Electricity transmission licence application form

Purpose of this form

This form must be completed by persons applying to the Essential Services Commission (the commission) for a licence to authorise electricity transmission in Victoria.

Basis for this form

Section 18 of the *Electricity Industry Act 2000* (the Industry Act) provides that a licence application must be made to the commission in a form approved by the commission. This is the form approved by the commission.

Use of this form and the applicant's responsibilities

A licence application may be made by any legal person including, without limitation, individuals, incorporated associations, unit and other forms of trusts and corporations. Entities that are not a legal person (for example, an unincorporated joint venture or a partnership) cannot apply for a licence.

For the purpose of this application form, reference to the term "Officer" includes the applicant's directors and secretary, and other persons who make or participate in making decisions that affect a substantial part of the business (for example, Chief Executive Officer, Chief Financial Officer or General Manager).

The applicant should list the information required in the spaces provided in this form and enclose additional information when required.

The applicant must take all reasonable steps to ensure the information provided in the application form is complete, true and correct.

An officer of the applicant is required to make a declaration to this effect in the application form. Failure to disclose information or misrepresent any matter relevant to such information may result in a licence not being issued or in the revocation of a licence later.

It is a criminal offence under section 61A of the *Essential Services Commission Act 2001* to provide the commission with false or misleading information or documentation.

The applicant is responsible for providing the commission with current, accurate and relevant documentation. It is the applicant's responsibility to make all reasonable inquiries to obtain the information required by this form.

Providing accurate and relevant information and a complete application (answering all questions and providing all information) will assist in timely processing of an application. All applications are assessed on a case-by-case basis. If insufficient information is provided with an application, we will contact the applicant about the requirement for additional information to be submitted before the application is considered further.

Prior reading

It is expected that the applicant has read our Guideline: Applications for electricity and gas industry licences before completing this form.

It is the applicant's responsibility to ensure its compliance with legal obligations when applying for a licence.

Licence conditions

Section 20 of the Industry Act authorises the commission to issue licences subject to conditions as decided by the commission. Licences are published on our website. We recommend the applicant familiarise itself with the relevant conditions and be confident that it can comply with those conditions prior to applying for a licence.

Further information

The applicant should note that we may ask for further information, or to clarify the information that the applicant has already provided with the application.

Consultation and confidentiality

We will consult with relevant government, industry and consumer groups on the licence application through a public consultation process. Applications and/or supporting information that is not confidential will be made available on our website.

If the applicant believes that any information provided as part of its application is confidential or commercially sensitive, it is the applicant's responsibility to clearly identify this information on those documents. The applicant should also provide a 'non-confidential' version of the application form and documents for publication on our website.

How to lodge an application

The applicant may send the completed application form electronically (preferred) or in hard copy to:

Electronically:	licences@esc.vic.gov.au
Hard copy:	Market Operations, Energy Division Essential Services Commission Level 8, 570 Bourke Street Melbourne VIC 3000

Large files

Applicants generally need to send us large files which is often not suitable via email. Please contact us at licences@esc.vic.gov.au to discuss alternative options to provide an application to the commission.

Application fees and annual licence fees

The commission has the authority to set a licence application fee. Currently, there is no application fee.

Holding a licence incurs annual licence fees. Refer to the commission's Guideline: Applications for electricity and gas industry licences for more information regarding annual licence fees.

1. General Information – The Applicant

The applicant must answer all questions in this section.

1.1 Legal name of applicant

State the full legal name of the applicant. The applicant is the person who will be transmitting electricity that will be the subject of the licence.

Name: Powercor Australia Limited

1.2 Legal identity of applicant

Provide the applicant's ABN and ACN (where relevant) and information about the applicant (for example, whether the applicant is a private limited company, trust, or joint venture).

ABN: 89 064 651 109	**ACN:** 064 651 109
Type of entity:	Company

1.3 Contact details and address of the applicant

The applicant	
Business address: 40 Market St, Melbourne	
State: Victoria	Postcode: 3000
Postal address (if different):	
State: n.a.	Postcode: n.a.
Full name of contact person: Zahra Crocker	
Position title: **Manager Regulatory Projects**	
Telephone: [confidential]	Mobile: [confidential]
Email: [confidential]	

1.4 Diagram of corporate and organisational structure

Attach a diagram illustrating the corporate structure (including details of any related companies within the meaning of the *Corporations Act 2001*) and the organisational chart.

a) corporate structure (including any parent and related companies within the meaning of the *Corporations Act 2001*), and

Attachment reference:

Attachment 14 - Diagrams of corporate and organisational structures_Sept 2023

b) organisational chart (including composition of the board, management, and other key personnel responsible for the key functions)

Attachment reference:

Attachment 14 - Diagrams of corporate and organisational structures_Sept 2023

1.5 The Licence and transmission infrastructure details

The applicant must answer all questions in this section.

If the applicant is seeking for a licence to be issued by a certain date, identify this date. **Note: we do not undertake to issue the licence by this date**. The applicant should usually allow a minimum of eight to 10 weeks **once we consider the application to be complete**.

An application is considered complete once we have all the information needed for the commission to make a decision. In other words, when we have no need to request further information from the applicant. This includes a public consultation period of four weeks (generally) as part of our consideration of licence applications.

Provide details on the following
(a) Date from which licence is sought: 1 January 2024.
(b) Transmission asset name: Not applicable. We are seeking a licence based on a geographical area.
(c) Location of transmission asset (including the local government area, nearest town, or other identifying features): We are seeking a transmission licence which encompasses Powercor's distribution network. This is the area described in schedule 1 of the Electricity Distribution Licence issued to Powercor Australia Limited (ESC reference C/22/19829).

(d) Nature and scope of operations for which the licence is sought, including details of works related to the transmission asset (for example, details of the associated generation facility or augmentation of the electricity transmission system):

We are seeking a transmission licence for a geographic area, being the area covered by its distribution network. We will use this licence to deliver new transmission infrastructure to support the connection of customers, such as data centres and embedded generators, to our distribution network. The connection of these customers often requires augmentation of both the distribution and transmission network, given the customer's size of load or generation.

