



Monday, 21 December 2020

The Manager  
Company Announcements  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

**AER releases its Preliminary Position on TransGrid's Contingent Project Application for Project EnergyConnect**

Please find attached Spark Infrastructure's announcement in relation to the AER's Preliminary Position on TransGrid's Contingent Project Application for Project EnergyConnect.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Alex Finley".

**Alexandra Finley**  
Company Secretary



# ASX RELEASE

Monday, 21 December 2020

## **AER releases its Preliminary Position on TransGrid's Contingent Project Application for Project EnergyConnect**

Spark Infrastructure notes that the Australian Energy Regulator (AER) has released its Preliminary Position on TransGrid's Contingent Project Application (CPA) for Project EnergyConnect.

The AER's preliminary position is to provide a capital expenditure forecast of \$1,696 million (\$2017-18) which is 10.5% lower than TransGrid's forecast capital cost, primarily driven by variations in assumptions on environmental offset costs and risks. TransGrid is presently considering the AER's preliminary position.

The AER has indicated that a final decision on the application is not able to be made until TransGrid's Board formally commits to Project EnergyConnect, which is the final Trigger Event that permits the AER to make a determination. As previously reported, TransGrid has lodged a rule change application which is currently being considered by the Australian Energy Market Commission (AEMC). The rule change request seeks to address TransGrid's identified issues in securing financing for its Integrated System Plan projects consistent with regulatory assumptions and the AER benchmark rate of return. This process is not expected to be finalised until the end of March 2021, noting that a draft decision is expected to be published by the AEMC in January 2021.

Project EnergyConnect is a new 900km high voltage interconnector to be built between Wagga Wagga in NSW and Robertstown in South Australia with an augmentation between Buronga and Red Cliffs in Victoria. It is a complex project involving a wide range of stakeholders and is the largest new project attempted to be implemented under the Australian Energy Market Operator's Integrated System Plan.

The AER's Preliminary Position is available on the AER website at [www.aer.gov.au](http://www.aer.gov.au).

### **Further Information:**

**Neil Donaldson**  
Head of Investor Relations

**Phone: 02 9086 3633**  
**Mobile: 0424 818 638**