

1.4 Diagram of corporate and organisational structure

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

AUSNET'S CORPORATE STRUCTURE

The AusNet Group is Victoria's largest energy delivery service business and owns and operates over \$12 billion of electricity and gas network assets that service more than 6.6 million Victorians including over 1.5 million direct customers at the distribution level of the electricity and gas networks. These assets deliver energy safely and reliably to all Victorians via the transmission and distribution networks.

The group of companies, headed by AusNet Pty Ltd (AusNet), is engaged in providing network services in electricity transmission, electricity distribution and gas distribution, predominantly in Victoria.

AusNet Transmission Group Pty Ltd (ATG) is a registered Transmission Network Service Provider under the National Electricity Rules (NER) and the holder of an electricity transmission licence in Victoria under which it owns and operates its transmission network.

The AusNet Group's network and connection assets are designed, built, maintained and operated across its regulated network and its commercial energy services business. The AusNet Group employs more than 1,300 people in regional and metropolitan Victoria and through its distribution networks directly services in excess of 800,000 electricity and 792,000 gas customers.

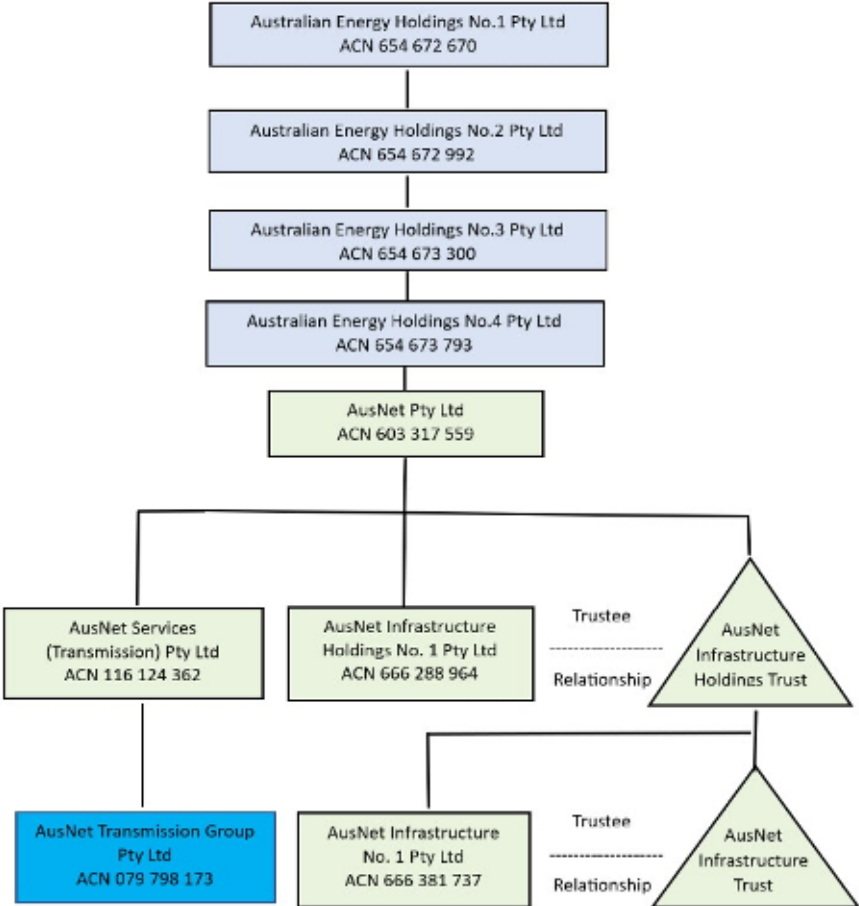
The AusNet Group operates as an integrated business with consistent corporate governance, policies and procedures and integrated systems with all business units having access to organisation-wide expertise. The AusNet Group is focused on ensuring all its customers can rely on its networks to deliver energy, while working to adapt and evolve the networks to support the shift to more renewable energy generation.

The following sections detail the organisation structure for the AusNet group of companies. AusNet and the Applicant operates as an integrated business with consistent corporate governance, policies and procedures, integrated systems and all business units having access to organisation-wide expertise.

In addition to its role in Victoria as the Declared Transmission System Operator (DTSO), ATG's electricity transmission network plays a pivotal role in the National Electricity Market (NEM), connecting into NSW, South Australia and Tasmania. The AusNet Group position in the energy supply chain and the key role it plays in the Victorian market guides how AusNet defines its customers as they are the end-users of our networks and services.

As a leading network and generation asset developer and owner, the AusNet Group brings a demonstrated history of planning, funding, designing, constructing, operating and maintaining critical energy assets across multiple technologies.

AusNet Infrastructure No.1 Pty Ltd as Trustee for AusNet Infrastructure Trust (Applicant) will design, build, own, operate and maintain the contestable Shared Assets to provide Connection Services over a 25.5 year service period. The Applicant is part of the AusNet Group and is a wholly owned subsidiary of AusNet. AusNet's wholly owned subsidiary ATG holds a transmission licence in Victoria.



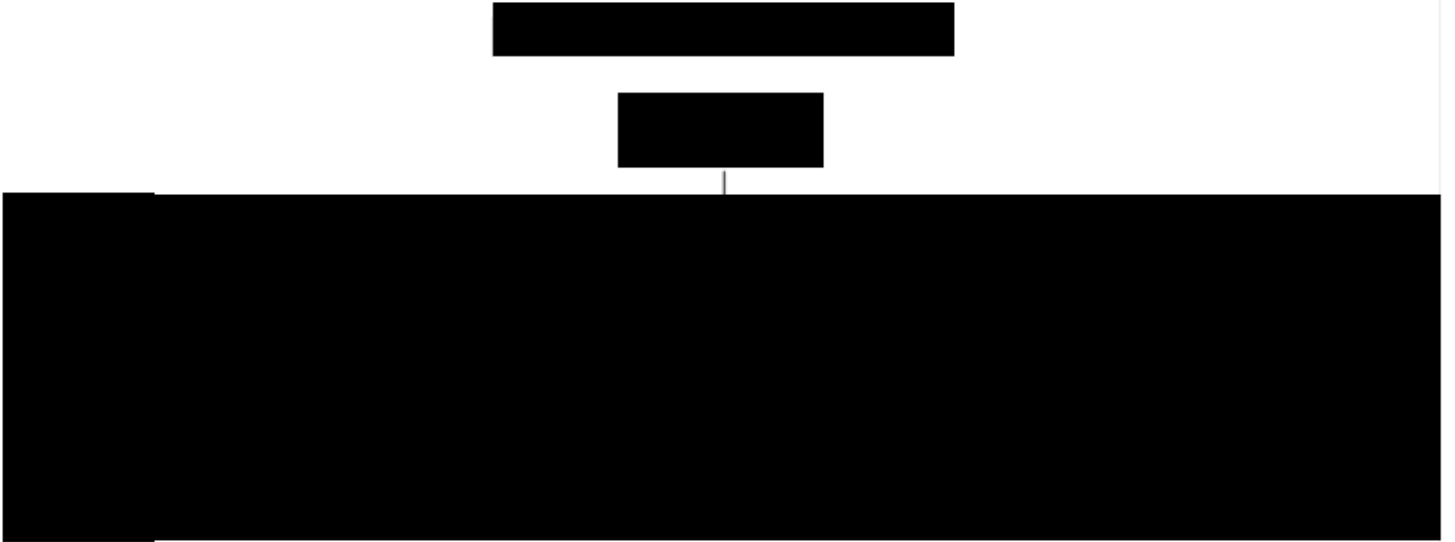


Figure 1: AusNet's Corporate Structure

The Applicant being AusNet Infrastructure No.1 Pty Ltd as Trustee for AusNet Infrastructure Trust (ACN 666 381 737) as trustee for AusNet Infrastructure Trust is a wholly owned subsidiary of AusNet Infrastructure Holdings No. 1 Pty Ltd (ACN 666 288 964).

