



## Public forum summary – Transmission Planning and Investment Review (the Review)

On 2 September 2021, the AEMC held a public webinar on the *Transmission planning and investment review & Material change in network infrastructure project costs* rule change request. The review will determine if changes are required to the existing network planning and investment regulatory frameworks that underpin the delivery of major transmission projects. Concurrent with the Review, the Commission is considering the rule change request concerning the requirement to reapply the regulatory investment test (RIT) to proposed transmission and distribution projects when there has been a material increase in project costs following the completion of the RIT.

The purpose of the webinar was to inform the discussion on the issues affecting the timely and efficient delivery of major transmission investments. AEMC staff provided an overview of the relevant issues identified in the consultation paper.

The webinar was well attended by market bodies and industry participants from transmission network service providers (TNSPs), retail businesses, customer advocates and peak bodies. Approximately 125 participants attended. In addition, the webinar was attended by AEMC Commissioner, Charles Popple.

The forum included two Q&A sessions where webinar attendees were able to ask questions of AEMC staff. The questions (and some comments) generally related to the following areas:

### Investment in transmission projects

- Participants sought to understand the investment process for transmission projects, such as the ex-ante incentive-based approach to regulation, the cost risks of a project, and the party responsible for the construction of a project.
- Some participants noted overseas investor interest in Australian electricity infrastructure assets.

### Treatment of benefits in the assessment of transmission projects

- Participants sought to understand the treatment of broader benefits and/or non-easily quantifiable benefits in the economic assessment process and how these could impact the cost benefit analysis of transmission projects during the RIT-T process.
- Some participants noted the possibility for higher network costs being passed on to consumers if broader benefits were to be included in the RIT-T process.

### Details of the Review

- Participants sought to understand the links between the AEMC's Review and the Australian Energy Regulator's Rate of Return Instrument 2022 Review.
- Participants sought to clarify details of the Review, such as the scope, timeline, the consultation submissions deadline, and the prioritisation framework used in the Review.

### Details of the Rule change

- Participants discussed whether cost estimates used in RITs should be more robust and sought to understand the cost of preparing different types of cost estimates.

The Commission is seeking stakeholder views on the issues raised during the public forum and on the consultation paper via submissions to the consultation paper. Written submissions are due by **30 September 2021**.