

# Released under FOI

## Sonya Petreski

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**From:** Standen, Kathie  
**Sent:** Tuesday, 27 July 2021 5:15 PM  
**To:** Savage, Clare; Burkitt, Blair  
**Cc:** Roberts, Sebastian; Kaur, Kami; Hassan, Ali; Develin, Liz; Funston, Kris  
**Subject:** RE: Humelink regulatory approval process - application of the ISP [SEC=OFFICIAL]

**OFFICIAL**

Ok. I have emailed him but will go back and advise that you would like to do the meeting.

Ta  
K.

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**From:** Savage, Clare <Clare.Savage@aer.gov.au>  
**Sent:** Tuesday, 27 July 2021 4:27 PM  
**To:** Standen, Kathie <Kathie.Standen@aer.gov.au>; Burkitt, Blair <blair.burkitt@aer.gov.au>  
**Cc:** Roberts, Sebastian <sebastian.roberts@acc.gov.au>; Kaur, Kami <Kami.Kaur@aer.gov.au>; Hassan, Ali <Ali.Hassan@acc.gov.au>; Develin, Liz <Liz.Develin@aer.gov.au>; Funston, Kris <Kris.Funston@aer.gov.au>  
**Subject:** RE: Humelink regulatory approval process - application of the ISP [SEC=OFFICIAL]

**OFFICIAL**

I think I should meet with James on Humelink.

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**From:** Standen, Kathie <Kathie.Standen@aer.gov.au>  
**Sent:** Tuesday, 27 July 2021 2:50 PM  
**To:** Burkitt, Blair <blair.burkitt@aer.gov.au>; Savage, Clare <Clare.Savage@aer.gov.au>  
**Cc:** Roberts, Sebastian <sebastian.roberts@acc.gov.au>; Kaur, Kami <Kami.Kaur@aer.gov.au>; Hassan, Ali <Ali.Hassan@acc.gov.au>; Develin, Liz <Liz.Develin@aer.gov.au>; Funston, Kris <Kris.Funston@aer.gov.au>  
**Subject:** RE: Humelink regulatory approval process - application of the ISP [SEC=OFFICIAL]

**OFFICIAL**

Clare

At our meeting with NSW officials today, James raised the issue of Humelink and requested a further meeting. Specifically he wants to discuss the potential treatment of environmental costs. We will undertake to do so in next week and include in the 11 August Market's Committee discussion.

Thanks  
Kathie.

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**From:** Burkitt, Blair <blair.burkitt@aer.gov.au>  
**Sent:** Tuesday, 27 July 2021 2:13 PM  
**To:** Savage, Clare <Clare.Savage@aer.gov.au>  
**Cc:** Standen, Kathie <Kathie.Standen@aer.gov.au>; Roberts, Sebastian <sebastian.roberts@acc.gov.au>; Kaur, Kami

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<Kami.Kaur@aer.gov.au>; Hassan, Ali <Ali.Hassan@acc.gov.au>

**Subject:** RE: Humelink regulatory approval process - application of the ISP [SEC=OFFICIAL]

**OFFICIAL**

Yes, the PADR has only been completed at this stage, it was published in January 2020

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**From:** Savage, Clare <Clare.Savage@aer.gov.au>

**Sent:** Tuesday, 27 July 2021 1:53 PM

**To:** Burkitt, Blair <blair.burkitt@aer.gov.au>

**Cc:** Standen, Kathie <Kathie.Standen@aer.gov.au>; Roberts, Sebastian <sebastian.roberts@acc.gov.au>; Kaur, Kami <Kami.Kaur@aer.gov.au>; Hassan, Ali <Ali.Hassan@acc.gov.au>

**Subject:** RE: Humelink regulatory approval process - application of the ISP [SEC=OFFICIAL]

**OFFICIAL**

Is it just the PADR that's been completed? I thought it was the PACR?

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**From:** Burkitt, Blair <blair.burkitt@aer.gov.au>

**Sent:** Tuesday, 27 July 2021 1:51 PM

**To:** Savage, Clare <Clare.Savage@aer.gov.au>

**Cc:** Standen, Kathie <Kathie.Standen@aer.gov.au>; Roberts, Sebastian <sebastian.roberts@acc.gov.au>; Kaur, Kami <Kami.Kaur@aer.gov.au>; Hassan, Ali <Ali.Hassan@acc.gov.au>