[confidential]

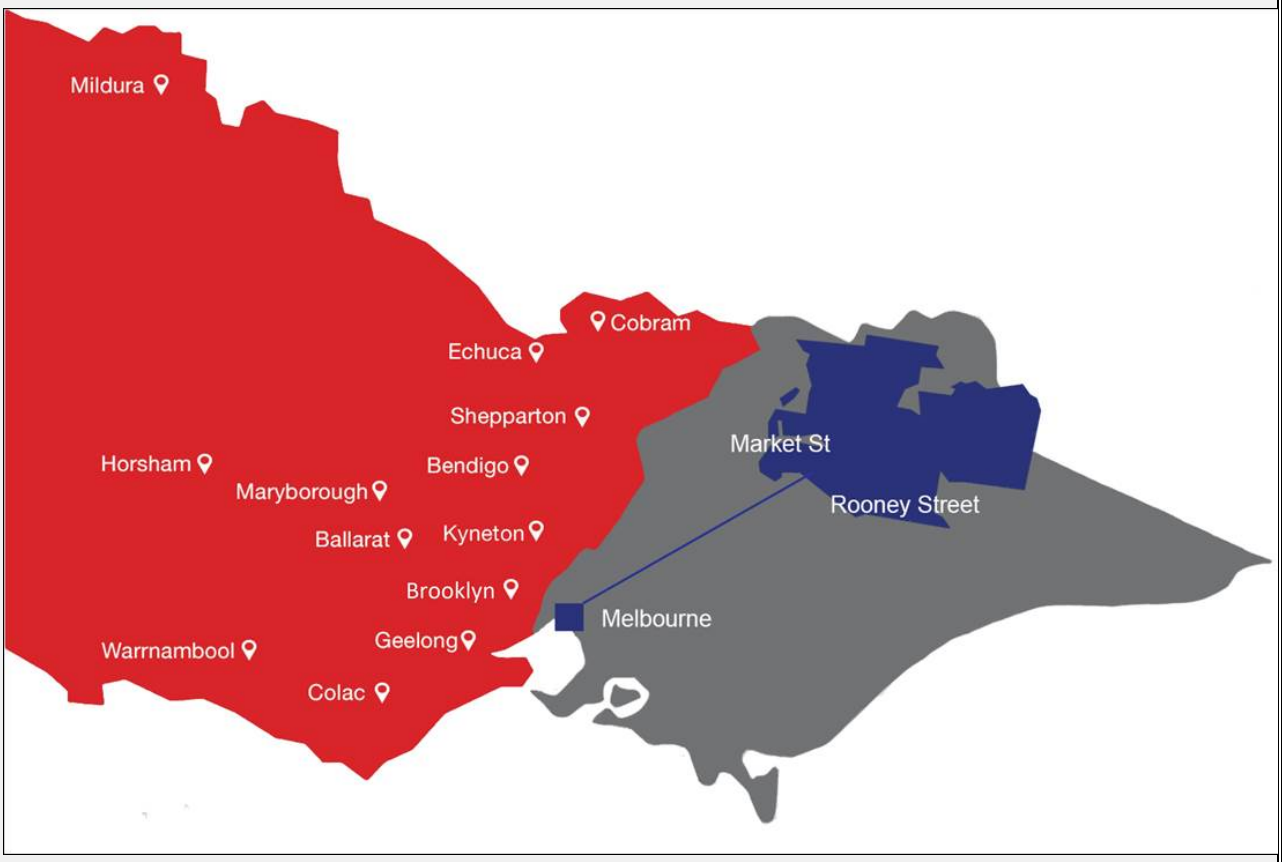
Whilst its recognised transmission licenses are typically granted for specific assets, we are seeking for the ESC to exercise its discretion to grant a transmission licence covering the geographic scope of our distribution network. Such a licence will allow us to seamlessly build, own, operate and maintain any necessary augmentations to the transmission system itself, providing a valuable option for customers **[confidential]**.

We understand that the granting of this licence would be relatively novel for the ESC. As such we are eager to work with the ESC to formulate the scope of licensable activities in a manner that provide the ESC comfort.

[confidential].

(e) Provide a copy of any maps, shapefiles or line diagrams identifying project footprint, transmission routes and proposed location for connection assets (if applicable):

The location of the assets will be confined to the Powercor's licensed distribution area.



We also provide the ESC a link to our Network Visualisation Portal, to enable greater visibility of the assets within the geographic area of the proposed transmission licence.

The portal can be accessed at this link - https://dapr.powercor.com.au/

(f) Provide details about the proposed connection point (include latitude and longitude, as well as names, locations and other useful identifiers):

Please see the information in response to (e) for an indication of the potential locations of our connection points within our distribution network.

(g) Provide details of the proposed connection arrangement (physical and electrical layouts) into the existing transmission network:

We will deliver new shared network infrastructure as functionally defined by the Australian Energy Market Operator (**AEMO**) on a project-by-project basis. As part of this, we will interface with existing declared transmission system operators.

(h) Provide details of the proposed transmission assets (for example, ratings, HVdc technology type, voltage class, substation/converter station details, etc.):

If successful, we will deliver new terminal station infrastructure to connect new generation and load to the Victorian declared transmission network.

This would include, but not be limited to, busbars, circuit breakers, power transformers, capacitors, reactors, and secondary systems as functionally defined by whichever party is procuring the new infrastructure.

(i) Provide details regarding the status of the proposed transmission project with respect to the Regulatory Investment Test – Transmission (RIT-T):

We will abide by the regulatory investment test for transmission (**RIT-T**) requirements for any projects undertaken should we be successful in receiving a transmission licence.

We anticipate this will be required for any new transmission assets required to support connections to the distribution network that we would construct, own and/or operate if we were to be granted a Electricity Transmission Licence.

(j) Provide details of when the applicant expects to receive 'considered project' status under the National Electricity Rules:

We will consider on a case-by-case basis when projects arise which meet the criteria for 'considered project' status under the National Electricity Rules (**NER**).

Attachment reference:

Attachment 2 - Powercor - EIA land access powers

Confidential Attachment 3

2. Technical capacity

The applicant must answer all questions in this section.

2.1 Experience and knowledge of the industry

We own and operates an electricity distribution network covering 64 per cent of Victoria, stretching from the western suburbs of Melbourne through central and western Victoria to the South Australian and New South Wales borders. We have held an Electricity Distribution Licence for almost 30 years and, as a result, have the institutional knowledge, experience and expertise required to hold an Electricity Transmission Licence. Powercor's executive team are leaders in the Victorian electricity industry and are well versed in the intricacies of Victoria's bespoke transmission regulatory regime as an 'adoptive jurisdiction' under the National Electricity Law (NEL) and National Electricity Rules (NER).

As is evident from this application, we have regularly interacted with transmission network service providers for nearly 30 years and have a strong understanding of what is involved in undertaking a transmission projects, from the technical requirements through to the relevant legal and regulatory framework. It should be noted many of our executives and senior managers have extensive experience in managing and operating both transmission and distribution networks.

