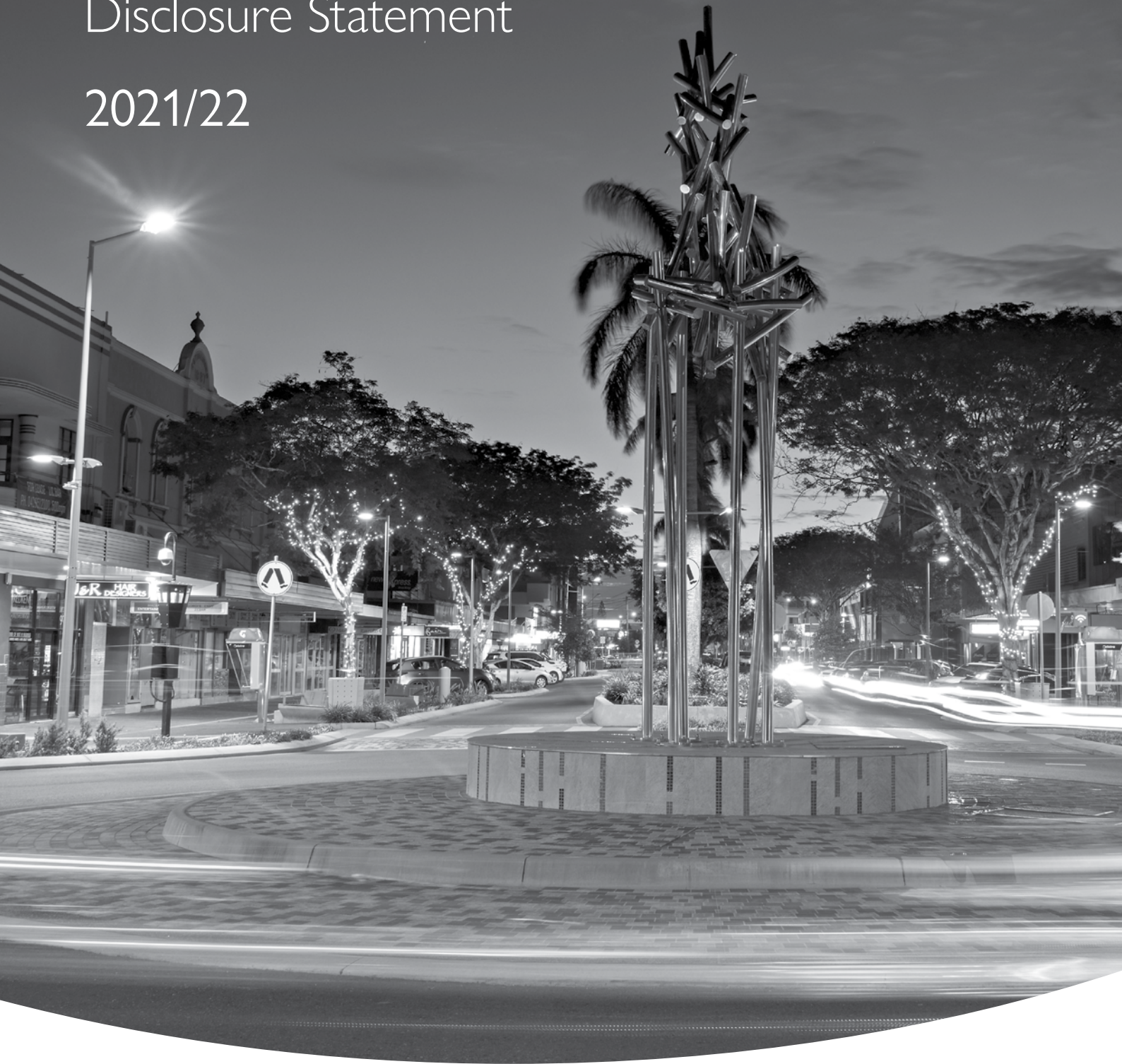


Powerlink Queensland

Energy Charter Disclosure Statement

2021/22



The Energy
Charter



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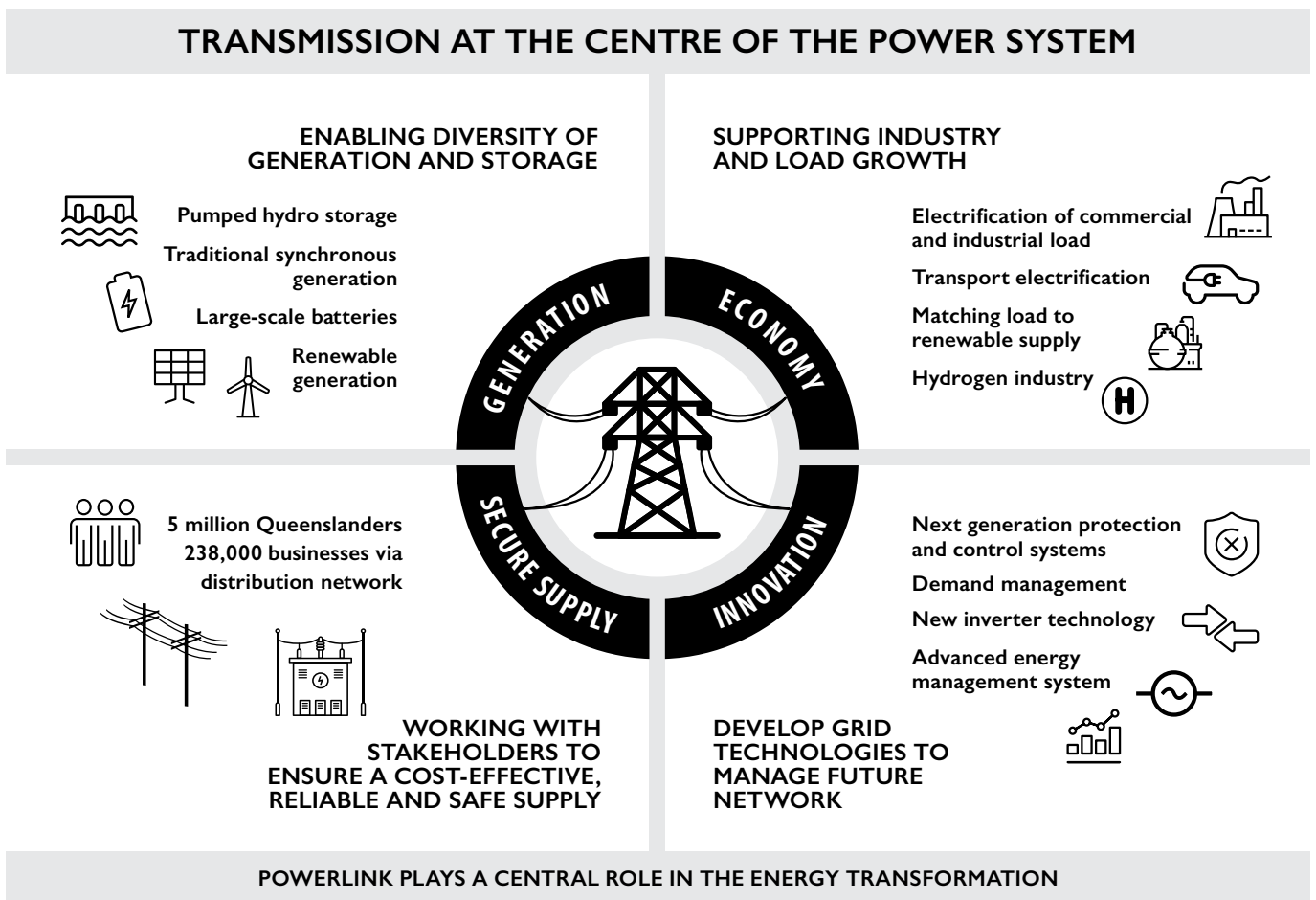
Acknowledgement of Country

Powerlink Queensland acknowledges the Traditional Owners and their custodianship of the lands and waters of Queensland and in particular, the lands on which we operate. We pay our respect to their Ancestors, Elders and knowledge holders and recognise their deep history and ongoing connection to Country.

Introduction and corporate information

About Powerlink Queensland

Our purpose is to connect Queenslanders to a world-class energy future, providing electricity to more than five million Queenslanders and 238,000 businesses. Through our unique central position in the power system, we are guiding the market to help influence the energy system of the future that effectively balances customer needs, while transforming to a low carbon future comprising a diverse array of generation and storage technologies (including large-scale wind and solar developments, batteries and pumped hydro). Powerlink’s network provides the platform to enable the provision of these and many other energy services while maintaining a sharp focus on safety, affordability and reliability of supply for our customers.



Our Energy Charter commitment

The Energy Charter is a national CEO-led collaboration that supports the energy sector towards a customer-centric future. By committing to the Charter, Powerlink joins other organisations across the energy supply chain in committing to progress the culture and solutions needed to deliver more affordable, reliable and sustainable energy systems in line with our community's expectations. This Disclosure Statement has been compiled with input from Powerlink's Board of Directors, Chief Executive and leadership team.

Message from the Powerlink Chair and Chief Executive

The energy transformation continues to present extraordinary complexities and opportunities. We are embarking on once-in-a-generation changes in the energy sector and are excited about working closely with our customers and stakeholders to deliver a better energy future.

