Notes from RRRG meeting

28 JULY 2026 // online // 9am – 11am (ACST)

Attendees:
Andrew Richards, Cathi Buttfield, Georgie Morris, Greg McCarron, Leanne Muffet, Vikram Kenjle

Asks from the RRRG

1. A clear, integrated strategic narrative that sets out the "why", the "why now", and the consequences of not acting.
2. Consumer impact modelling that makes the affordability implications visible, grounded, and defensible.
3. A practical demonstration of execution readiness... showing that the organisation has the capacity, the sequencing, and the risk management needed to deliver the plan without overreach or drift.
4. A transparent view of the thinking behind the proposal ... the options considered, the trade offs made, and a long-term cost trajectory that shows how the investment behaves over time, so members can see the decision making laid out plainly and trust that the proposal has been shaped with care.

Context: Reflections and General Observations

Across the material reviewed, members perceived that the PRP does not yet present a cohesive or intentional case for the proposed $3.2 billion uplift. While the documentation contains substantial raw data, the strategic narrative is not yet fully visible, particularly the case for why the investment is needed, why it is needed now, and what the consequences of delaying action would be. Strengthening this narrative together, including a clear counterfactual, would help build a shared understanding of the risks of inaction and reinforce the overall rationale.

Affordability implications also remain largely unmapped. Members are seeking some consumer impact modelling that makes the cost trajectory visible and defensible for residential customers, small businesses, and vulnerable consumers. Without this visibility, it is difficult for members to see how the proposal will flow through to households and small businesses. Bringing in stronger consumer voice, including the Consumer Challenge Panel, would help demonstrate that lived experience is shaping the design.

Members also noted that further detail on electrification pressures would be valuable, particularly how these pressures intersect with the proposed expenditure.. Without this 'real-world' grounding, it is unclear whether the plan responds to emerging system needs or simply adds cost without demonstrating necessity.

Members are also seeking a practical demonstration of execution readiness. They want confidence that ElectraNet has the capacity, sequencing, and risk management required to deliver the plan without overreach, drift, or accumulation of unspent funds. This includes assurance that assumptions are robust and that delivery bottlenecks have been anticipated.

Underlying all of these issues is a shared need for transparent decision making. Members would value clearer visibility of the options considered, the trade-offs made, and a long term cost trajectory that shows how the investment behaves over time. Making these elements more explicit will support a more constructive and confident dialogue as the PRP continues to evolve.

for discussion

Additional information

IN the interest of transparency, additional information received from RRRG members is supplied as appendices.

for discussion

Appendix A

1. Consolidated Concerns

1.1 Case for the expenditure is not established

- Scale of increase is unexplained: substantial rise in proposed capex expenditure, to $3.2 billion, without a corresponding explanation, risk assessment, or analysis of downstream impact on end-users and consumers.
- No counterfactual ("do nothing") analysis: the proposal does not set out the risks or consequences of not securing the funding approval, making it difficult to weigh the expenditure against the alternative.
- No trade-off analysis: the documentation does not describe the trade-offs considered during planning, so members cannot see what alternatives or opportunity costs were weighed against the preferred option.
- Rationale for specific positions is unclear: where the PRP takes a particular position (on scope, timing or design), the underlying reasoning is not spelled out.

1.2 Consumer and affordability impact is not quantified

- No mapping of cost impost to consumers: the effect of the proposed cost increases on consumer affordability, including specifically for residential consumers, has not been mapped or detailed.
- End-user impact not identified: the documentation does not identify how the expenditure specifically affects end-users.
- Consumer voice is absent: there is no reference to the Consumer Challenge Panel or an equivalent mechanism, leaving a gap in how consumer interests and needs have been aligned with the proposal.

1.3 Analytical and presentational gaps in the PRP

- No "helicopter view": the PRP lacks a clear, holistic storyline connecting its components (the "jigsaw") into a coherent strategic narrative.
- Data-heavy, message-light: the process has been saturated with raw data, which obscures the core message and makes it difficult for RRRG members to explain the proposal's benefits to their own members and consumers.
- Cost profile is unclear: it is not evident whether the expenditure increase is a temporary "hump" or a permanent cost shift, as there is no visibility into the 20-year expenditure forecast to show whether costs level out beyond the initial 4–5 years.

1.4 Deliverability, capacity and data integrity

- Deliverability is untested: it is unclear whether the resources and capacity exist to execute the plan, or whether unspent funds would simply be rolled over due to execution bottlenecks.
- Underlying data assumptions may be under pressure: as local jurisdictions increasingly prepare their own forecasts rather than following national trends, the durability and veracity of the assumptions underpinning the PRP may be affected.

for discussion

Appendix B

Seeking clarification

Revenue: understanding is that "revenue" refers to the total amount ElectraNet is permitted to recover from customers over the 2028–33 period, broadly determined through the building-block approach, return on capital (RAB × rate of return) + regulatory depreciation + forecast opex + corporate income tax, adjusted for incentive scheme amounts.

- On that basis, it would be helpful to understand from ElectraNet the overall revenue movement proposed relative to the current period.

Capital program: The proposed capex of around $3.2 billion is approximately 3.4 times the amount approved for 2023–28. Is that comparison reasonable, and how much of the increase reflects genuinely new investment versus the current period having been a deliberate low point?

Resourcing: What are the implications if ElectraNet is unable to spend approximately $650 million per year due to long lead times on hardware and potential shortages of critical human resources across the sector?

Cost escalation: understanding is that around $816 million of the forecast reflects real cost escalation, including a flat rate applied to categories such as IT and land. Can Electranet clarify the evidence base for applying such flat escalations to those categories?

Reconciliation: The capital figure appears as $3,218m, $3,265m and $4,081m across different tables. Could you confirm which figure the proposal is consulting on, and how these reconcile?

Long term impact: Given that new assets are recovered over 30–50 years, the CAP would appreciate ElectraNet providing a view of the expenditure and revenue trajectory beyond the initial period, together with the recurrent (opex) implications of the augmentation program at the 2033–38 reset.

for discussion