AusNet Infrastructure Holdings No. 1 Pty Ltd is a wholly owned subsidiary of AusNet Pty Ltd ACN 603 317 559 (AusNet) which is a wholly owned subsidiary of Australian Energy Holdings No 4 Pty Ltd (AEH 4), a company ultimately owned by investors owned and/or managed by Brookfield entities, the Australian Retirement Trust and a number of Canadian pension and other investment funds.

The group of companies owned by AEH 4, headed by AusNet Pty Ltd (formerly AusNet Services Ltd) is known collectively as the AusNet Group and all related companies trade as AusNet. The AusNet Group primarily provides network services in electricity transmission, electricity distribution and gas distribution, predominantly in Victoria.

AusNet Transmission Group Pty Ltd ACN 079 798 is a registered Transmission Network Service Provider under the NER and holder of electricity transmission and distribution licences in Victoria, together with a transmission licence in Queensland. It is the operator of the transmission network in Victoria and also operates the distribution network in the east of Melbourne and regional Victoria. AusNet is the asset owner of those networks.

KOORANGIE BATTERY ENERGY STORAGE SYSTEM

KESS ProjectCo Pty Ltd as trustee for The KESS ProjectCo Trust (Edify Energy Pty Ltd) is developing a Battery Energy Storage System (BESS) in Koorangie in Victoria approximately 17 kilometres north-west of the Kerang Terminal Station.

The capacity of the development is an energy storage system of 185MW/370MWh including the interface and shared assets up to the point of supply. Edify Energy Pty Ltd has a Systems Support Agreement with the Australian Energy Market Operator (AEMO) for 125MW of this capacity. It is proposed to connect the BESS to a new, contestable greenfield Terminal Station being Koorangie Terminal Station (KOTS) through the Victorian Transmission Network (VTN).

The Koorangie BESS project was selected by AEMO and the Victorian Government to provide system strength services in the Murray Renewable Energy Zone (REZ). These services will be provided to AEMO for 20 years. Edify Energy Pty Ltd is the owner of and responsible for the maintenance of the BESS.

AusNet Transmission Group Pty Ltd ACN 079 798 is a registered Transmission Network Service Provider under the NER and holder of electricity transmission and distribution licences in Victoria, together with a transmission licence in Queensland. It is the operator of the transmission network in Victoria and also operates the distribution network in the east of Melbourne and regional Victoria. AusNet is the asset owner of those networks.

Attachment reference:

Not Applicable

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

ORGANISATIONAL STRUCTURE

As at the date of preparing this application, the Directors of the AusNet Board are shown in Table 1 and the Directors of the Applicant are David Smales (Chief Executive Officer), Mark Ellul (Chief Financial Officer) and Jonathan D'Sylva (Chief Development Officer).

The key personnel responsible for key functions of the Applicant's business are the highly experienced Executive Leadership Team of the AusNet Services Group. These persons as of the date of preparing this application are listed in Table 1.

AEH 4's Board of Directors

The members of the Board of Directors of AEH 4 are as per the following table.

Table 1: AusNet Board of Directors AEH 4

Board of Directors		
Jonathan Stellar	Alison Kay	Winnie Strano
Raymond Neill	Andrew Robinson	Lianne Buck
Jason Munsch		

AusNet's Shareholders

AEH 4 is a wholly owned subsidiary of Australian Energy Holdings No 1 Pty Ltd and the shareholders are named in Table 2.

Table 2: AusNet's Shareholders

Major Shareholders	
Brookfield Managed Investors	Alberta Investment Management Corporation
Australian Retirement Trust	Investment Management Corporation of Ontario
Healthcare of Ontario Pension Plan	Canada's Public Sector Pension Investment Board

AusNet's Key Personnel

The following table details AusNet's key personnel. The Executive Management Team at AusNet is provided in Tables 3, 4 and 5.

Table 3: AusNet's Key Personnel

Name	Title
David Smales	Chief Executive Officer and Director
Mark Ellul	Chief Financial Officer and Director
Andrew Linnie	Executive General Manager Network Operations (interim)
David Smales	Executive General Manager Network Management (interim)
Jonathan D'Sylva	Chief Development Officer, Development and Future Networks and Director
Bridget Cairns	Executive General Manager People and Safety (interim)
Elizabeth Ryan	Executive General Manager Strategy, Regulation, Digital and Corporate Affairs

Attachment reference: Not Applicable

1.5 The Licence and transmission infrastructure details

Provide details on the following

(a) Date from which licence is sought: [REDACTED]

(b) Transmission asset name:

Koorangie Terminal Station (KOTS)

(c) Location of transmission asset (including the local government area, nearest town, or other identifying features):

Bael Bael, Victoria 3579

(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):

New 220kV Electrical transmission station by cutting in 220kV Wemen Terminal Station to Kerang Terminal Station line.

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

Please refer to the following where the Single Line Diagram (SLD), site plan and transmission line route are included showing the proposed route.

Attachment reference:

[REDACTED]
[REDACTED]
[REDACTED]

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

Easting and Northings of the primary plant including the connection points are attached as follows.

Attachment reference:

[REDACTED]

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

The following is the proposed connection arrangements for KOTS:

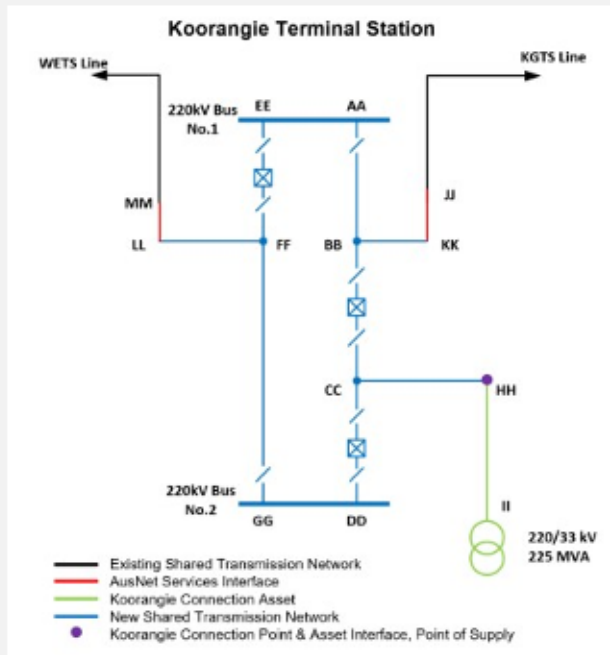


Figure 1: Proposed Connection Arrangements

Site Electrical layout in:

Attachment reference:

Attachment G - KOTS-0351608-001

Attachment H - KOTS-0351611 001

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

The proposed assets are a 220kV Terminal Station with the following system condition requirements.