In this Disclosure Statement, we present a pragmatic assessment of Powerlink's work that is above and beyond our business-as-usual activities, to deliver better outcomes for customers. We are working hard to be a more customer-centric organisation, and to listen and learn lessons from our customers' experiences. As our customer focus matures, we believe customer engagement is becoming more deeply embedded as a business-as-usual activity for our organisation.

Powerlink is acutely aware of the impact of rising power prices and the adverse effects this may present for our customers. While the contribution of transmission to the average annual electricity bill decreased in the regulatory period just completed, and will again in the next, we know that materially higher wholesale prices are likely to continue for some time. We are working with all parts of the supply chain, policymakers and governments to minimise price rises and provide support for our directly-connected commercial and industrial customers and the more than five million Queenslanders who rely on us every day. We will also continue our focus to support Queensland's vulnerable customers through our work with organisations like Australia's largest non-government provider of community services, Uniting, and their Energy Support Program.

Powerlink is increasingly playing an important role in guiding the energy market in Queensland, acting to advance the interests of all electricity customers as we move towards a low carbon future.

Investment in transmission will be essential as the energy network transforms. Powerlink is applying innovative thinking to ensure we deliver the most appropriate outcomes for customers as we plan and develop the renewable super grid for Queensland.

We are improving our strategies and approaches for asset reinvestment, working our existing assets harder than ever without sacrificing reliability, and capitalising on technology to streamline our project management processes.

We are challenging aspects of the traditional transmission business model and in doing so, appropriately shifting costs and risks away from end-use customers through market-led platforms – all for the purpose of serving Queenslanders.