Additionally, our wider corporate group has extensive experience in electricity transmission projects including:

- Australian Energy Operations (**AEO**), formerly known as Transmission Operations Australia. AEO designs, constructs, operates and maintains electricity transmission assets for a number of renewable generators and loads to the transmission network. AEO presently holds two Electricity Transmission Licences.
- Beon Energy Solutions (**Beon**), which focuses on the deployment of large-scale renewable energy and infrastructure projects has undertaken the design and construction of several large infrastructure projects requiring connection to, or augmentation of, the transmission network. Please see the attached documents 'Beon Capability Statement' and 'Beon Project Experience' for further information on Beon's relevant experience and expertise.
- Power Network Services (**Network Services**), which provides design, construction, maintenance and management services across the electricity distribution and transmission sectors, as well as the communications sector. Its clients include Australia's largest electricity utilities, infrastructure developers, commercial/industrial clients, and telecommunications network owners.

In addition to our own expertise, we can draw on the resources of these related companies, where necessary, to assist in the delivery and operation of transmission activities. Additionally, if successful, we intend to scale and upskill our workforce as needed to ensure the requisite technical skill sets are in place for the construction, operation, and maintenance of a transmission network.

We are versed in the importance of regulatory compliance to ensure networks are operated in customer focused, safe and reliable manner. **[confidential]** The primacy of compliance is an attitude we will extend to all transmission projects, whether that be safety, technical or regulatory compliance. Over our nearly 30 years of operation, we believe we have demonstrated a strong track record in terms of owning and operating a regulated business which believe extends from a commitment from the Board down to zero tolerance of compliance breaches and recognition of the social licence under which we operate to our customers.

To support this commitment, we have dedicated regulatory and network safety compliance teams that proactively engage with a range of regulators, most of which are the same regulators relevant for transmission. As a result, the teams are already highly familiar with the legislation and regulatory instruments applicable to transmission network service providers.

Provide information about the human resources available to the applicant.

a) the experience and qualifications of those employees outlined in the organisational chart (see 1.4b)

Mr Tim Rourke, Chief Executive Officer

Mr Rourke was appointed Chief Executive Officer of the Victoria Power Networks (VPN) group of companies – which includes CitiPower Pty Ltd and Powercor Australia Ltd – in April 2013. In May 2017, Mr Rourke was appointed Chief Executive Officer of United Energy.

Before joining VPN, Mr Rourke was the Asia Pacific Regional Executive for GE Aero Energy, based in Singapore. Prior to that, he was the Chief Executive Officer of GE Energy Infrastructure Australia and New Zealand.

His previous experience includes senior executive roles with AGL, Southern Hydro Pty Ltd and Alliant Energy Australia. Mr Rourke has also worked for BHP in their minerals division and PwC before entering the energy sector. He has a Bachelor of Commerce (University of Melbourne).

Mr Glen Thomson, General Manager, Electricity Networks from 1 January 2024

Mr Thomson joined the Victoria Power Networks group of companies in January 2016 as General Manager of Beon Energy Solutions.

Before joining Beon Energy Solutions, Mr Thomson was the Chief Executive Officer of Simply Energy. Prior to this, he held several other senior executive roles with GDF Suez Australian Energy Group (Engie) including the Head of Strategy, Development and Regulation and General Manager Business Development.

Mr Thomson commenced his career as a mechanical engineer with the Fluor Corporation, a global engineering and construction company. He has more than 25 years' experience in the energy sector having held senior business development and project engineering roles in Australia, USA, Europe, Middle East and Asia.

As General Manager of Beon Energy Solutions, he is responsible for providing customers with tailored solutions to help them manage their energy needs from major renewable energy projects to commercial solar, storage and other energy related services.

In 2020, Mr Thomson became Chief Executive Officer of Australian Energy Operations, a Victorian electricity transmission business that is focused on providing competitive grid connection solutions to enable renewable developments to be deployed efficiently.

Mr Adam Gellie, General Manager Network Services

Mr Gellie is a skilled professional in the electricity industry, with over 20 years of experience working across Australia and Asia. Prior to his current role, he served as GM Service Delivery at United Energy, Head of Design and Delivery in Powercor and various senior roles in the consulting and renewable generation sectors.

Throughout his career, Mr Gellie has focused on the development and delivery of major power infrastructure projects. He has been involved in delivering complex programs in transmission and distribution, building large-scale renewable power projects, as well as conducting feasibility studies for extra high voltage direct current interconnectors. Additionally, Mr Gellie has played a key role in strategic project development for the both the renewable and rail sectors.

Mr Gellie's expertise extends to program management, where he has successfully delivered programs valued at over $700 million per year, while ensuring safety and efficiency. In his current position, he is responsible for the 24/7 operations of the network and the safe and successful

delivery of Powercor's asset investment and customer programs.

With a degree in Electrical Engineering and having completed a General Management Program at Harvard Business School, Mr Gellie possesses a strong technical and business background. He is driven by his passion for innovation and is dedicated to delivering infrastructure that is efficient and provides long term to the community.

Ms Renate Vogt, General Manager, Regulation

Ms Vogt was appointed as General Manager of Regulation in December 2016. She is an experienced executive with 20 years' experience in electricity infrastructure, including working for the Australian Competition and Consumer Commission, Australian Energy Regulator, AusNet Services and CitiPower, Powercor and United Energy.

An economist by profession, Ms Vogt has highly developed skills in infrastructure business including revenue and market regulation, electricity innovation, developing commercial non-regulated business streams and stakeholder engagement.

She is experienced in government, regulatory and customer relations. Ms Vogt is a strong advocate for customer outcomes and has been directly involved in cultural transformation of customer engagement and aligning business and customer objectives.

Mrs. Kate Webster / Mr Dean Glasscock – CFO

Mrs. Webster joined the business in 2011 and was appointed Chief Financial Officer in 2023. Prior to joining Victoria Power Networks, Mrs. Webster worked at Deloitte where she was a Director in their Assurance division, with a focus on utilities and transport sectors. Mrs. Webster is a fellow of the Institute of Chartered Accountants England and Wales.

Mr Glasscock joined the business in 2013 and was appointed Chief Financial Officer in 2023. Prior to joining Victoria Power Networks, Mr Glasscock held roles in funds management and at PwC where he provided debt, capital and merger and acquisition services to a broad range of businesses and government departments. Mr Glasscock is a Fellow CPA, holds a Master of Applied Finance from Macquarie University and is a Graduate of the Australian Institute of Company Directors.

Mr Andrew Dinning, Head of Network Planning

Mr Dinning joined the business in 2015 before being appointed to the role of Head of Network Planning for all three networks in 2021. Mr Dinning holds responsibility for medium to long term planning and development of all three distribution networks, leading teams of engineers to ensure safe, secure, reliable, and efficient operation of our networks to meet customer needs into the future while also enabling small and large generation connections. Mr Dinning's Network Planning team is the primary interface to the transmission network, regularly engaging with both AEMO and transmission asset owners on issues across long term planning, forecasting and short-term system stability.

