



MARCHMENT HILL

- consulting -

Growth options assessment for high-voltage transmission services market

the challenge

The energy supply system is changing and so too are the revenue opportunities. Our client wanted to understand the emerging opportunities and risks relevant to non-regulated revenue opportunities within the high-voltage electricity transmission services market and develop a growth strategy which would tap into and leverage new revenue sources.

what Marchment Hill did

MHC utilised a range of primary and secondary research methods to thoroughly investigate and analyse on the opportunities available for non-regulated revenues for transmission network service providers in Australia. The Growth Options report looked at all possible options for expansion with a focus on negotiated and contestable connection services for renewable generators and large loads, high-voltage maintenance services and a range of related market opportunities. The analysis also included a review of the changing regulatory environment for connections services.

MHC used a holistic and detailed approach to analysing the market including:

- Long term forecasts for the number of new connection opportunities from new generators and large loads based on market research and modelling;
- A detailed assessment of connection infrastructure costs and margins available to market participants;
- Market sounding and detailed interviews with key industry participants as part of an assessment of the competitive landscape for connection and other services;
- Detailed forecasts for target market size and market share
- Detailed revenue, cost and EBITDA forecasts, across a range of scenarios;
- A comprehensive risk assessment and sensitivity analysis; and,
- A detailed implementation plan, including resource requirements and operating model options and recommendations.

the benefit

The Growth Options report provided a thorough assessment of the non-regulated revenue opportunities within the high-voltage network services market whilst also delivering a sound implementation plan. The report was used to inform key strategic insights into the growth potential in this market segment, the associated risks and to understand how this growth could be realised.