A challenge for Powerlink is to understand customers across our business, because many of our staff do not have face-to-face contact with them. This year we continued to roll out Powering Ahead culture-change workshops with a segment specifically engaging our people in activities that help them to identify and walk in the shoes of our customers. We also invited all employees to hear directly from key customer representatives at our Customer Insight Forums, together with participation in Energy Charter #BetterTogether initiatives and other insights and capability building activities.

Our Customer Panel is a continued valued source of insight and guidance, helping us to always place customers at the centre of our decision making. In particular, the Revenue Proposal Reference Group (RPRG), a subset of our Customer Panel, was integral in influencing our Revised Revenue Proposal, the main aspects of which were accepted by the Australian Energy Regulator in its Final Decision on Powerlink's regulated revenue for 2023-27.

We are proud that Powerlink won the 2021 Energy Network Consumer Engagement Award for the consumer engagement approach we used during our 2023-27 revenue determination process. The award recognises an Australian energy network that demonstrates best practice consumer engagement and is jointly run by Energy Networks Australia and Energy Consumers Australia. This co-designed engagement process was a key focus for Powerlink over the past three years, involving extensive engagement and input from our RPRG.

We invite you to provide feedback on this Disclosure Statement.

Please email us directly at pqenergycharter@powerlink.com.au.



KATHY HIRSCHFELD AM
CHAIR



PROF. PAUL SIMSHAUSER AM
CHIEF EXECUTIVE

Energy Charter scorecard

Please refer to the Appendix (page 11) for a legend with more context on the methodology behind these measures and metrics.

Measure	Description	Current result	Previous result	Trend
Principle 1 – We will put customers at the centre of our business and energy system.				
Staff understanding of customers *	The extent to which staff feel they know who their customers are. The percentage result represents the proportion of staff who scored 'strongly agree' and 'agree' (i.e. those who scored between 8 and 10).	91% (April 2022)	89% (May 2021)	↑
Principle 2 – We will improve energy affordability for customers.				
Customer view on affordability #	The extent to which customers agree or disagree with the statement: 'These energy suppliers are working to make electricity more affordable'. Scores are reported as 0 to 10, with 10 being full agreement.	5.6 (April 2022)	5.6 (November 2020)	●
Principle 3 – We will provide energy safely, sustainably and reliably.				
Customer view of reliability #	The extent to which customers agree or disagree with the statement: 'These energy suppliers provide my household with a reliable energy supply'. Scores are reported as 0 to 10, with 10 being full agreement.	7.7 (April 2022)	7.7 (November 2020)	●
Customer view of security of supply #	The extent to which customers agree or disagree with the statement: 'These energy suppliers give me a sense of security about my electricity supply'. Scores are reported as 0 to 10, with 10 being full agreement.	7.0 (April 2022)	7.0 (November 2020)	●
Renewable generator connections finalised	Renewable electricity generator connections completed into Powerlink's transmission network.	482MW (during 2021/22)	558MW (during 2020/21)	N/A
Future renewable generator connections	Renewable electricity generator connections committed for Powerlink's transmission network.	615MW (during 2021/22)	778MW (during 2020/21)	N/A
Principle 4 – We will improve the customer experience.				
Social licence to operate ^	The level of acceptance or approval granted to Powerlink by its stakeholders. Results are on a scale of 1 to 5, where 5 is full trust.	3.78 (December 2021)	4.03 (October 2020)	↓
Net Promoter Score ^	The Net Promoter Score (NPS) asks stakeholders to rate Powerlink, on a scale of 1 to 10, how likely they are to recommend the organisation. The NPS is calculated in full Stakeholder Perception Surveys conducted every two years by subtracting the percentage of detractors from the percentage of promoters.	N/A	-24 (October 2020)	N/A
Reputation score ^	How stakeholders perceive public sentiment towards Powerlink. Results are a scale of 1 to 5, where 5 is the highest.	3.73 (December 2021)	3.75 (October 2020)	●
Customer trust score ^	This is measured as the mean of the promise keeping and listening scores. Results are on a scale of 1 to 5, where 5 is the highest.	3.78 (December 2021)	3.96 (October 2020)	↓
Complaints closed to customer satisfaction +	This is measured on a 12 month rolling average.	83% (30 June 2022)	96% (30 June 2021)	↓
Principle 5 – We will support customers facing vulnerable circumstances.				
Powerlink has no specific quantitative metrics regarding customers in vulnerable circumstances. Qualitative detail about Powerlink's approach to customers in vulnerable circumstances is included within discussion on Principle 5 in this Disclosure Statement.				

Key: ↑ Improving ● Stable ↓ Declining

Highlights and learnings

Working our network harder

We are committed to innovation that delivers better outcomes for our customers. With this driver in mind, we have developed a technology platform that enables us to work our transmission network harder, reduce customer outage impacts and avoid delays to capital projects. This solution, known as Wide Area Monitoring Protection and Control (WAMPAC), is the first of its kind in Australia and only the second in the world.

WAMPAC is an advanced control system developed by Powerlink over the past five years to quickly detect and respond to events on the network, and so maintain network stability.

Improved operation and utilisation of the network increases the availability of the network outages required to undertake works on the system, better meets the needs of renewable generators and other customers, and minimises market impacts. The technology is well suited to address the system strength impacts of outages, system security and integration with batteries, and demand response activities.

We are implementing the WAMPAC platform in a phased approach that began by addressing system reliability between Central Queensland and Southern Queensland and supporting the connection of renewable generators. The present focus is on enabling Powerlink's capital works program in North Queensland by increasing the number of network outages which can occur concurrently while minimising constraints on renewable generators.

Over the coming years, the platform's physical footprint and capabilities will be progressively increased, with a view to maximising the value to our customers.

