increasingly electricity intensive economic activity.
- Demand growth is expected to be predominantly industrial and business-led, including:
    - Minerals processing
    - Green manufacturing
    - Digital infrastructure (including data centres)
    - Defence precinct expansion
- Reference was made to the Electricity Development Plan, with demand growth measured in terawatt hours over the next decade.
- Emerging demand hotspots were identified across: Greater Adelaide, Upper Spencer Gulf, Eyre Peninsula, Mid North and South-East.
- Renewable generation continues to expand in the Mid North, Eyre Peninsula and South-East, alongside the retirement of synchronous gas generation.
- Batteries are increasingly providing firming capacity and are largely located in the Mid North, increasing Greater Adelaide's reliance on transmission imports.
- The existing transmission network was not designed for sustained high renewable penetration, two-way power flows or large new regional loads.
- Congestion is emerging, particularly on the Davenport–Adelaide 275 kV corridor, with material impacts expected beyond 2030 in the absence of augmentation.
- At the distribution–transmission interface:
    - Maximum demand in Greater Adelaide is increasing.
    - Net residential consumption is declining due to rooftop PV.

    - 17 connection points are at risk of breaching capacity limits before 2040.
- ElectraNet's coordinated portfolio of projects, including NTx, is expected to deliver lower long-term prices for all major consumer groups compared to a do nothing scenario.
- CAP members asked questions regarding demand assumptions, location of generation and storage, system strength considerations and sensitivities within AEMO modelling.
- Discussion acknowledged the complex and evolving system context, ongoing uncertainty and the importance of a state-based planning framework to support timely transmission development.
- It was noted that recent constraints experienced at individual connection points highlight that these challenges are already emerging at a smaller scale, reinforcing that the issue is a current and live problem, not solely a future risk.
- **CAP members** noted the importance of clearly articulating the "need story" for major transmission projects, including NTx, to ensure alignment between planning, engagement and decision-making.

7. Draft ISP

Brad Harrison presented an update on the Draft 2026 Integrated System Plan (ISP), outlining its limitations for South Australia, ElectraNet's ongoing engagement with AEMO, and the implications for the actionability of the Northern Transmission Project (NTx).

ElectraNet's approach is to maintain momentum at minimum cost, with modest early investment (approximately 2.5%) to keep projects viable, coordinated and ready as part of ElectraNet's broader portfolio, including NTx.

The Draft 2026 ISP is not well tailored to South Australia, noting that it:

- Assumes timely delivery of all interstate energy projects (e.g. Vic offshore wind, NSW REZs).
- Contains modelling limitations and errors relating to South Australian renewable targets, demand assumptions and network representation.
- Collapses South Australia into a limited number of network nodes, overstating internal network capability—particularly between the Mid North and Adelaide.

ElectraNet's position is that:

- Demand is emerging, and the objective is to identify the least cost solution.
- NTx South is required to meet growing demand in Adelaide and surrounds.
- NTx North is required to meet growing industrial demand in northern regions.
- *Without NTx, South Australia faces higher electricity prices and increased reliability risks, due to greater reliance on interstate imports.*

Engagement with AEMO

ElectraNet is engaging weekly with AEMO to improve the representation of South Australia in the ISP and ensure NTx is appropriately assessed. Key requests to AEMO include:

- Adoption of a five-node South Australian network model (Greater Adelaide; Mid North/Bundey–Robertstown spine; Davenport/Port Augusta; Eyre Peninsula; South-East), noting the current ISP uses only three nodes.

- Sensitivity testing of interstate energy and storage projects being delayed or not delivered.
- Inclusion of a probabilistic overlay for large industrial load in South Australia.
- Accurate modelling of the legislated net 100% renewable target in South Australia.

Demand Forecasting

It was noted that:

- Demand forecasts in the Draft ISP are too conservative for planning purposes.
- Probabilistic analysis across a broad range of industrial projects indicates statewide electricity consumption could increase from approximately 12 TWh to up to 30 TWh under central growth conditions—materially higher than AEMO's Step Change scenario.
- This analysis does not assume all projects proceed, but reflects different stages of project maturity and probability.

Actionability and Planning Approach

The importance of NTx remaining "actionable", noting that loss of momentum risks increased costs, delayed delivery and reduced community confidence. It was clarified that:

- "Actionable" does not imply readiness for construction but refers to the ability to continue progressing through the RITT, approvals and early works, while uncertainty is resolved.
- Where uncertainty remains:
  - RIT-T activities and early works should continue under a staged approach consistent with the Rules.
  - Sensitivities and risk scenarios should be tested to inform future decision points.