System Conditions – 220kV

System Condition	Requirement
Maximum short term operating voltage (10 seconds)	280kV
Maximum short term operating voltage (1 minute)	268 kV
Maximum short term operating voltage (30 minutes)	255 kV
Maximum continuous operating voltage, U_m	245 kV _{RMS}
Minimum continuous operating voltage, U_{min}	198 kV _{RMS}
System frequency	50 Hz
Number of Phases	3
Method of earthing system neutral	Direct
Maximum fault levels (three phase, sub-transient)	40 kA _{RMS}
X/R ratio	30
Lightning impulse withstand level	1050 kV _{PEAK}
Switching impulse withstand level	N/A kV _{PEAK}
Short duration power frequency withstand voltage for 1 minute	460 kV _{RMS}

Attachment reference:

████████████████████

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

The Koorangie BESS project is a contestable transmission project and is not subject to the RIT-T process.

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

- (i) The necessary land and easements will be obtained during the construction of the project and once the land has been subdivided.
- (ii) All necessary planning and development approvals were obtained with the Environment Management Plan approved by the relevant Council on 5 February 2024.
- (iii) Construction commenced with mobilisation to site on 7 February 2024.

2. Technical capacity

2.1 Experience and knowledge of the industry

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

Experience and Knowledge of the Industry

The AusNet Executive Leadership Team is shown in Table 4 with more detail around the experience and qualifications of the AusNet Executive Leadership Team shown in Table 5.

Table 4: AusNet Executive Leadership Team

Name	Title
David Smales	Chief Executive Officer and Director
Mark Ellul	Chief Financial Officer and Director
Andrew Linnie	Executive General Manager Network Operations (interim)
David Smales	Executive General Manager Network Management (interim)
Jon D'Sylva	Chief Development Officer, Development and Future Networks and Director
Bridget Cairns	Executive General Manager People and Safety (interim)
Elizabeth Ryan	Executive General Manager Strategy, Regulation, Digital and Corporate Affairs



Executive Team structure

Effective September 2024



- b) 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.

Key Contractors

AusNet has engaged the services of Zinfra, SRS Group and Jacobs to undertake design, control room and construction activities. These are detailed in Table 6. Each of these contractors may use subcontractors that have been approved by AusNet.

Table 6: Key Contractors

Contractor Name	Scope of Work	Experience	Accreditations	Compliance with Regulatory Requirements
██████████	Construction Activities Operations and Maintenance Activities	With experience dating back to 1837, ██████████ has supported the delivery of the needs of energy supply providing construction and installation services for all types of projects including operations and maintenance contracts in electricity distribution and transmission.	ISO 45001:2018 – Occupational health and safety management systems – Requirements ISO 9001:2015 – Quality management systems ISO 14001:2015 – Environmental management systems Australian Government building and construction WHS Accreditation Scheme AS / ISO 22301 Security and resilience – Business continuity management systems AS / NZS ISO 31000 Risk Management Standard	Australian Modern Slavery Act 2018 (Cth.) Federal and State based Critical Infrastructure & Emergency Management Legislation Privacy and Data Protection Act Anti-Money Laundering and Counter-Terrorism Financing Act 2006 Occupational Health and Safety Act 2004 (Vic)
██████████	Supply and install of control room building	Manufacturing and supplying switchboards and transportable control rooms since 1998 to Australian customers. AusNet has significant engagement working with ██████████	ISO 9001:2015 – Quality management systems ISO 45001:2018 – Health and safety management systems ISO 14001:2015 – Environmental management systems	Occupational Health and Safety Act 2004 (Vic)
██████████	Design Activities	Dating back to 1947, ██████████ provides engineering, technical, professional, construction services and specialty	ISO 9001:2015 – Quality management systems	Privacy and Data Protection Act Anti-Money Laundering and Counter-Terrorism Financing Act 2006

Contractor Name	Scope of Work	Experience	Accreditations	Compliance with Regulatory Requirements
		consulting for a broad range of clients globally, including companies, organisations and government agencies.		The Occupational Health and Safety Act 2004 (Vic)

- c) the experience and qualifications of any relevant key employees who will manage those systems and processes;

Experience and Qualifications of Key Employees

The following are the key employees of AusNet who will be managing the systems and processes for Koorangie BESS. This is shown in Table 7.

Table 7: AusNet Key Employees

Name	Title	Qualifications
██████████	Program Director Delivery	IEAust CPEng, MBA, BEng 25 years' experience in delivering large scale, technically challenging projects and programs in the electrical infrastructure industry, both in Australia and internationally.
██████████	Manager – Asset Management	CPEng, Bachelor of Engineering and Bachelor of Science, Chemical Engineering, Biochemistry and Astrophysics 15 years' experience in energy infrastructure asset management, business process improvement and infrastructure portfolio management.
██████████	General Manager – Delivery	Bachelor of Engineering, Electrical Engineering 37 years' experience in delivering, commissioning and managing major electricity transmission infrastructure.
██████████	Head of Project Development	BSc Engineering (Mining), MBA, Masters of Engineering (Sustainable Energy)

Name	Title	Qualifications
		Over 20 years' experience in development, project management and delivery of large scale electricity transmission infrastructure.
██████████	Project Manager	<p>Bachelor of Engineering (Electrical)</p> <p>14 years of experience in project Management, Governance, engineering, commissioning and maintenance in the field of industrial power plant, process industry, Grid and substations</p>
██████████	Senior Project Manager	<p>BSC Eng, CPPM</p> <p>24 years' experience in engineering, construction and project management for complex civil and electricity infrastructure (including under-harbour tunnels).</p>
██████████	Manager Operations and Maintenance Delivery	<p>BEng (Hons) – Renewables, Renewable Energy Engineering, Graduate Certificates in Management and Project Management.</p> <p>15 years in construction and six years in Asset Management and Operations and Maintenance Delivery.</p>
██████████	Acting Land Manager	<p>Bachelor of Commerce (Marketing Major), Certificate in Engagement IAP2, biosecurity training.</p> <p>Nine years of experience in communications and engagement. Responsible for engaging with landowners and community members on a number of projects, including option for easement negotiations, access licence negotiations, development of property management plans, and post construction remediation liaison. Familiar with the requirements of the ESC Land Access Code of Practice.</p>
██████████	Senior Stakeholder Engagement Advisor	<p>Bachelor of Business (major Contemporary Marketing), Certificate in Engagement IAP2</p> <p>14 years of experience in communications, engagement and customer service roles. Responsible for engaging with landowners and community members on a number of projects, including option for lease negotiations, access licence negotiations</p>

Name	Title	Qualifications
		and broader community engagement. Familiar with the requirements of the ESC Land Access Code of Practice.

Key personnel engaging with local communities and landowners on the intended use of land access powers under the EI Act

While AusNet Infrastructure No1 will not access land using its land access powers under the EI Act for the Koorangie Energy Storage System (KESS) Project, AusNet Infrastructure No 1 is committed to complying with the ESC's Land Access Code of Practice in the way we manage Landowner Engagement for new transmission and significant network augmentation.