Driving benefits from Renewable Energy Zones

Our goal is to put downward pressure on electricity prices by connecting cheaper renewable generation in a way that minimises costs and risks for Queensland households and businesses. By coordinating development in areas of high renewable potential, we can support cost-effective, grid-connected renewable energy projects that provide energy at low prices per megawatt hour (MWh).

As the energy system transforms, Powerlink is committed to implementing a market-based, generator-pays Renewable Energy Zone (REZ) model which promotes the appropriate allocation of risk and costs, and is delivered through non-regulated funds to the greatest extent possible.

We have continued to enable establishment of REZs across Queensland, underpinned by an approach that will deliver benefits to generators, customers and communities.

In 2021/22 we coordinated the Southern Downs REZ which will unlock an additional 2,000MW of renewable generation capacity, anchored by the 1,026MW MacIntyre Wind Precinct development by Acciona, Ark Energy and CleanCo. The MacIntyre Wind Precinct will be the largest renewable project to connect to our transmission network to date. Powerlink's role will include constructing 65km of new transmission lines and two new switching stations to connect the project to the transmission network.

We are working closely with the Queensland Government to develop a local benefits framework to support the delivery of REZs across the state, in alignment with our Community Engagement Strategy.

Improving transmission line refits

Our efforts to find opportunities for efficiencies that reduce costs and deliver better outcomes for customers has seen a focus on our performance in transmission line refit projects.

Recognising we have an opportunity to improve in this area, we commenced a pilot to explore a new approach of working with our contractors on this type of work. The pilot involves a new contracting process, developed in consultation with our contractors, that features a panel and enables the selected contractor to conduct a more detailed condition assessment of the proposed project to facilitate more accurate quoting of the work before commencement.

This new approach was introduced in January 2022. We anticipate efficiencies and savings, and hope to establish new benchmarks.

As an outcome of our recent Revenue Proposal, we have also embarked on a review of our asset reinvestment approach with the creation of a working group including Powerlink subject matter experts, Customer Panel members, advocates and a representative from the Australian Energy Regulator. The working group has agreed on a review scope and is meeting monthly to investigate our current work practices for improvement opportunities, with a particular focus on transmission line reinvestment activities. They will develop a draft report with potential recommendations for our Executive and wider business to review in December 2022.

Investing in our social licence to operate

Community acceptance of our activities to meet our customers' needs as the energy system transforms is critical. Maintaining our social licence to operate is a business imperative for Powerlink.

Powerlink is actively involved in the *#BetterTogether Landholder and Community Engagement* initiative, working in collaboration with peak agricultural bodies and renewable energy advocates to improve outcomes for communities impacted by energy infrastructure.

Last year's Disclosure Statement revealed details of Powerlink's deepening commitment to proactive engagement with the communities we work in, and the principles of our new Community Engagement Strategy. This year, we began to implement the strategy.

To help us better understand community perspectives and how they contribute to our social licence to operate, we undertook one of Australia's largest community sentiment research programs. We asked the communities of South West Queensland about their views towards renewable energy development and Powerlink.

The research insights showed there was an opportunity to improve community trust in Powerlink to deliver new infrastructure. It identified the strongest driver of trust is to ensure the community receives a fair share of the benefits of development. Other key drivers of trust are Powerlink's responsiveness to community concerns and confidence in governance mechanisms to ensure as an organisation we do the right thing. Communities also value local employment and business opportunities, the ability to provide input to planning processes, and effective environmental management. Informed by these insights, we updated our community engagement approach.

We are piloting the new community engagement approach for the Wambo Wind Farm Connection Project in the Western Downs region. In a shift for Powerlink, we began engaging early with the wider community, before we had made any plans, to ensure our decisions were directly informed by insights from the community. Our first conversations with landholders and other stakeholders involved asking what is important to them and what they wanted to share with us. This input shaped our planning and the transmission connection corridor.

In addition, we launched a community small grants program, with a goal of helping to create sustainable communities, assist economic development and create a positive legacy.

Actions to advance reconciliation

In this first full year of our Reconciliation Action Plan (RAP), we took practical steps to better recognise and include First Nations People and build our cultural awareness and engagement with First Nations communities.

Our RAP helps us to recognise the importance of collaborating with Aboriginal and Torres Strait Islander communities to build understanding and create opportunities. It also commits Powerlink to actions to advance reconciliation. Our RAP Working Group represents all divisions of Powerlink, maintains balanced gender representation, and most importantly, includes a number of Aboriginal and Torres Strait Islander staff. The group provides stewardship as we deliver our commitments under themes of relationships, respect, opportunities and governance.

Representatives of the Jagera/Turrbal Traditional Owners led a Welcome to Country and smoking ceremony to mark the unveiling of Acknowledgement and Apology plaques placed prominently at our corporate office in Virginia, Brisbane to demonstrate our respect for Aboriginal and Torres Strait Islander cultures.

We value our partnerships with Traditional Owners and Indigenous communities, and are committed to engaging with Native Title holders for key projects including the Genex Kidston Connection Project. Through those conversations, we sought the advice of the Gugu Badhun Aboriginal Corporation (GBAC) to nominate a name for the proposed switching station that will be required for the project at Mount Fox, a first for a transmission business in Australia. The Gugu Badhun People selected the name Guybal Munjan™ (pronounced "guy-bel moo-wun"), which means 'fire mountain' in local language¹.

To help Powerlink continue to build stronger and more respectful relationships with First Nations People, we committed to increased resources and expanded the remit of our Indigenous Partnerships team.