**Subject:** Humelink regulatory approval process - application of the ISP [SEC=OFFICIAL]

**OFFICIAL**

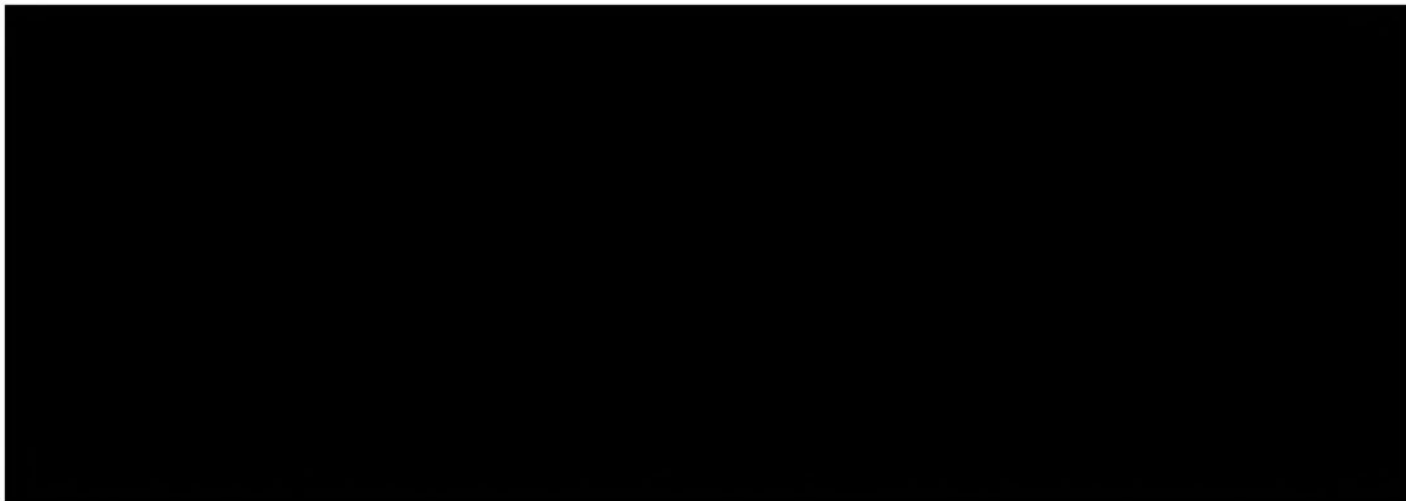
Hi Clare

I understand you are seeking an update on the regulatory processes for the approval of Humelink. I have spoken to Kathie and I have set out below an update on the process and key issue regarding the application of the ISP as part of the approval process.

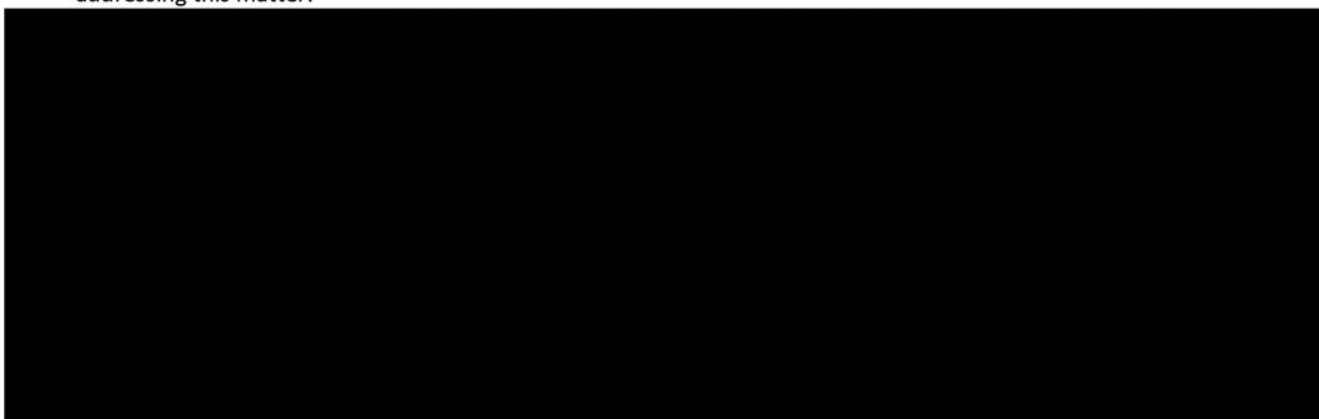
Let me know if any further queries.

- We understand that the Humelink PADR will be published in August 2021 and the PACR will use inputs and assumptions from AEMO's draft inputs and assumptions report published in December 2020.
- The PACR will also include updated costs estimates that are significantly higher than AEMO's assumed costs included in the 2020 ISP of \$2.1b. We have been advised by TransGrid confidentially that environmental offset costs are estimated to be around \$800m.
- Humelink is a transitional project in the NER which means that:
  - TransGrid can use the new project triggers in the NER, which requires the project to pass the ISP feedback loop before a CPA can be lodged with the AER; or
  - TransGrid can access the CP triggers in its 2018-23 revenue determination by applying to the AER for a '5.16' RIT-T assessment and then if we are satisfied the RIT-T has been successfully completed, lodge a CPA.
- The CBA GL requires (binding requirements) AEMO to apply the most recent ISP for assessing the project for the purposes of 'feedback loop'. [REDACTED]

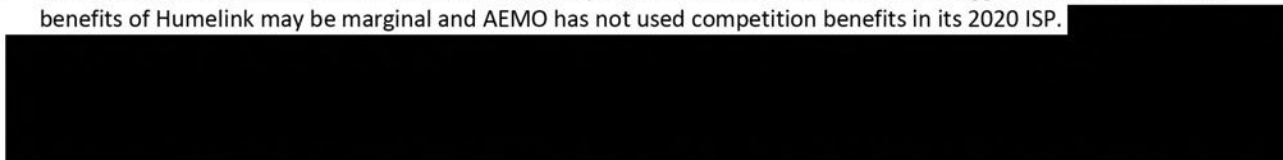
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- Staff are scheduled to discuss this at the Markets Committee on 11 August, and we have identified possible options for addressing this matter:



- We also understand that TransGrid has included competition benefits in its PACR which suggests the net economic benefits of Humelink may be marginal and AEMO has not used competition benefits in its 2020 ISP.



- Staff spoke to DISER on Friday who raised this issue regarding the application of the feedback loop for Humelink following their conversations with AEMO. We indicated that we are in a dialogue with AEMO and we will provide an update once we settled an AER position on this matter.

**Blair Burkitt**

Director | **Transmission and Gas**

**Australian Energy Regulator**

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The AER acknowledges the traditional owners and custodians of Country throughout Australia and recognises their continuing connection to the land, sea and community.

We pay our respects to them and their cultures; and to their Elders past, present and future.