Our key personnel who will be engaging with local communities and landowners on the KESS Project include [REDACTED] and [REDACTED].

1. [REDACTED] is currently the Acting Land Manager at AusNet and has nine years of experience in communications and engagement. She holds Bachelor of Commerce majoring in Marketing, and also a Certificate in Engagement from IAP2 and has undertaken biosecurity training. [REDACTED] has been with AusNet since 2022 and in this time has been responsible for engaging with landowners and community members on a number of projects, including option for easement negotiations, access licence negotiations, development of property management plans, and post construction remediation liaison. [REDACTED] is familiar with the requirements of the ESC Land Access Code of Practice.
2. [REDACTED] is currently Senior Stakeholder Engagement Advisor at AusNet and has 14 years of experience in communications, engagement and customer service roles. He holds a Bachelor of Business majoring in Contemporary Marketing and Business Management, and also a Certificate in Engagement from IAP2. [REDACTED] has been with AusNet since 2023 and in this time has been responsible for engaging with landowners and community members on a number of projects, including option for lease negotiations, access licence negotiations and broader community engagement. [REDACTED] is familiar with the requirements of the ESC Land Access Code of Practice

A copy of the LACoP can be found in **Attachment 16**.

- d) if the applicant will engage third parties to assist with the licensed activities, provide the following information in relation to each third party:
- (ii) the name of that third party
 - (iii) the scope of activities undertaken by the third party
 - (iv) details and copies of any agreements for the provision of services
 - (v) details about the experience of the third party in relation to the activities that it will be undertaking, including any accreditations

- (vi) details of the processes in place to ensure the third party complies with the licensee's regulatory obligations.

Contractor Name	Scope of Work	Experience	Accreditations	Compliance with Regulatory Requirements
██████████	Construction Activities Operations and Maintenance Activities	With experience dating back to 1837, has supported the delivery of the needs of energy supply providing construction and installation services for all types of projects including operations and maintenance contracts in electricity distribution and transmission.	ISO 45001:2018 – Occupational health and safety management systems – Requirements ISO 9001:2015 – Quality management systems ISO 14001:2015 – Environmental management systems Australian Government building and construction WHS Accreditation Scheme AS / ISO 22301 Security and resilience – Business continuity management systems AS / NZS ISO 31000 Risk Management Standard	Australian Modern Slavery Act 2018 (Cth.) Federal and State based Critical Infrastructure & Emergency Management Legislation Privacy and Data Protection Act Anti-Money Laundering and Counter-Terrorism Financing Act 2006 Occupational Health and Safety Act 2004 (Vic)
██████████	Supply and install of control room building	Manufacturing and supplying switchboards and transportable control rooms since 1998 to Australian customers. AusNet has significant engagement working with ██████████	ISO 9001:2015 – Quality management systems ISO 45001:2018 – Health and safety management systems ISO 14001:2015 – Environmental management systems	Occupational Health and Safety Act 2004 (Vic)
██████████	Design Activities	Dating back to 1947, ██████████ provides engineering, technical, professional, construction services and specialty consulting for a broad range of clients globally, including companies, organisations and government agencies.	ISO 9001:2015 – Quality management systems	Privacy and Data Protection Act Anti-Money Laundering and Counter-Terrorism Financing Act 2006 The Occupational Health and Safety Act 2004 (Vic)

Attachment reference: Not Applicable

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.

RISK MANAGEMENT FRAMEWORK

AusNet's governance framework is central to the development and delivery of the business strategy and enables performance to be set and monitored against business objectives, articulate the risk appetite and manage risks.

The Board is responsible for representing all shareholders and acting in the best interests of AusNet. This requires the Board to:

- Provide leadership and overseeing strategic and financial direction.
- Monitor and guide the culture, reputation and standards of conduct.
- Oversee AusNet's Risk Management Framework and set risk appetite.
- Monitor AusNet's approach to the management of both financial and non-financial risks.

The Audit and Risk Committee has the following key responsibilities:

- Assisting the Board with reviewing the appropriateness of accounting principles adopted in the composition and presentation of financial reports and approving all significant accounting policy changes.
- Reviewing the adequacy and effectiveness of AusNet's risk management, internal compliance and control systems and reviewing matters that are brought to its attention by the auditors.
- Overseeing the conduct and scope of the audit functions.

AusNet is committed to effectively managing risk for its shareholders, employees, customers, suppliers and the communities in which it operates. The guiding principle of the Risk Management Framework is to enhance strategic and operational decision-making to optimise business performance by managing exposures and operates within a structured risk management framework to maximise the value from its assets, projects and other business opportunities. Risks faced by AusNet are managed on an enterprise-wide basis and are identified, analysed, evaluated and prioritised in a consistent manner using common systems and methodologies.

AusNet has an internal audit function to assist in the effective discharge of their responsibilities relating to risk management, internal control and governance.

During the 2022 financial year, AusNet reviewed its approach to understanding and managing climate-related risks and opportunities and commenced reporting in accordance with the

recommendations of the Financial Stability Board's Taskforce on Climate-Related Financial Disclosures.

Risk Management and Governance

AusNet's approach to governing risk and compliance is based on the proven approach utilising the 'three lines of defence'. AusNet's three lines of defence operates in a cohesive and integrated manner being the first line of defence (risk management by business operations), second line of defence (independent risk control and compliance and supporting the first line) and third line of defence (internal audit).



Figure 2: AusNet's Risk Management Framework

The Applicant has identified the risks associated with electricity transmission in accordance with the risk management strategy of the AusNet Group.

- 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.

Risk management at the AusNet Group has been developed in line with ISO 31000:2018.

As part of the AusNet Group Enterprise Risk Management Framework, Risk Appetite Statement and Risk Management Policy, the AusNet Group has in place a Third-Party Risk Management high level process (TPRM)" and "Management of very-high and high-risk ratings" to ensure the TPRM framework outcomes are achieved for each third party and each risk components assessed.