We reflected on our employment, engagement and training practices with the aim of increasing Aboriginal and Torres Strait Islander recruitment, retention and professional development. We also developed a business case to support procuring goods and services from Aboriginal and Torres Strait Islander-owned businesses to provide improved economic and social outcomes.

We are making improvements, however there is much more to be done to deliver on our commitments. This is a learning experience for Powerlink and the members of the RAP Working Group. We have sought an additional six months to fully meet our commitments under our Reflect-level RAP and have commenced preparing our subsequent Innovate-level RAP for submission to Reconciliation Australia during 2022/23.

¹The name Guybal Munjan™ is the Indigenous Cultural Intellectual Property (ICIP) of the GBAC and is an unregistered trade mark owned by the GBAC. Powerlink is continuing to work with the GBAC to negotiate a formal agreement for the respectful use of the name.

Battery strategy avoids capital expenditure

With the goal of keeping costs down for customers, in an innovative move, Powerlink is facilitating the connection of large-scale batteries to its network to underpin the energy transformation and avoid capital expenditure.

Powerlink actively seeks technically and economically feasible non-network solutions to avoid or delay the need to augment or reinvest in our network. We do this by engaging with providers of non-network solutions through a formal Expression of Interest (EOI) process.

In 2021 we published an EOI to explore the opportunities in connecting large-scale batteries to the transmission network. The response to the EOI was strong, indicating interest and appetite from potential non-network providers.

In June 2022, we reached a partnership with CS Energy to deliver Queensland's largest Battery Energy Storage System (BESS) at our existing Greenbank Substation, south of Brisbane. The 200MW/400MWh BESS will be built, owned and operated by CS Energy, with Powerlink providing land and connection services. The BESS will be a game-changer for how the electricity grid operates, providing a range of network services including voltage support and system strength to support the connection of future renewable generators.

This non-network solution will also reduce the need for Powerlink to invest in the transmission network, reducing costs for electricity customers.

We continue to work closely with non-network providers to explore other BESS solutions that will deliver customer benefits and help play a role in transforming Queensland's energy system.

Co-designing our customer metrics

To better meet our customers' values, expectations and priorities, in this Disclosure Statement we have shared customer metrics that help us to learn how we can improve.

In previous Disclosure Statements, we reported against metrics developed by Powerlink with no input from customers. This year, our Customer Panel members commented that as part of their greater accountability role moving forward, they would like to have greater input to Powerlink's 2022/23 customer metrics and targets.

In response to this feedback, we framed a process to co-design the metrics, which was supported by the Customer Panel and put into action at the panel's May 2022 meeting. The co-design process ensured that metrics were those our customers believed would best demonstrate our performance and hold us accountable for delivering stronger benefits for customers.

On reflection, we understand that we were previously making assumptions about what our customers wanted and expected from Powerlink. The co-design process brings our customers into this decision-making, with the ability to influence and magnify their views on our performance targets.

While not in this Disclosure Statement, the co-designed customer metrics will be used in future years.

Energy Charter Principles

Principle 1 – We will put customers at the centre of our business and the energy system

Powerlink is on a journey to become a more customer-centric business. Our Board of Directors and Executive Team are driving our customer-centric ambition, applying the *Customer Voice @ the Board Level* resource to promote continuous improvement activities. These actions included updates to our Board induction materials to better align with our customer-centric vision and commissioning research to gain insights into directly-connected customer sentiment. Further actions included adding a new section in Powerlink's 2021/22 Annual Report on 'customer outcomes', improved customer-related metric reporting to the Board through the CEO Report, and key insights from our Stakeholder Perception Survey and Queensland Household Energy Survey.

To help drive and embed cultural changes across our business, we implemented the Powering Ahead program, developed by our people – for our people. Powering Ahead is a collaborative two-day workshop engaging all employees in thinking about and understanding the challenging external context and the transformation required for Powerlink to be a world-class Transmission Network Service Provider. One workshop focuses on customers, including how we bring them to top-of-mind and walk in their shoes through various scenarios. Through experience-based activities, the workshop program engages all employees in clarifying and resetting how and why we need to work together with our customers as we embark on the power system transformation. It was our goal for all employees, leaders and Directors to complete the Powering Ahead program in 2021/22. More than 580 Powerlink people have participated but due to the impacts of COVID-19, we were forced to delay some workshops into 2022/23.

Because of the nature of our business, many Powerlink employees do not have the opportunity to engage face-to-face with customers. To help them step into our customers' shoes, we are bringing customers into our business to talk about their challenges and experiences. In 2022, we held our first Customer Insights Forum where more than 250 employees heard insights from two customer segments – vulnerable households, and commercial and industrial. Uniting shared experiences of hardship and disadvantage faced by people in our community, while Energy Users Association of Australia discussed the challenges our commercial and industrial customers encounter as part of the move towards a net zero future. Our second forum heard from RE-Alliance, an independent not-for-profit organisation supporting the energy transformation with a focus on regional benefits. Their representatives shared with Powerlink staff insights into the consequences of not engaging well with the community.

Our performance management system helps our people to perform at their best and develop to their full potential. We have improved the alignment between individual performance goals and corporate goals to help our people better understand the role they play in helping Powerlink to achieve our business strategy and deliver tangible benefits to customers. Customer-related metrics have been cascaded through the business and integrated into individual performance management metrics. We are planning the next improvement phase which will focus on incentivising success and performance agreements in line with customer outcomes.

Our employee engagement survey found that 91 per cent of our people know who their customers are (89 per cent in 2021) and 86 per cent believe that delivering for customers is one of the most important things our business does (83 per cent in 2021).