Mr Dinning brings over 20 years of experience in electricity network development and network planning to his current role, both in Australia and internationally. His previous roles have involved network planning, large scale network development, generation connections and the transmission network interface. Prior to joining our business Mr Dinning held leadership positions in transmission network planning at the Victorian Energy Networks Corporation (**VENCorp**), the Victorian state government body responsible for transmission network planning, development, and connections. Mr Dinning led the transition of key transmission network planning roles from VENCorp into the newly created AEMO at its foundation in 2009. He retained responsibility for Victorian transmission network development and large-scale generation connections for a significant period at AEMO, overseeing engineering analysis to connect the first large scale transmission connected wind farms in Victoria and define new transmission infrastructure projects to meet network operational needs and remove electricity market constraints.

Mr Dinning is a professional engineer and in the electricity industry leader with a Bachelor of Electrical Engineering from the University of Newcastle Upon Tyne in the United Kingdom.

Mr Richard Robson, Manager Sub Transmission Planning and Major Connections

Mr Robson joined the business in 2022 and is responsible for the planning of the 66kV sub-transmission network across all three networks and evaluating the connection of new generators and major loads to the distribution and sub-transmission networks.

Mr Robson is a professional engineer who has been in the energy sector for more than 25 years, working with AusNet Services, AEMO, Essential Energy and Endeavour Energy in various roles across the asset life cycle. He has experience in transmission and distribution electrical networks, including network planning, design, construction, commissioning, operations and maintenance.

Mr Robson has been responsible for the design phase of the AusNet Services station capital portfolio, including both managing the internal design team and the engagement of external design partners to ensure the delivery of detailed design. He has also led and undertaken power system analysis and the validation of generator models, along with overseeing the approval of network augmentation and generator commissioning.

Mr Robson also worked with both AEMO and AusNet Services, negotiating the provision of contestable services in Victoria. Mr Robson holds a Bachelor of Engineering (Electrical) and is a Registered Professional Engineer in Victoria.

Mr Roy Kinston, Head of Design and Customer Programs

Mr Kinston joined CitiPower and Powercor in 2013 and is an experienced professional in the electricity industry, with over 15 years of experience working in Australia. Prior to working at CitiPower and Powercor, Mr Kinston has had experience across the consulting and mining sectors.

Over his career Mr Kinston has focused on the scoping, design and delivery of a range of power and energy infrastructure projects with a particular focus in the electrical utility sector in both distribution and transmission. Mr Kinston has delivered complex programs across transmission and distribution, managing the connection process for the connection of large-scale renewable energy projects to the grid. Additionally, Mr Kinston has experience in the design and design management relating to distribution and transmission electrical substations and related assets.

Mr Kinston has extensive experience in program management, where he has successfully delivered annual customer programs valued at circa $300 million per year, while ensuring safety and efficiency. With a double degree in electrical engineering/business administration (from RMIT) Mr Kinston has a strong technical and commercial background.

Mr Peter Galey, Head of Network Control and Operations

Mr Galey rejoined the organisation in 2022, having left in 2020. He is responsible for the teams that manage the real time operations for the CitiPower, Powercor and Australian Energy Operations assets, including planning and controlling network operations, dispatching field resources to manage issues and managing operational systems.

Mr Galey brings over 10 years of experience having worked across Australia in electricity distribution and transmission, specialising in network operations. Prior to his current role, he held other key operational roles within the organisation including control room manager of CitiPower Powercor and United Energy. As an industry leader he has worked in several network operations control rooms managing transmission, distribution and gas networks. During his career his career has led major uplifts in network operations practices, deployment of new technology platforms and development of high performing teams.

Mr Galey holds a Bachelor of Engineering specialising in Electrical and Computer Systems from Monash University, Diploma of Leadership and management from Australian Institute of Management and is currently undertaking an Executive Master of Business Administration through

RMIT University.

Mr Michael Meraklis, Head of Network Asset Management

Mr Meraklis is a seasoned manager with over 22 years of experience in the utilities and contracting industry. Mr Meraklis joined the business in 2013 and has held the Head of Network Asset Management role for United Energy network since 2020. In 2022 he was appointed as the Head of Network Asset Management across the CitiPower, Powercor and United Energy networks.

Mr Meraklis has worked at Zinfra in operational delivery roles and in Jemena in various strategic asset management roles. He has been involved in driving key business objectives and organisational change. His accomplishments include pioneering innovative grid storage solutions and implementing cost-saving measures. He is adept at aligning asset management plans with industry standards. Mr Meraklis holds a Bachelor of Engineering (Electrical), a Diploma of Management, and has also completed an Executive MBA from Melbourne Business School. He is also a Chartered Engineer and a member of Engineers Australia.

Other Biographies from those on the organisational chart are captured in the attachment references.

Attachment reference:

Attachment 4 - Other Executive and Board Bios

Attachment 5 - Beon Capability Statement_2023

Attachment 6 - Beon Project Experience_2023

b) if the applicant will employ contractors or agents to assist with the licensed activities, the name of those contractors or agents, details about the experience of the contractors or agents in such operations and details of the processes in place to ensure the contractors or agents comply with the licence conditions, including relevant regulatory obligations.

As noted in section 1.5, we seek a transmission licence for the geographic area covering our distribution network. The licensed activities are accordingly broader in scope than would typically be the case, meaning that specific contractor and agent arrangements have not yet been explored. We will progress these arrangements on a case-by-case basis as we begin to undertake transmission activities. We do note however that our related entities have significant experience delivering services to existing declared transmission system operators. This includes operation and maintenance services (such as network and connection services), network control services, asset replacement services and asset performance (fault services).

If successful, we will utilise our existing internal expertise and structures to conduct operations including related entities Network Services (field services) and CHED Services (corporate services). Please refer to the organisational structure in 1.4b. Where and if necessary, will use or adapt existing agreements with our related entities to support new transmission regulatory requirements or arrangements.

For the ESC's reference, overviews of our related parties that were not mentioned in the introductory section above are provided below.

Overview of CHED Services

CHED Services is a wholly owned subsidiary of Victoria Power Networks (VPN). CHED Services provides specialist corporate and metering services to several clients, including Powercor and CitiPower. The corporate services provided by CHED Services include finance, company secretarial services, legal, human resources, corporate affairs, regulation, customer services and information technology. Metering services include new connections, fault replacements, customer-initiated replacements, meter maintenance and advanced metering infrastructure meter project

management.

Beon Aerial Services

Beon Aerial Services Pty Ltd holds approval from the Civil Aviation Safety Authority (CASA) for powerline inspections, designated as a Civil Aviation Safety Regulation Part 138 Task Specialist activity. Utilising single-engine turbine helicopters, Beon Aerial Services employ full-time pilots with expertise in aerial work. The training and experience of Beon Aerial Services pilots exceed the aerial surveillance guidelines for overhead electricity networks established by the Energy Networks Association and the standards defined by the Civil Aviation Authority.