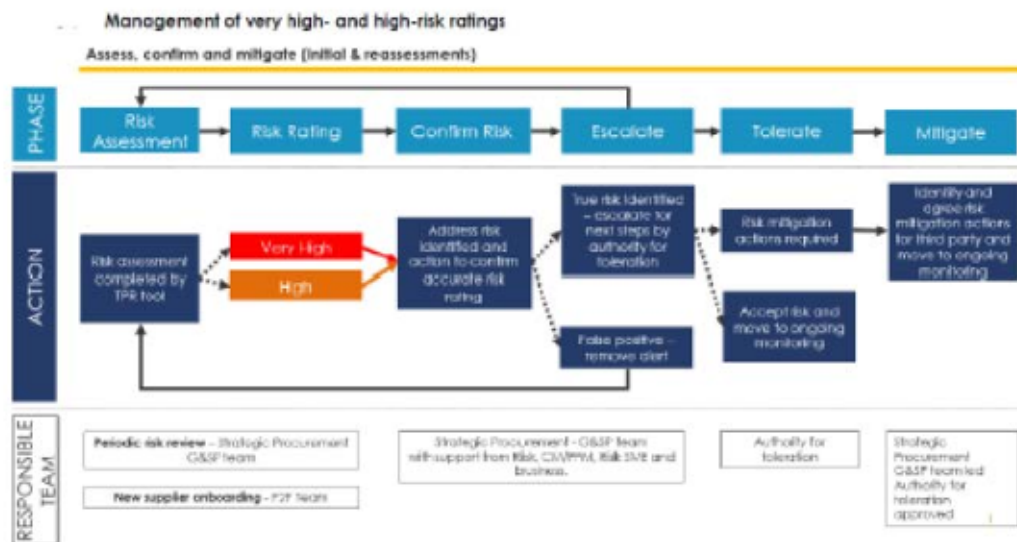
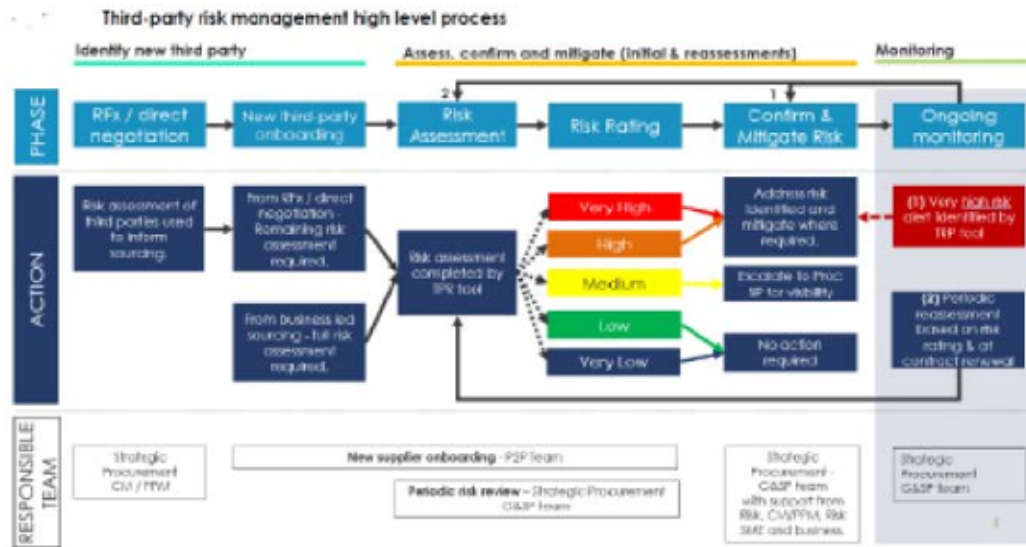


Figure 4: Management of Risk Ratings

Third parties are used to provide goods and/or services across many business areas of the AusNet Group, therefore the inherent risk of third parties covers many categories of risk (risk domains and risk components). Six third-party inherent risk domains have been identified:

- 1) Complex risk
- 2) Information and legal risk
- 3) Quality risk
- 4) Reputational risk
- 5) Operational risk
- 6) Human risk.



Figure 5: Management of Third Party Risks

The risk management process is based on AusNet's Third Party Risk Management Policy which embeds all sourcing risk activity applied to this project.

- c) Provide a copy of a risk register that identifies risks, controls and mitigations.

As part of the Enterprise Risk Management Framework, a copy of the Risk Register template is shown in Attachment M - Project Risk Register Template.

A copy of the risk register for Koorangie BESS is also provided in Attachment N – Risk Register Koorangie.

Attachment reference:

Attachment I - Enterprise Risk Management Framework RM 10-01 Risk Appetite Statement

Attachment J - Risk Appetite Statement RM 10-02

Attachment K - Risk Management Policy RM 10-04

Attachment L - AusNet Third Party Risk Management

Attachment M - Project Risk Register Template

Attachment N - Risk Register Koorangie

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.

Land Access Dispute Resolution

During the construction phase, AusNet and the landowner are obligated to meet the conditions of the Construction Access License Agreement. The Construction Access License Agreement and the Property Management Plan provide a dispute mechanism during construction. Should the landowner sell the property prior to construction completion, the license would transfer with the land. The Project Construction and Coordination Deed also details the dispute resolution process between the parties.

There are four methods for a landowner to lodge a dispute:

- 2.3.1 Online via the AusNet website (<https://www.ausnetservices.com.au/contact-us>).
- 2.3.2 Email via customersupport@ausnetservices.com.au.
- 2.3.3 Phone - 1300 360 795 (8am-5pm, Monday to Friday).
- 2.3.4 Mail - Locked Bag 14051, Melbourne VIC 8001.

Once a complaint is lodged, it will be acknowledged within two business days of receipt and aimed to be resolved within 10 business days, unless it's a complex case (when follow-ups will be undertaken as the case is resolved).

Post construction, the landowner will be provided with a copy of the 'Guide to Living with Transmission Line Easement' which is an overview of the landowner's rights and the transmission line owner's rights in relation to the Transmission Line Easement.

The landowner will also be provided with a copy of the 'Complaints and Dispute Resolution - Customer Service Policy', which provides the methods with which a landowner can lodge a dispute with AusNet in relation to the transmission line easement. These documents are updated on the AusNet Group website and updated as required.

Attachment reference:

Attachment O - *A guide to living with transmission line easements*

Attachment P - *Complaints and dispute resolution policy - Oct 2022*

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.

The applicant will be a registered market participant with AEMO for the electricity transmission activities. A copy of the Network Services Application is in **Attachment 2**.

Electricity and gas licences held by the Applicant and its associates are:

- a) AusNet Transmission Group Pty Ltd holds a licence for the transmission of electricity in Victoria. This licence came into effect on 3 October 1994 under perpetuity.
- b) AusNet Transmission Group Pty Ltd holds a Transmission Authority from the Queensland Department of Energy and Water Supply to operate a transmission grid in Queensland and connect to Powerlink's or any other TNSP's, transmission grid in Queensland.
- c) AusNet Electricity Services Pty Ltd holds a licence for the distribution of electricity in Victoria. This licence came into effect on 3 October 1994 under perpetuity under the Electricity Industry Act in Victoria.
- d) AusNet Gas Services Pty Ltd holds a licence for the distribution of gas in Victoria. This licence was granted on 11 December 1997 under the Gas Industry Act 2001 (Vic).
- e) AusNet Transmission Group Pty Ltd was granted a special exemption to supplement the electricity generation licence on 4 September 2019 to cater for the generation of electricity under section 19 of the Electricity Industry Act for the Ballarat Battery Energy Storage System (30MW/30MWh) located at the Ballarat Terminal Station in Victoria.
- f) AusNet Transmission Group Pty Ltd is a Prescribed Authority under section 88A of the Conveyancing Act from 20 May 2022 in New South Wales.
- g) [REDACTED]

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.

The Applicant does not hold any licences in other jurisdictions. The licences held by associates to the Applicant are:

- a) AusNet Transmission Group Pty Ltd holds a Transmission Authority from the Queensland Department of Energy and Water Supply to operate a transmission grid in Queensland and connect to Powerlink's or any other TNSP's, transmission grid in Queensland.
- b) AusNet Transmission Group Pty Ltd is a Prescribed Authority under section 88A of the Conveyancing Act from 20 May 2022 in New South Wales.
- c) [REDACTED]

2.6 Previous unsuccessful licence applications in other jurisdictions

This is not applicable. AusNet and the Applicant has not applied for a licence in another jurisdiction and been unsuccessful in that application.