Powerlink is facing resourcing challenges as we start to respond to the demands to develop our network more quickly than at any time in the past 50 years. Considering the growing requirement to connect new renewable generators and the associated network complexities, Powerlink will need to ensure its workforce is appropriately skilled and able to sustain this growth, to properly manage power system transformation. To make sure we get our response right, we reviewed our strategic workforce planning process to ensure it enables us to grow responsibly and delivers value to customers.

How we met our 2020/21 Disclosure Statement maturity uplifts

- We implemented Powerlink's new business strategy to place customers at the centre of our business.
- Our cultural immersion program, Powering Ahead, engaged Powerlink leaders and staff in our strategic objectives, which include driving value for customers.
- Our customer-centric vision was incorporated into induction materials for new Directors, part of the *Customer Voice @ Board Level* resource.

Focus for 2022/23 maturity uplift

- Develop and implement 2022-25 Customer Strategy.
- Finalise co-designed customer metrics and reporting processes.
- Target a 5 per cent improvement in responses to customer focused questions from our 2023 Staff Engagement Survey.

Principle 2 – We will improve energy affordability for customers

Reduced transmission prices are a key customer outcome of Powerlink's 2023-27 revenue determination process finalised in 2021/22, with a reduced capital expenditure allowance and flat operating expenditure allowance compared to the 2018-22 regulatory period.

The overall outcome of the Australian Energy Regulator (AER) Final Decision on Powerlink's 2023-27 Revenue Proposal is that Powerlink's contribution to the average annual electricity bill for typical residential and small business customers will decrease by 2.5 per cent in 2022/23, and then rise in line with forecast inflation in the remaining four years of the regulatory period.

The AER considered that Powerlink put forward a well-informed and high-quality Revenue Proposal, underpinned by significant consumer engagement. We achieved our overarching goal of 'capable of acceptance' by our customers, the AER and our shareholders. In developing Powerlink's Revenue Proposal, we collaborated with our Customer Panel, Revenue Proposal Reference Group and other stakeholders through a co-designed engagement process to promote the long-term interests of customers.

Powerlink was also proud to receive the national 2021 Energy Network Consumer Engagement Award for our consumer engagement process implemented during this revenue determination process.

We embedded our two-stage project approval process, which drives more accurate business cases, pricing and timing in our project approval phases. This is now a business-as-usual practice after we completed related change management activities and undertook a cross-divisional review. The review found the process effectively supports cost-effectiveness in project delivery by improving the accuracy of our scoping and estimating functions. To date, seven projects have progressed through this process, all of which have met the approved time and cost projection with no variations required following second stage project approval.

We are identifying ways to reduce costs to our customers by employing more contemporary and technological solutions that boost productivity and efficiency when we maintain and replace transmission network assets. A panel comprising representatives from across Powerlink has developed a method for in-situ replacement of substation secondary systems, which will be trialled in late 2022. This method is expected to reduce costs by up to 30 per cent and minimise impacts from network outages, while ensuring safety outcomes are not compromised.

We inspect our easements and undertake a vegetation management program to keep our transmission network safe, reliable and secure, and to meet our commitments to landholders and the environment. We have invested in research and development into the use of satellite data to better track vegetation growth near our assets. We expect that more accurate and timely vegetation data will deliver efficiencies in our vegetation management activities.

Powerlink is required to source equipment globally due to its specialised nature. Global supply chains have been impacted by supply-side constraints resulting from COVID-19, geopolitical risks and increased equipment demand created by the worldwide transformation to renewable energy. In response, Powerlink has applied new thinking to ensure these issues do not disrupt our local operation and works program.

We reviewed our procurement process to identify opportunities for new approaches that improve timelines and support local businesses, while maintaining quality and reducing costs.

Fostering supplier relationships has assisted us to achieve savings including a 33 per cent reduction on the unit price of relay power supplies. We were also able to negotiate with our supplier to share the impact of increasing steel, zinc and freight costs for transmission tower supply. As a result of this shared position, there was no cost impact passed on to our relevant renewable generation customer.

We also increased our local procurement spend to 61 per cent from 46 per cent the previous year across a broad range of business needs including operating and capital expenditure.

How we met our 2020/21 Disclosure Statement maturity uplifts

- We have reduced transmission prices for residential and business customers through completion of our 2023-27 revenue determination process.
- We expanded our market-driven, generator-pays Renewable Energy Zone (REZ) model to Powerlink's Southern Downs REZ. (Further information on this is available in the 'Highlights and learnings' section of this Disclosure Statement on page 3.)

Focus for 2022/23 maturity uplift

- Reduce the number of generation constraint events on our network below 2021/22 levels to minimise impacts on wholesale market prices.
- Encourage cheaper renewable generation to connect in an efficient and coordinated way to ensure we remain on track to reach the Queensland 50 per cent Renewable Energy Target by 2030.
- Drive productivity and efficiency initiatives to ensure our regulated capital expenditure and operating expenditure are aligned with our AER allowances.

Principle 3 – We will provide energy safely, sustainably and reliably

Through customer and stakeholder engagement, we are ensuring our transmission network is capable of unlocking opportunities and benefits associated with a low emissions energy system and an efficient electricity market to power economic growth and minimise costs to customers.

Whether it's originating Renewable Energy Zones (REZs) to drive coordinated and efficient development, connecting storage such as pumped hydro and grid-scale batteries or supporting new load growth such as hydrogen and electrification of heavy industry, transmission will play a critical role in the power system transformation.