Beon Aerial Services, core aerial activity revolves around power line inspection patrols, a critical facet of our vegetation management program. The company adeptly leverages light detecting and ranging (**LiDAR**) technology for comprehensive aerial surveillance.

Where the applicant is relying on a third party to provide staff and/or resources to meet the technical capacity requirements of the transmission licence, provide:

c) the experience and qualifications of any relevant key employees who will manage those systems and processes;
d) if the applicant will engage third parties to assist with the licensed activities, provide the following information in relation to each third party:
   (i) the name of that third party
   (ii) the scope of activities undertaken by the third party
   (iii) details and copies of any agreements for the provision of services
   (iv) details about the experience of the third party in relation to the activities that it will be undertaking, including any accreditation
   (v) details of the processes in place to ensure the third party complies with the licensee's regulatory obligations.

We don't intend to rely on third parties to meet requirements of the transmission licence or assist it with the performance of the licensed activities. Should this change in future, we will use robust processes and procedures to ensure that third parties are technically capable, work safely and comply with transmission related regulatory obligations.

2.2 Risk management

a) Provide confirmation and evidence that the applicant has identified the risks associated with electricity transmission. Additionally, provide evidence that the applicant has established, utilised and relied upon risk management systems and processes which are adequate, accurate and current to address those risks.
b) Provide a copy of the applicant's risk management strategy. A statement should also be provided (or supporting document must make it clear) whether the strategy has been developed in line with any Australian or International Standard (for example, ISO 31000:2018).
c) Provide a copy of a risk register that identifies risks, controls and mitigations.

We have a strong risk management culture. As an electricity distribution business, we are very familiar with the risks involved in constructing, owning, operating, and maintaining electricity network infrastructure. We take a proactive approach to risk management, which is led through the Board's Risk Management and Compliance Committee (**RMCC**).

Our staff regularly report to the RMCC, and the Board is ultimately responsible for ensuring that we identify and manage risk and compliance matters. Risk profiling is conducted on twice yearly and we use the Enterprise Risk Management System Protecht.

We have attached the following documents to this application to illustrate our risk management framework:

- our Enterprise Risk Management Framework, which outlines the objectives, roles/responsibilities and key activities for risk management and is based on ISO31000:2018
- a copy of Australian Energy Operation's (AEO) risk register for its transmission business, which we would build on for our risk register for transmission. We note that AEO's risk register is currently being reviewed and updated where necessary.

Attachment reference:

Confidential Attachment 8 - Enterprise Risk Management Framework

Confidential Attachment 15 – TOA-TOA2 Risk Profile - Master

2.3 Land access dispute resolution

If relevant, identify how persons whose land may be accessed can raise a dispute in relation to any activities connected with the transmission of electricity and the proposed processes and procedures in place to resolve disputes.

As noted, we already hold an Electricity Distribution Licence. As a distribution licence holder, we have certain statutory powers under Part 5 of the Electricity Industry Act (**EIA**). Subject to one exception, the Part 5 powers apply equally to transmission companies and distribution companies. The exception to this statement is section 89 of the EIA, which applies only to transmission companies. Section 89 empowers a transmission company to use any easements to which it is entitled for the provision by it or another person of a 'carriage service', within the meaning of the Telecommunications Act 1997. A detailed breakdown of the Part 5 powers and their relative applicability to transmission and distribution licence holders is set out at Appendix 1.

The only section of the EIA that confers 'unilateral' powers (i.e., powers that are conditioned on a Ministerial Order or another Act) is section 93. Section 93 applies equally to transmission and distribution licence holders, meaning that, as a distribution licence holder, we already have processes in place to manage any disputes arising from the access of land under these powers. Please see attached our directive on the requirements to be followed when accessing customer properties (Attachment – Dealing with the Community).

We intend to apply this approach to land access activities connected with the transmission of electricity.

Any complaints we received are dealt with in accordance with our Complaints & Dispute Resolution.

Attachment reference:

Attachment 1 - Dealing with the Community

Attachment 9 – Powercor – EIA Land Access Powers – 24 October

Attachment 16 – Stakeholder Engagement Procedure

Complaints and dispute resolution - available at https://www.powercor.com.au/contact-us/dispute-resolution-process

2.4 Registration with the Australian Energy Market Operator

Advise if the applicant will apply to register with the Australian Energy Market Operator (AEMO). If so, provide evidence of registration or exemption, or intending registration or exemption (for example, correspondence between the applicant and AEMO). If the applicant is not registering with AEMO, describe why that is the case.

We are already registered by the Australian Energy Market Operator (AEMO) as a network service provider under the National Electricity Law and the National Electricity Rules in respect of the activity of owning, controlling and operating a distribution system.

We have commenced an application for registration by AEMO under the NEL and NER as a network service provider in respect of the activity of owning, controlling and operating a transmission system, which we are developing in parallel with the making of this application to the ESC. As we are already registered as a network service provider, we don't anticipate difficulties in extending this registration to include transmission activities. We will keep the ESC updated on our progress in obtaining registration as the ESC progresses its consideration of our application.

2.5 Licences held in other jurisdictions

If the applicant holds, or has previously held, electricity and/or gas licences or authorisations in other jurisdictions, provide details. If a licence or authorisation previously held has been suspended or cancelled, provide details.

We do not hold, or have previously held, any electricity or gas licences or authorisations in another jurisdictions.

2.6 Previous unsuccessful licence applications in other jurisdictions

Confirm whether the applicant has applied for an electricity or gas licence or authorisation in another jurisdiction and not been issued with a licence or authorisation, provide details.

We have not applied for any electricity or gas licence or authorisation in another jurisdiction.

2.7 Licences held by associates of the applicant

If an associate (within the meaning of the *Corporations Act 2001*) holds an electricity or gas licence or authorisation in Victoria or another Australian jurisdiction, provide details.

CK Infrastructure Holdings Limited (CKI) and Power Asset Holdings Limited (PAH) have investments in several Australian regulated service providers including Australian Energy Operations, SA Power Networks, CitiPower and United Energy. The licences held by these providers include:

- Australian Energy Operations holds two Electricity Transmission Licence for specific assets in Victoria
- SA Power Networks holds an Electricity Distribution Licence in South Australia
- CitiPower holds an Electricity Distribution Licence in Victoria
- United Energy holds an Electricity Distribution Licence for Victoria
- Australian Gas Infrastructure Group holds Gas Distribution Licences in South Australia, Victoria, New South Wales, Northern Territory and Queensland and a gas transmission access arrangement approved by the Economic Regulation Authority of Western Australia.