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.

The Applicant does not hold any licences in other jurisdictions. The licences held by associates to the Applicant are:

- a) AusNet Transmission Group Pty Ltd holds a Transmission Authority from the Queensland Department of Energy and Water Supply to operate a transmission grid in Queensland and connect to Powerlink's or any other TNSP's, transmission grid in Queensland.
- b) [REDACTED]

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.

The AusNet Group is committed to conducting its operations in line with all relevant requirements of laws, regulations, licence requirements, industry and organisational standards and codes, principles of good governance and accepted community and ethical standards.

The AusNet Group has a Compliance Policy and Framework that outlines the management of compliance obligations and promotes a positive compliance culture as an integral part of ensuring good governance and operational excellence at AusNet. The policy is closely aligned with the guidance provided in the International Standard for Compliance Management Systems: ISO 37301-2021.

Consistent with AusNet Services Group's commitment to maintain a high standard of integrity, AusNet Services Group has put in place appropriate policies and governance arrangements to promote and support ethical behaviour. These policies and governance arrangements apply to the Applicant and include:

- | **Code of Conduct** – AusNet Group has developed a Code of Conduct to guide all directors, officers, employees, contractors and consultants as to the practices necessary to maintain confidence in AusNet Group's integrity, the standards for dealing with obligations to external stakeholders and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. The Code of Business Conduct specifically addresses conflicts of interest, business gifts and entertainment, improper use of the Applicant's property and assets, dealing with government officials and related parties, political activities and reporting unlawful and unethical behaviour.
- | The **Audit and Risk Committee** oversees the operation and reviews significant breaches of the Code, including incidents involving fraud, misconduct or a breakdown in AusNet's internal controls. A copy of the Code of Conduct is shown in the following attachment.
- | **AusNet Supplier Code of Conduct (SCOC)** outlines the minimum standards expected from suppliers in the areas of business practices and ethics, labour practices and human rights, diversity, legal and regulatory obligations, health and safety, environmental regulations and protection, privacy and cyber security, compliance with the SCOC and reporting. AusNet is committed to sustainable, ethical and socially responsible procurement practices. Suppliers are

viewed as partners and the same high standards are expected from them. The SCOC applies to all who supply goods or services directly to AusNet (direct suppliers) and all sub-tier suppliers contributing to the supply of goods or services to AusNet (indirect suppliers). A copy of the SCOC is shown in the following attachment.

- | **Modern Slavery** – The AusNet Group embraces its responsibilities as a good corporate citizen in seeking to uphold the internationally recognised human rights of every person. Over the reporting periods, AusNet has deepened our engagement with suppliers, increased the breadth and depth of our supplier assessments, introduced new tools and digitisation in our processes, delivered education sessions internally, to our industry peers and to a subset of our suppliers. AusNet’s fourth Modern Slavery Statement was published on 30 June 2023 in accordance with legislative requirements and is on the AusNet Group website.
- | **Bribery, Fraud and Corruption Policy** – The AusNet Group has a Bribery, Fraud and Corruption Control Policy which prohibits bribery, fraud, corruption and other unethical conduct. Reported incidents of bribery, fraud and corruption must be notified to the Audit and Risk Committee.

ETHICAL AND RESPONSIBLE BEHAVIOUR

Values

At the AusNet Group, our values guide the actions of all our people and underpin how we achieve our purpose and express the beliefs and principles we agree to share. These values are:

- | We work safely
- | We do what's right
- | We're one team
- | We deliver

The values are supported by the Code of Conduct and other key governance principles and policies, which are approved by the Board.

Conflict of Interest

The Board has adopted Conflicts of Interest Guidelines for Directors to guide it on the management of actual and potential conflicts between the interests of a Director, or Directors and the interests of AusNet. This is to ensure compliance with the Corporations Act 2001 (Cth). Each Director is obliged to disclose if they have a potential or actual conflict of interest at any time in relation to any matter that relates to the affairs of AusNet.

Procurement Framework – Sustainability and Local Content

AusNet understands and supports the importance of sustainable and social procurement and the important role this plays in major infrastructure development. For AusNet, sustainability means operating an economically, environmentally and socially sustainable business. This is achieved through a robust and evolving strategy to deliver safe and reliable energy to customers and communities.

AusNet’s management of key Environment, Social and Governance (ESG) risks and opportunities supports long-term growth and performance. AusNet continues to look at ways of further developing and embedding assessment of key ESG considerations into strategic planning processes. AusNet

is increasing its focus on sustainability reporting, with increased transparency on ESG and effective disclosures on how it operates and manages risks.

Sustainable Procurement

Sustainable procurement defines requirements and accountabilities for the sustainable procurement of externally sourced goods and services, aiming to achieve positive environmental, social and economic impact over the entire life cycle, while simultaneously meeting legislative requirements. Sustainable procurement principles consider the responsibility for the social, environmental, economic and governance impacts of any purchase. More broadly, sustainable procurement balances the considerations of:

- | Social and ethical implications.
- | Environmental impact of the growth, manufacture and transport of products and services. The application of good governance.
- | Cost and economic impact of the purchase.

Social Impacts

AusNet will favour suppliers who support responsible labour practices, contributing to the development of safe, fair and inclusive workplaces, including suppliers that:

- | Can provide evidence of appropriate workplace policies, and evidence of monitoring and compliance with health and safety policies.
- | Comply with all applicable laws related to wages, employment conditions, working hours and legally mandated benefits.
- | Comply with the UN Global Compact Principles 1 as they relate to Human Rights and Labour.

Environment and Anti-Corruption

AusNet is committed to the communities in which it operates and aims to consider any procurement decisions through balancing requirements of its regulators, any community benefits and local employment, with its obligation to customers and shareholders, to operate efficiently.

Diversity

AusNet has undertaken an extensive review of the market to assess the opportunities for utilisation of indigenous businesses in the delivery of current services across its organisation and for any future Services. AusNet has also commenced discussions with external parties, peer and cross-industry organisations and suppliers to understand best-practice with the intention of embedding learnings into projects. As a broader business objective, AusNet intends to establish a means for tracking Indigenous spend, across the entirety of the supply chain and services.

Prospective delivery partners also have policies to support procurement of local content and indigenous engagement which include, Diversity and Inclusion policy, Local and Indigenous Employment Plan and Reconciliation Action Plan in which delivery partners have made commitments towards increasing relationships with and use of Aboriginal and Torres Strait Islander business and suppliers.

- 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).

The AusNet Group has a Compliance Policy and Framework that outlines the management of compliance obligations and promotes a positive compliance culture as an integral part of ensuring

good governance and operational excellence at AusNet. The policy is closely aligned with the guidance provided in the International Standard for Compliance Management Systems: ISO 19600 and ISO 37301-2021.

Attachment reference:

Attachment Q - Code of Conduct

Attachment R - Supplier Code of Conduct

Attachment S - Compliance Policy and Framework

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.

This is not applicable as AusNet is not a Generator. Refer to part (b) for details of material agreements for AusNet.