Powerlink's Integrated Electricity Pathways is a long-term planning process to understand the whole-of-system outcomes of different development pathways for electricity generation and transmission in Queensland. We use this analysis as a foundation in our engagement with customers and stakeholders about the future electricity system.

Minimum demand mitigation is a growing challenge. Powerlink is collaborating with industry, government and customers to identify and apply solutions. We believe storage technologies such as pumped hydro and batteries will play a key role.

Powerlink has led a feasibility study, on behalf of the Queensland Government, for the Borumba Pumped Hydro Project. Potentially Queensland's largest pumped hydro energy storage project, it could be capable of providing 2,000MW of generating capacity and 24 hours of energy storage, helping to underpin and strengthen the supply of electricity across Queensland.

Managing system strength on the transmission network is an ongoing challenge in connecting asynchronous renewable generators. Powerlink is regarded as a global leader as we continue to work with renewable generators to significantly reduce network constraints resulting from system strength impacts. Powerlink recently applied a non-network solution of modifying inverter tuning and generator control settings at a wind farm in North Queensland which has enabled the manufacturer of the wind turbine inverter to update their systems globally.

The phased introduction of the Wide Area Monitoring Protection and Control platform on our network will improve its operation and reliability. As noted earlier in this Disclosure Statement (refer to the 'Highlights and learnings' section on page 3), the platform's capability to quickly detect and respond to network disturbances means customer impacts related to unplanned network events can be minimised.

In the second year of our Community Electrical Safety Plan we delivered improvements and took on greater responsibility for informing our customers and the community about safety near our high voltage network. We increased Powerlink's presence at FarmFest 2022, held near Toowoomba, where event attendees showed strong interest in talking about safety near transmission lines and the Look up and Live program, supported by Powerlink. We also assisted with development of the Look up and Live app for Queensland, which enables users to easily locate powerlines in their area. Other target groups for electrical safety include owners and operators of industrial sites near transmission lines, and landholders and residents near substations. We developed a communication strategy to be actioned in 2022/23 to share risk management information with those target groups.

How we met our 2020/21 Disclosure Statement maturity uplifts

- We progressed initiatives to investigate and address network issues that impact renewable generators, future loads and other customers, and cooperated with our peers to influence industry-wide solutions.
- During 2021/22, we completed construction work for two new renewable connection projects, which added 482MW of generation capacity to the National Electricity Market. We also reached connection agreement with a further three renewable generators and Battery Energy Storage System projects that will add 615MW of generation capacity in Queensland.

Focus for 2022/23 maturity uplift

- Help deliver detailed studies for the Borumba Pumped Hydro Project, on time and on budget, to allow for an investment decision by the Queensland Government in 2023.
- Increase the generation capacity across multiple Queensland REZs.

Principle 4 – We will improve the customer experience

Over the past three years we have shifted to a more mature and transparent approach to our relationships with directly-connected customers. This has paved the way for more responsive and tailored services that meet the needs of our generation and load customers including what products and services we should offer to help solve their diverse problems in the energy transformation.

We are developing bespoke resources and enhancing the capacity of our team of connection managers to build stronger relationships with existing customers and better understand how we can help them.

We undertook an engagement survey to check in with our directly-connected customers, to identify opportunities for improving the grid connection process and understand their pain points. Insights from the survey highlighted the need for Powerlink to be more accessible at a senior level, clearer about process, and more transparent and contemporary in our commercial dealings. Reflecting on these insights, we developed an action plan which includes implementing a lessons-learnt process where we will hear from our customers on what we did well and opportunities to improve our grid connection activities.

As an outcome of a previous lessons-learnt process with customers, we developed an early works agreement which gives customers and Powerlink greater flexibility to work outside of Powerlink's normal linear processes to progress a grid connection project. We applied this early works process to two large connection projects, which is enabling us to be more agile and responsive to the customers' commercial needs and project schedules, and provides customers with better visibility and understanding of Powerlink's estimating processes and costs.

We have improved our engagement with local governments and suppliers with a view to increasing local content in our project work, so that economic benefits are shared with regional communities. We held a series of face-to-face and virtual forums with potential local contractors for the Genex Kidston Connection Project and the MacIntyre Wind Precinct Connection Project. In association with our principal contractors, we are keen to maximise local supplier and employment opportunities wherever possible and are progressing work to include local content as a contracted deliverable.

Our newly implemented Community Engagement Strategy guides us to connect more strongly with local communities, build trusted relationships and invest for the longer term in communities that host our infrastructure. We initiated a tiered approach to community benefits commencing with a sponsorship initiative and a trial program of community small grants to deliver benefits to communities and create positive goodwill. Our initial grants program delivered funding to communities in the Western Downs and South Burnett local government areas.

We understand that as we ramp up community engagement activities, our system for managing community feedback must keep pace. Recognising that improving our complaints management system is a step towards improving the quality of our community engagement, we commenced an end-to-end review of the system. The review mapped out key areas for improvement and provides the foundations for a more detailed assessment in 2022/23. We also identified the need to further equip our workforce with the skills to better communicate with customers, seek feedback, and consistently manage issues and complaints.

New and expanded work teams will help to build our social licence to operate to ensure Powerlink is well placed to deliver our future capital works. We strengthened our Landholder Relations team and created a new sub-set Community Relations team, to improve our capacity to engage with landholders and other stakeholders about our current and future network requirements. Our new Indigenous Partnerships team has an expanded remit to engage with First Nations stakeholders and deliver relevant actions of Powerlink's Reconciliation Action Plan. We also recruited additional resources for on-ground engagement with landholders during maintenance activities.