2.8 Compliance management

a) Provide evidence of compliance management which demonstrates how the compliance systems the applicant has (or will have) in place will ensure compliance with all the relevant regulatory obligations required by the transmission licence.

b) Provide a copy of the applicant's compliance management strategy. A statement should also be provided (or supporting document must make it clear) whether the strategy has been developed in line with any Australian or International Standard (for example, AS ISO 19600:2015).

We have an exemplary record on compliance, being both a formal requirement of our existing Electricity Distribution License and our understanding of our social licence to operate our network. We have zero tolerance for material non-compliance and a rigorous process in place to manage, monitor and report against various compliance regimes under which we operate. An enterprise framework is in place which captures these regimes. The Board has oversight and regular reporting through the Regulatory Risk and Compliance Committee (**RMCC**). If the transmission licence application is successful, this same rigorous approach would be adopted for transmission obligations.

As noted above, we have access to Australian Energy Operation's (**AEO**) transmission risk register and will use this as the basis for developing our own transmission risk register. AEO's risk register is provided as an attachment to this application.

Also attached in confidence is our own compliance obligations register for our distribution business, and an equivalent document for AEO's transmission activities. Each of these documents sets out the applicable regulatory obligations and allocates responsibility to senior managers for compliance with these obligations. We will use AEO's document to assist us in developing an equivalent compliance register for future transmission activities.

We regularly review our compliance register and update obligations following any change in regulatory obligations. In addition, the register is annually reviewed for accuracy and completeness by our external legal service provider, DLA Piper. Each obligation is allocated to a senior manager (direct report to an Executive), who review their allocated obligations annually and confirm they are not aware of any non-compliance.

In terms of safety, we have the following safety systems in place which have been approved by Energy Safe Victoria (**ESV**) and meet the regulatory requirements of the Electricity Safety Act (**ESA**) and applicable safety regulations:

- Electricity Safety Management Scheme (**ESMS**)
- Bushfire Mitigation Plan (**BMP**) - https://media.powercor.com.au/wp-content/uploads/2022/01/12123942/Bushfire-Mitigation-Plan-Powercor.pdf
- Electric Line Clearance Plan (**ELC**) - Electric Line Clearance (Vegetation) Management Plan (powercor.com.au)

We have also attached AEO's Electricity Safety Management Scheme, which we will use to update our own Electricity Safety Management Scheme as required to account for any transmission activities.

Attachment reference:

Attachment 18 - Powercor Bushfire Mitigation Plan

Attachment 17 - Powercor Electric Line Clearance Management Plan

Attachment 19 – AEO Electric Line Clearance Management Plan

Attachment 20 – Powercor Electricity Safety Management Scheme

2.9 Material agreements

Provide copies of agreements entered into, or intended to be entered into, by the applicant that are material to the undertaking of the transmission activity.

Agreements that are material to the undertaking of the transmission activity may include:

a) Connection agreements, such as a Generator Connection Agreement and Generator Project Agreement with a generation facility.
b) Any contract concerning the construction and delivery of the project (sometimes commonly referred to as a Project Construction and Coordination Deed (PCCD) or Engineering, Procurement and Construction Agreement).
c) Any Network Services Agreements.
d) Any contracts concerning the managerial aspects of the activity (sometimes commonly referred to as a Management Services Agreement).
e) Any contract concerning the ongoing operations and maintenance of the transmission assets (sometimes commonly referred to as an Operations and Maintenance Agreement).

As we are applying for a geographic licence, without reference to a specific transmission project or asset, we are not in possession of such agreements referred to above. **[confidential]**

At a high level, we expect that the following Management Services Agreements will support our transmission activities:

- CHED Services Pty Ltd: corporate services including finance, human resources, legal, company secretarial services, regulation, corporate affairs, information technology and customer service.
- Network Services: provision of technical, logistical, direct procurement and field support.

2.10 Declared Transmission System Operator

An explanation of whether the transmission assets are contemplated to form part of the Declared Transmission System and whether the applicant is, or has requested to be, a Declared Transmission System Operator.[1]

We propose that new terminal station infrastructure will be an augmentation to, and therefore form part of, the declared transmission system. We also anticipate subsequent augmentations to the transmission system constructed by us pursuant to an Electricity Transmission Licence will form part of the declared transmission system. Construction of those assets has not commenced hence we have not requested to be a declared transmission system operator.

We observe in circumstances where the assets will form part of the declared transmission system, as the person who is carrying out the augmentation, prior to completion of the augmentation, we would be a prospective declared transmission system operator for the purposes of the National Electricity Law (section 50D).[1] Once the augmentation to the declared transmission system is complete, we anticipate the Minister for Energy and Resources will declare us to be a declared transmission system operator under section 31 of the National Electricity (Victoria) Act 2005.

2.11 Approvals

Provide a copy of any planning or environmental approvals that permit the applicant to undertake preparatory works in relation to the transmission of electricity.

We will ensure that all transmission works have required environmental approvals. We already have in place a certified ISO14001:2015 Environmental Management System.

When building new network and connection assets, we have in place processes to assess the need for environmental, planning and heritage related permits and approvals, and to obtain those permits. The Health, Safety and Sustainability team assist our delivery teams in meeting these obligations.

When accessing assets within road and rail reserves, we have specific processes and procedures to determine whether consent from the coordinating road authority is required to work within the road reserve, and if permit approvals are required for work in (or near) rail corridors. The Statutory Compliance team is responsible for assessing the works and obtaining the necessary approvals.

Attachment reference:

Attachment 21 - Powercor Health, Safety and Environmental Management System Framework

[1] See section 31 *National Electricity (Victoria) Act 2005*.

[1] **Prospective declared transmission system operator** is defined in section 50D(7) of the National Electricity Law as 'a person who is to carry out an augmentation of the declared transmission system and who may therefore become a declared transmission system operator on completion of the augmentation'.

2.12 Land access

Provide the following in relation to land access (if the applicant is intending to access private land for the purpose of transmission (or preparatory works):

a) Copies of any agreements to access land for the purpose of the transmission (including preparatory works). If there are multiple agreements on similar terms, a copy of a single agreement is sufficient.
b) A description of any complaints, including resolution or outcomes, concerning the applicant's activities in relation to land access.
c) Copies of any policy or process of the applicant relating to the negotiation of access to land for the purpose of the transmission (including preparatory works). Where relevant, that policy or process, should demonstrate the applicant has the technical capacity to undertake land access in accordance with the commission's Electricity Transmission Company Land Access Statement of Expectations.
d) Information about the skills, experience and expertise of the key personnel who will be engaging with local communities and landowners regarding the applicant's intended use of land access powers under the *Electricity Industry Act 2000*.