- 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).
 - Project Construction and Coordination Deed
 - Construct Only Agreement between the Applicant and [REDACTED]
 - Control Room Agreement between the Applicant and [REDACTED]

Attachment reference:

Attachment T - [REDACTED]

Attachment U - [REDACTED]

Attachment V - [REDACTED]

- c) Any Network Services Agreements.

- The Network Services Agreements (NSAs) for both the Interface and the Terminal Station Works between the Applicant, Edify Energy Pty Ltd and AEMO.

Attachment reference:

Attachment W - Koorangie Interface NSA - [REDACTED]

Attachment X - Koorangie TS NSA - [REDACTED]

- d) Any contracts concerning the managerial aspects of the activity (sometimes commonly referred to as a Management Services Agreement).

This is not applicable and AusNet has not entered into any Management Services Agreements.

- e) Any contract concerning the ongoing operations and maintenance of the transmission assets (sometimes commonly referred to as an Operations and Maintenance Agreement).

- The O&M Agreement between the Applicant and ATG

Attachment reference:

Attachment Y - Template O&M Agreement

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

The transmission assets are contemplated to form part of the Declared Transmission System and the applicant has requested to be a Declared Transmission System Operator for the new assets.

Attachment reference: not applicable but AusNet will share any further information as requested by the ESC.

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.

The works for the construction of the Terminal Station and associated works for the Koorangie BESS Project are under approved permit (P13.055) granted to Edify Energy Pty Ltd Human Rights by the Gannawarra Shire Council, as per the Gannawarra Planning Scheme for the Koorangie BESS project.

Attachment reference:

Attachment Z - Planning Permit, Gannawarra Solar Farm, settled after no appeals - 21 November 2013

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

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.

During the construction phase, AusNet and the landowner are obligated to meet the conditions of the Construction Access Licence Agreement. This is in the final stages of negotiation. A copy of the template Construction Access Licence is attached.

Attachment AA - KESS Construction Access Licence AusNet Template

- b) A description of any complaints, including resolution or outcomes, concerning the applicant's activities in relation to land access.

The construction works in relation to the Koorangie BESS site have not yet commenced and to date there has not been any complaints in relation to the Applicant's activities in relation to land access. During the construction phase, AusNet and the landowner are obligated to meet the conditions of the Construction Access License Agreement. The Construction Access License Agreement and the Property Management Plan provide a dispute mechanism during construction. The PCCD also details the dispute resolution process between the parties.

Post construction, the landowner will be provided with a copy of the 'Guide to Living with Transmission Line Easement' which is an overview of the landowner's rights and the transmission line owner's rights in relation to the Transmission Line Easement.

The landowner will also be provided with a copy of the 'Complaints and Dispute Resolution - Customer Service Policy', which provides the methods with which a landowner can lodge a dispute with AusNet in relation to the transmission line easement. These documents are updated on the AusNet Group website.

- 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 Land Access Code of Practice.

AusNet would typically appoint a Land Liaison Officer to manage landowner engagement and who would ideally remain the landowner's key contact from early development phase into construction.

In early engagement with the landowner, AusNet would typically provide a high-level overview of the project and what to expect during an in person meeting with landowners. The landowner would

be provided a brochure, contact information and website which will host further information. Refer to Attachment BB - Landowner Engagement for an example brochure from another project which is provided on a confidential basis.

During easement design stage, if surveys are required on the land, an Access Agreement will be developed which will contain details on access and notification requirements as agreed with the landowner. Should the landowner want to progress with AusNet acquiring an easement on their property, the landowner would be provided with an Option for Easement Agreement. This will contain an offer for the purchase of the easement. AusNet will offer to reimburse the landowner for legal and valuation costs associated with the Option. Before a project moves to construction, the Option would be exercised, and an easement would be registered. The access agreed in the Option would cover pre-construction works.

A Property Management Plan would be created as part of entering into a Construction Licence. This Plan would outline expectations around access and notification of access, including the landowners preferred contact method.

Attachment reference:

Attachment BB - Landowner Engagement Brochure

- 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*.

AusNet's key personnel engaging with local communities and landowners all have engagement experience, with some having a Certificate of Engagement from IAP2. Key personnel are also familiar with the requirements of the Essential Services Commission's Land Access Code of Practice.

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.

AusNet Infrastructure No 1 initially engaged with Energy Safe Victoria (ESV) on 21 May 2024. Following subsequent discussions with ESV, AusNet Infrastructure No 1 was requested to submit a separate application for the Electrical Safety Management Scheme.

Accordingly, an application for the Electrical Safety Management Scheme (ESMS) for Koorangie Terminal Station (KOTS) was submitted on 5 July 2024. A copy of the ESMS KOTS application is at **Attachment 12** followed by the cover letter at **Attachment 12A**.

The applicant continues to engage with Energy Safe Victoria (ESV) and has informed the ESV that the applicant will adopt AusNet Group's ESMS in relation to its Major Electrical Undertaking.

2.14 Additional information

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

AUSNET SUPPORT AND RESOURCE STRUCTURES

Resource Structure

AusNet's network and connection assets are operated by approximately 1,300 employees across the regulated and contestable networks with the functional capability as shown in Figure 6.

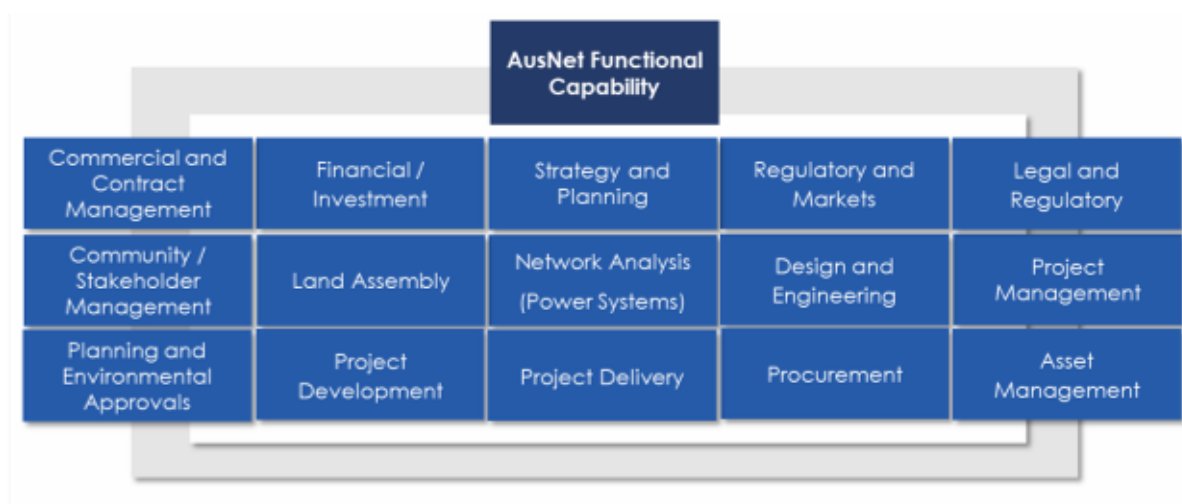


Figure 6: AusNet's Functional Capability Summary

The delivery model for the development, operation and maintenance of the assets utilises a highly skilled internal workforce that has skill sets, capabilities and experience gained from delivering and maintaining substantial electricity and gas networks. This also includes recent contestable renewable and grid augmentation/development projects.