How we met our 2020/21 Disclosure Statement maturity uplifts

- We undertook extensive research to understand community sentiment regarding renewable energy development and Powerlink's activities in South West Queensland, and applied these insights to our engagement approach for the Wambo Wind Farm Connection Project.

Focus on 2022/23 maturity uplift

- Complete the QREZ Community Engagement Pilot and implement lessons learned to deliver local benefits for communities impacted by our infrastructure and operations.
- Embed new account management and information management functions, to provide a more streamlined experience for new and existing directly-connected customers.
- Complete our community sentiment research in Central and Northern Queensland by December 2022 to better understand community needs and concerns associated with renewable development.

Principle 5 – We will support customers facing vulnerable circumstances

To assist customers who are unable to pay their energy bills on time and are experiencing other cost of living hardship issues, we partnered with Uniting to deliver the Uniting Energy Program which provides direct energy support to vulnerable Queensland households. The program advocates for and supports clients to access appropriate rebates, concessions and hardship provisions. In just one example of this outreach, Uniting's advisor was able to avoid electricity disconnection, reduce electricity costs, and set up an affordable payment plan for a customer experiencing severe illness and poor mental health.

Our involvement in the Queensland Chapter of the Thriving Communities Partnership helped us to consider how Powerlink can best build a culture that supports and delivers real benefits to vulnerable customers. Seeking to respond to impacts from the February 2022 floods, our staff formed a 'Share and Care' online group using Powerlink's communication channels. The group facilitated and directed donations of items and equipment to support flood-impacted Brisbane residents and continues to support community outreach activities.

With Powerlink's support, two students graduated in June 2022 with a Diploma in Financial Counselling. The fully-paid, two-year scholarships were delivered in partnership with Ergon Energy Retail (part of Energy Queensland) and Cairns-based registered training organisation, Indigenous Consumer Assistance Network (ICAN) Learn. The scholarship recipients will provide financial counselling to communities that have previously not had access to these services.

The number of university students accessing the high-tech campus facility at the Country Universities Centre (CUC) Maranoa increased by more than 50 per cent with the help of Powerlink's continued sponsorship. One of our own employees joined 124 students registered to access the CUC facility which supports regionally-located students, while achieving a broader goal of contributing to the region's sustainability by keeping students in their communities for the long term.

How we met our 2020/21 Disclosure Statement maturity uplifts

- We established a partnership with Uniting to support Queenslanders in vulnerable circumstances.
- We joined other members of the Thriving Communities Partnership in accessing workshops and research to broaden our employees' understanding of our vulnerable customers.
- We welcomed customer representatives to speak to our employees at our Customer Insights Forums.

Focus on 2022/23 maturity uplift

- Finalise Powerlink's employee volunteer program which will allow all employees one day a year to volunteer their time to support communities and customers in need.
- Double the number of vulnerable customers we support through our initiatives with Uniting and the Thriving Communities Partnership.

Appendix 1

Legend for Energy Charter scorecard

Key	Source	Description of sample
*	Powerlink Staff Engagement Survey – April 2022 and May 2021.	Question benchmarked in independently conducted staff surveys. In 2022 and 2021, the survey was completed by 833 and 710 people respectively.
#	Queensland Household Energy Survey – April 2022 and November 2020.	<p>The annual Queensland Household Energy Survey is conducted jointly between Energy Queensland and Powerlink. Results are not separated by organisation, they are collaborative and jointly-owned measures. 'Customer' in this survey relates to indirect, end user customers who consume electricity.</p> <p>A sample of 4,278 and 4,336 Queensland households participated in 2022 and 2020 respectively, with data weighted to ensure statistically representative results in line with census data.</p>
^	Powerlink Stakeholder Perception Survey – results referenced from the online pulse survey in December 2021 and full survey in October 2020.	Powerlink conducts a full Stakeholder Perception Survey every two years, with an online pulse survey conducted every other year across customers, consumer advocacy groups, contractors/suppliers, environmental/community groups, industry associations, landholders, Local Government, State Government, regulators, unions and utilities. The most current and comparable metrics have been included in this scorecard. In 2021, an online pulse survey was undertaken with 74 stakeholders. In 2020, a full survey exploring a range of measures was completed by 115 stakeholders.
+	Complaints management reporting.	This measure relates to operational complaints which are defined as: <i>An expression of dissatisfaction made to Powerlink related to services, actions, conduct or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected.</i>

Appendix 2

2021/22 Maturity ratings

Maturity level ratings have been assigned in accordance with the [Energy Charter Maturity Model](#).

Maturity levels and definitions		Elementary	Emerging	Evolved	Empowered	Exceeding	Movement in maturity levels	
ENERGY CHARTER PRINCIPLES	1. We will put customers at the centre of our business and the energy system.	Maturity level 2020/21		Maturity level 2021/22	Target maturity level 2022/23		↑	
	2. We will improve energy affordability for customers.	Maturity level 2020/21		Maturity level 2021/22	Target maturity level 2022/23		●	
	3. We will provide energy:	Safely	Maturity level 2020/21		Maturity level 2021/22	Target maturity level 2022/23		●
		Sustainably	Maturity level 2020/21		Maturity level 2021/22	Target maturity level 2022/23		●
	Reliably	Maturity level 2020/21		Maturity level 2021/22	Target maturity level 2022/23		●	
4. We will improve the customer experience.	Maturity level 2020/21		Maturity level 2021/22	Target maturity level 2022/23		●		
5. We will support customers facing vulnerable circumstances.	Maturity level 2020/21		Maturity level 2021/22	Target maturity level 2022/23		↑		

Key: ↑ Improving ● Stable ↓ Declining

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