As noted above at section 2.3, subject to one exception, the powers set out in Part 5 of the Electricity Industry Act (**EIA**) apply equally to transmission and distribution companies. The only section of the EIA that confers 'unilateral' powers (i.e., powers that are not conditioned on a Ministerial Order or another Act) is section 93. Section 93 applies equally to transmission and distribution licence holders, meaning that, as a distribution licence holder, we already can exercise these land access powers.

We are closely following the progression of the ESC's Land Access Code of Practice (**Code**). Once the final Code is released, we intend to conduct a review of our internal practices and procedures to establish compliance with the Code in relation to any transmission activities. [**confidential**]

We will also utilise the attached 'Dealing with the Community', which sets out requirements for our employees when accessing customer property.

As the licence is not for a specific project, we consider that the questions set out at (a) – (d) above are not relevant at this stage of its application. [**confidential**]

2.13 Engagement with Energy Safe Victoria

Provide details about the applicant's engagement with Energy Safe Victoria and any copies of correspondence regarding the proposed electricity transmission infrastructure.

As a distribution operator of a substantial network, we understand the importance of safety, and are prepared to undertake transmission activities, as distinct from distribution activities, in the safest way possible.

We are preparing to engage with the Energy Safe Victoria (**ESV**) at the Executive level in the week commencing 30 October to discuss this application and our intentions if successful. We are serious about this application and are working to ensure that we are providing the needed comfort and visibility to the safety regulator while we process this transmission licence application.

If successful, before transmission works are undertaken, we are committed to continuing

engagement with the ESV at an operational level to ensure our safety policies are acceptable to it.

2.14 Additional information

Provide any additional information the applicant considers relevant to the commission's assessment of the applicant's technical capacity

We recognise assessing this application is a somewhat novel process for the ESC. As such, we are happy to provide any further information that the ESC considers would assist it in carrying out this assessment.

3. Financial viability

3.1 Financial resources

The applicant must provide a statement that will be made available to the public during the consultation period that the applicant has the financial resources to commence and sustainably perform the relevant licensable activities.

Provide a statement to confirm that:

a) the applicant is financially viable and has the financial resources to sustainably undertake the electricity transmission activity; and
b) the applicant will be a registered market participant with the Australian Energy Market Operator for its electricity transmission activities.

The commission reserves the right to conduct a financial viability assessment and require the applicant to produce information and documents it considers appropriate to complete such an assessment.

We are a financially stable and viable organisation which has the financial resources to hold a transmission licence, and own and operate transmission assets, across the geographic region in which we operate our distribution network. This financial viability is supported by the ability to leverage existing assets and infrastructure in taking out these works. For example, depots which are already located across the State. Such efficiencies will make it easier to commence, and sustain the licensable activities contemplated in this licence application.

Victoria Power Networks (Finance) Pty Ltd (**VPNF**) is responsible for the financing of the Victoria Power Networks of which we belong. VPNF maintains sufficient cash balances and access to undrawn bank facilities to ensure we have an adequate buffer. **[confidential]**

VPNF is the rated entity for the group and has a A- stable rating from Standard and Poor's (**S&P**). We have maintained this rating since the VPNF was established in 2016, and expect to continue to maintain the required credit metrics for this rating. We are annually reviewed and can provide you with the latest report.

VPNF is diverse in its funding sources and has access to bank debt and various debt capital markets (Australian Medium Term Note, Euro Medium Term Note and United States Private Placement). We have policy requirements to arrange for any pre-funding of debt maturities at least 3 months prior to expiry. Annually VPNF has raised approximately $1 billion in debt (including debt maturities and capital expenditure requirements) and this is usually achieved by executing several transactions over

the year. Accessing markets has been quick and efficient for VPNF, as a borrower for regulated utilities we are considered a defensive and safe investment by our lenders and have never had a problem with attracting capital.

To support our application, we provide the latest financial statements for the year ending 31 December 2022, which show the business:

- generated $329.9 million of profits after tax for the 2022 year
- the business has net assets totalling $4.1 billion
- the business is deemed to be a going concern and is able to pay debts as and when they fall due.

As contained in our response to question 2.4, we are in the process of applying for registration in respect of the activity of owning, controlling and operating a transmission system and welcome a discussion with the ESC at the time of their review on our progress in this matter.

Attachment reference:

Attachment 12 - Powercor Australia Ltd Financial Statements 31 December 2022

4. Fit and proper person

The applicant must answer all questions in this section.

In deciding whether to grant or refuse a licence application, the commission will consider whether the applicant is a fit and proper person to hold a licence in Victoria.

The concept of a 'fit and proper person' is established by common law and takes its meaning from its context, from the activities in which the person is or will be engaged, and the ends to be served by those activities.

In considering whether an applicant is a fit and proper person, we will have regard to the applicant's honesty, integrity and reputation. These are relevant factors as they can inform an assessment of the likelihood of future conduct.

We will also consider the conduct of directors, office holders or any person with significant managerial duties or influence. We will also consider the conduct of related bodies corporate or entities that can exert control over the applicant.

a) Have any directors of the applicant, directors of any entity that can exert control over the applicant, or any person with significant managerial responsibility or influence on the applicant:
   i. been declared bankrupt,
   ii. had their affairs placed under administration,
   iii. been disqualified from managing a company,
   iv. been subject to debt judgements, or
   v. insolvency proceedings (including any administration, liquidation or receivership in connection with the affairs of a company)?

   If yes, provide details:

   No with respect to the matters listed in paragraphs (i), (ii), (iii) and (iv).

   In relation to paragraph (v): three directors of Powercor were previously directors of Cross City Motorway Holdings Pty Ltd ACN 098 445 795 and its subsidiaries (the Cross City companies).

   The principal business of the Cross City companies was the design, construction and operation of the Cross City Tunnel in Sydney, Australia. A voluntary administrator and a receiver and manager were appointed in respect of the Cross City companies on 27 December 2006 after it became apparent that forecast traffic numbers had not materialised.

   Following a competitive tender process, ownership of the project contracts in respect of the Cross City Tunnel was transferred to a new consortium formed by ABN AMRO and Leighton Contractors, under sale contracts which were executed on 19 June 2007 and completed on 27 September 2007. The report prepared by the voluntary administrators included their independent assessment that none of the directors of the Cross City companies were implicated in any offence relating to the insolvency of the Cross City companies or any insolvent trading or voidable transaction. Further information, including a copy of the report referred to, can be provided on request.

b) Has the applicant, any directors of the applicant, directors of any entity that can exert control over the applicant or any person with significant managerial responsibility or influence on the

applicant been prosecuted for any offences or had any enforcement action taken under any state, territory, Commonwealth or foreign legislation (including, but not limited to, the *Competition and Consumer Act 2010, Corporations Act 2001*, or the *Australian Securities and Investments Commission Act 2001*)?