CAP Discussion:

A CAP member noted that the presentation was genuinely well informed, clearly demonstrating how the different elements of the system fit together. He observed that demand forecasting is an important input, but only one component of a broader system picture. This addressed what was missing from the January ISP demand forecasting meeting, where consultants (End Game and EnergyQuest) presented back-to-back without sufficient system-wide context, each presenting a project-specific perspective rather than an end-to-end, state-based narrative.

A CAP member summarised their understanding of the key drivers for NTx:

1. Expected growth in industrial electricity demand over the next 20 years.
2. Increased renewable generation connections, both to supply Adelaide load and to support exports to eastern states.
3. System firming requirements, with batteries increasingly located in the Mid North replacing synchronous gas generation (e.g. Torrens Island).
4. Congestion relief in the South Australian network.
5. **I**mproved resilience of South Australia's electricity supply, reducing reliance on potentially insecure interstate generation.

ElectraNet confirmed this summary reflected the core drivers, emphasising that:

- Demand is increasing, with new energy supply and firming capacity increasingly located in the Mid North, while demand remains concentrated in metropolitan Adelaide.
- Dispatchable generation previously co-located with demand is being replaced by assets located elsewhere.
- Additional transmission is therefore required to move energy and firming capability to load centres, reinforcing the integrated system case for NTx.

8. Wrap Up

Leanne Muffet presented a draft forward schedule, which was well received by CAP members. It was noted that NTx meeting dates will be added to the forward plan, and it was agreed that the plan will be enhanced to support a more structured and forward-looking approach.

It was noted that, following this meeting, the May CAP meeting forward plan will include:

- Table 1 from the Energy Quest report as a standing reference to enable consistent, meeting to meeting comparison of demand drivers and project likelihood.
- Chamber of Business survey insights, where relevant to CAP discussions.

CAP members noted that a significant volume of new information was presented at the meeting and that time would be required to digest and reflect on the key themes.

- Members identified priority topics for deeper discussion at future meetings, particularly the NTx "story",
- It was noted that this information was new for some members and was raised as an important CAP-level discussion, rather than a critique of the material presented.

CAP members confirmed that the November 2026 meeting should have a primary focus on the Revenue Proposal, with August dedicated to reviewing papers.

CAP members also requested more regular visibility of demand forecasting and emerging demand, noting this as a key issue for confidence and planning. It was agreed that a short (5–10 minute) standing update will be provided at each meeting, covering:

- New demand enquiries received.
- Demand progressing to negotiation or higher commitment levels.
- High-level commentary on progression toward certainty (noting this may change slowly over time).

CAP members also noted the importance of continuing to revisit cost recovery as part of broader discussions, recognising that it runs in parallel with transmission planning considerations.

ACTION 10: ElectraNet to provide a standing 5–10-minute demand forecasting update at each CAP meeting

Action Items

No	Action	Responsible
1.	**Simon Appleby and Leanne Muffet to engage with SACOME to seek interest in joining the CAP.**	SA/LM
2.	**Brad to follow up on PEC modelling assumptions and provide an update to the CAP.**	BH
3.	**ElectraNet to consider what PEC modelling it can share with the CAP**	SA
4.	**Kelly -Anne Saffin to provide an update from *Infrastructure Australia to the CAP***	LM / Nidhi / KAS
5.	**Cathi to provide a summary of the SA Business Chamber consumer energy survey results to the May CAP meeting.**	LM/CB
6.	**ElectraNet to explore a presentation from SAPN re: distributed energy trends and their likely impacts on the network.**	BH
7.	**CAP members to regularly revisit and update Table 1 (page 7) of the Energy Quest report during CAP-only sessions, using the same format as a baseline to track changes over time. Updates will be cross-checked with ElectraNet staff to validate assumptions and ensure alignment with current knowledge and research.**	LM/SA
8.	**Bec to circulate the Revenue Reset engagement schedule (CAP and Board version) to CAP members once finalised.**	BM
9.	**ElectraNet to update the NTx route selection slide to ensure timing and status accurately reflect current northern and southern route selection progress.**	RR
10.	**ElectraNet to provide a standing 5–10-minute demand forecasting update at each CAP meeting**	BH