If yes, provide details:

For all persons other than the applicant, the answer is no.

Powercor has, since commencing operations in 1994, been prosecuted four times:

- In 2004, we were convicted and fined $60,000 for failing to ensure so far as was practicable that persons other than its employees were not exposed to risks to their health or safety.
- In 2019, we pleaded guilty to charges relating to powerline clearance breaches and three fires and was convicted and fined $374,000.
- In 2021, we pleaded guilty to a charge relating to a fire in Terang in 2018 arising from clashing powerlines and were convicted and fined $130,000 (additional charges relating to the fire in Terang, and charges relating to a separate fire in Garvoc were withdrawn).
- In 2022, we were fined $30,000 without conviction for failing to provide employees with a safe system of work and the information and training they need to perform their work safely. During sentencing, the Magistrate accepted and acknowledged our good corporate character, that it is conscious of its responsibilities and the inherent dangers in our work, and that it has comprehensive safety processes. He assessed the seriousness of the breaches as low and praised our response post incident. A copy of the sentencing transcript can be made available on request.

In each case, we took appropriate action to modify our systems of work with the aim of preventing similar breaches in future.

In addition to these prosecutions, we have entered two enforceable undertakings:

- The first in 2011, following 3 incidents of contractors incorrectly transporting and disposing of prescribed industrial waste without waste transport certificates.
- The second in 2015, following the clearance of native vegetation by a vegetation clearance contractor.

Both enforceable undertakings were complied with.

We have periodically received infringement notices from regulators, including infringement notices issued by ESC in 2019 and 2021 for failing to give customers four business days' notice about planned power outages.

c) Has the applicant, any directors of the applicant, any related body corporate, or any person with significant managerial responsibility or influence on the applicant been involved in any material breaches of obligations regulated by the commission or any other regulator?

If yes, provide details:

Whilst we have a strong compliance culture, and zero tolerance of material breaches, we have on occasion been convicted of breaching regulatory obligations as set out in our response to (b) above.

No, in relation to all persons other than Powercor.

d) Has the applicant, any directors of the applicant, any related body corporate, or any person with significant managerial responsibility been under investigation in relation to its regulatory obligations or is currently bound by an enforceable undertaking?

If yes, provide details:

We routinely report on regulatory compliance to regulators. For example, we routinely reports on compliance to regulators including but not limited to ESC, Energy Safe Victoria, WorkSafe Victoria, the Environmental Protection Authority, Australian Energy Regulator Australian Energy Market Operator and the Department of Energy, Environment and Climate Action.

Reporting covers:

- fire starts from network assets, and other reportable network safety incidents
- any failure to notify life support customers of planned outages
- reportable health, safety or environment matters
- a multitude of other regulatory compliance matters specified by our regulators such regulatory information notices.

Following any such report, it is routine for the relevant regulator to further investigate. Some regulators also routinely investigate compliance proactively. We may or may not be aware of any such investigation. We are aware of current investigations relating to powerline inspection and vegetation clearance obligations.

There are no current enforceable undertakings.

e) Has the applicant, any related body corporate or any person with significant managerial responsibility or influence on the applicant, been refused a licence or authorisation, or had restricted, suspended or revoked any such licence or authorisation (in any jurisdiction)?

If yes, provide details:

No.

f) Provide any other information the applicant considers relevant to the commission's fit and proper person assessment.

As a major employer in regional areas across western Victoria, we have extensive community partnerships program supporting organisations involved in sport, health, regional communities, diversity and inclusion and energy innovations. These include:

- Major sponsor of the Stawell Gift. The 2023 Powercor Stawell Gift drew strong crowds to the regional town and wider Grampians area in April, providing an economic boost to the community. During the Easter long weekend, it was estimated that the Gift injected almost $4.7 million into the Wimmera region. It is the third year we have sponsored Australia's richest and most iconic footrace. We continue to play an integral part in shaping the event and inspiring participation in athletics through our continued support of Little Athletics Victoria.
- In 2020, we commenced a five-year partnership with Lorne Surf Life Saving Club, sponsoring two key events: the Lorne Pier to Pub and the Lorne Mountain to Surf Run. Held over the

summer holidays in January, the event attracts approximately 20,000 visitors from Melbourne and beyond. The economic benefits extend to the Lorne community and along the Surf Coast. Our support of the event allows the Lorne Surf Life Saving Club to operate year-round.

- We support Australia's longest running and most prestigious road race, the 262 kilometre Melbourne to Warrnambool Cycling Classic the second oldest one day race in the world and a cultural feature of the south-coast region.

A First Peoples Engagement Team exists within the business to building mutually beneficial relationships with First Peoples across our network and to develop a Reconciliation Action Plan (RAP). Our RAP will include actions to partner with Registered Aboriginal Parties to preserve and protect Victoria's rich cultural heritage and commits to pursuing employment and social procurement opportunities and assisting with energy literacy and renewable energy connections. A First Peoples Advisory Committee has been established to provide advice, guidance, knowledge and lived experience in the development and delivery of Powercor's Reconciliation Action Plan and associated commitments.

Additional information

Answer the following questions and, where the answer to any question is "no" (except to question b)), provide further detail.

a) Is the applicant a resident of, or does it have permanent establishment in, Australia?

Yes.

b) Is the applicant under external administration (as defined in the *Corporations Act 2001*) or under a similar form of administration under any laws applicable to it in any jurisdiction?

No.

c) Is the applicant immune from suit in respect of the obligations under the *Electricity Industry Act 2000*?

No. the applicant is not immune from suit in respect of the obligations under the Electricity Industry Act 2000. We are not sure what further detail we can provide ESC in relation to this response. We will respond to any additional questions that ESC may have.

d) Is the applicant capable of being sued in its own name in a court of Australia?

Yes.

5. Commission objectives

The applicant must answer all questions in this section.

In deciding whether to grant or refuse an electricity transmission licence application, the commission must consider its objectives under the *Electricity Industry Act 2000* and the *Essential Services Commission Act 2001* (ESC Act).

Our primary objective under the ESC Act, when performing our functions and exercising our powers, is to promote the long-term interests of Victorian consumers. In seeking to achieve this objective, we must have regard to the price, quality, and reliability of essential services and the matters set out in section 8A to the extent they are relevant.

In seeking to achieve the objectives specified in section 8, the commission must have regard to the matters to the extent that they are relevant in any particular case.

Provide any information the applicant considers relevant to the commission's consideration of its objectives outlined in:

- Section 8 of the ESC Act (also see section 8A of the ESC Act); and
- Section 10 of the *Electricity Industry Act 2000*.

[**confidential**]