These internal skills are supported by a range of Tier 1 suppliers of engineering, construction and maintenance services. This model leverages the complementing skills sets, capabilities and experience of delivery partners and ensures the appropriate expertise and resource availability, while also providing the opportunity for AusNet to maximise local content on projects and assets which might be situated anywhere across Australia.

Project Management and Delivery

In carrying out major projects, AusNet adheres to best practice project management and an approach endorsed by the Australian Institute of Project Management. As well as delivering projects safely, on time and on budget, AusNet also aims to minimise the impact on local communities, through consultation and proactive engagement and when planning the design and construction stages, in conjunction with clients.

AusNet's project management teams are experienced in all aspects of major project delivery including safety, design, value engineering, stakeholder management, procurement, construction, testing,

commissioning, interface and connection/contractual agreement and asset management.

This capability extends through the asset life cycle that includes asset management, through to operations and maintenance which ensures a seamless delivery and handover from construction to operation.

AusNet brings considerable experience with managing connection assets and understands the requirements to achieve a reliable service and functional performing assets that are managed in accordance with the high standards required in managing a regulated transmission or distribution electricity network.

Procurement

All procurement activities embody key procurement and business principles relating to confidentiality, auditability and equal opportunity through a competitive process (where multiple and suitably qualified providers are available), providing sufficient time for sourcing planning and receipt of responses. Specifically, the project sourcing channels will include:

- | **Modern Slavery and Social Procurement** – the prevention of Modern Slavery and the advancement of Social Procurement policies to enhance AusNet's social license are the foundational principles of its Procurement Methodology. Modern Slavery questionnaires are included as selection criteria for tenders conducted by AusNet and core features of any downstream contracts negotiated. Use of local content, Aboriginal businesses and resources as well as environmentally sustainable design and construction practices will be included in the selection criteria for tenders.

- | **Competitive Sourcing** – sourcing through tender arrangements remains AusNet's primary approach to procuring and delivering projects and is used to encourage competition. For works that represent a higher risk, sourcing will be restricted to invited parties only where there are critical interfaces and operational assets, longer lead times, risk of associated negative performance impacts, emergency responses and requirements for only accredited providers to work on AusNet network and shared assets. This will also be based on proven capability and a successful supply record.

- | **Supplier Selection** – Suppliers to be engaged will be assessed against an evaluation plan that considers their capability, capacity, financial strength, past performance and overall competency for the intended scope and will also be risk assessed against relevant scenarios during implementation. Where appropriate, a shortlisting exercise will be carried out before final negotiations are undertaken in order to extract value (cost, schedule, quality, enhance risk position with better terms and conditions etc) i.e. retaining competitive tension whilst best and final offers are sought.

- | **Project Management** - Post contract award, contract management activities will be undertaken during implementation of the supply contract or construction works. This will cover ongoing monitoring of activities to ensure contract deliverables are met. Contracts will be managed by AusNet's project manager or contract owner who will be responsible to identify continuous improvement opportunities through active supplier management plans. Payment will be retained until final completion of the contracted works including defects liability obligations, or equivalent security by bank guarantee to be provided by a reputable financial institution agreed by AusNet.

Network Operations

AusNet's Asset Management System (AMS) is aligned to ISO 55000. AusNet utilises its AMS that sets out the framework for the management of Victoria's major electricity transmission assets. The AMS is underpinned by the regulatory and commercial imperatives of delivering efficient cost and service performance. Key to the AMS is the consideration of risk in relation to asset performance and network reliability. AusNet recognises that emphasis on maintaining network reliability is paramount to delivering a quality service.

TECHNICAL CAPACITY

Established Network Provider

As one of the largest network operators in Australia, AusNet has demonstrated the ability to provide excellent service to our customers, while also working with industry stakeholders and fellow network operators to ensure that Australia's broader energy industry delivers on the needs of our nation, such as the move to a zero emissions future.

AusNet has a unique distribution network in that a larger proportion of its customers are residential than any other Victorian distributor. Split by the Great Dividing Range, the network covers heavily forested and mountainous areas, as well as the low lying and coastal regions of Gippsland. On the northern and eastern fringes of Melbourne, the network services highly populated suburbs including the heavily vegetated Dandenong Ranges. Over recent years, AusNet has successfully responded from a system reliability and performance perspective to many large events including but not limited to bushfires and large storm events.

AusNet has a Strategic Plan for Integrated Response and Contingency Systems to maintain business continuity and to manage business disruptions. This outlines the principles, criteria and resources to support the activation and escalation of an Emergency Management Team and/or a Crisis Management Team in response to an emergency event. AusNet has defined emergency levels and crisis levels up to when an emergency is declared by the Government or a Regulatory body.

AusNet has Business Continuity Plans in place as well as performing emergency exercises as operators of critical infrastructure under the Electricity Distribution Code Part 8 Section 8.1, Electricity Distribution Code Part 8 Section 8.2, the Emergency Management Act, 2013 (Part 7A) and the National Gas Rules V12 Division 5 Intervention and Market Suspension, Subdivision 1 Emergencies (333) & Subdivision 2 Emergency Planning by Participants (334, 335 & 336).

Delivering Network Services in the NEM

As a significant network owner and operator, AusNet has established relationships with all relevant electricity industry regulatory bodies and agencies. The key bodies in relation to regulation of the electricity industry include the Australian Energy Market Commission (AEMC), the AER and AEMO. AusNet is required to and is experienced in delivering network services in the NEM based on the statutory powers of these regulatory bodies and delivering these network services in Victoria and other States in which AusNet operates.

AusNet is a longstanding market participant in the NEM, operating networks under these various regulatory regimes and is capable of meeting Transmission Licence holder obligations.

HEALTH, SAFETY, ENVIRONMENTAL AND QUALITY MANAGEMENT SYSTEM CERTIFICATION

AusNet's operations and overall business associated with its projects and services are subject to all relevant health, safety, environmental and social legislation being Federal, State and Local and as applied to the electricity industry.

AusNet is a long-standing electrical transmission and distribution owner and operator in Victoria, holds a current Queensland Transmission licence since November 2015 and carries out services in other Australian States. AusNet will bring its culture of compliance to the relevant health, safety, environmental and social legislation by leveraging off its robust internal Health, Safety, Environmental and Quality (HSEQ) management systems frameworks, supported by induction and training processes.

AusNet operates a certified HSEQ Management System. The system has been the subject of external audits by British Standards Institution (BSI) and has been certified to the following standards:

- | AS/NZS 45001: Occupational Health and Safety Management Systems

Attachment reference:

Attachment CC - ISO 450001 HSEQ

- | AS/NZS ISO 9001: Quality Management Systems

Attachment reference:

Attachment DD - ISO9001 Quality Certification

- | AS/NZS ISO: 14001 Environmental Management Systems

Attachment reference:

Attachment EE - ISO14001 Environmental Certification

AusNet is committed to implementing and maintaining a HSEQ Management System consistent with our accreditation and to the health, safety and well-being of workers and to the protection of the environment.

AusNet's Safety Vision

AusNet's safety vision is symbolised by the simple expression missionZero. When it comes to the safety of AusNet's people, delivery partners and visitors, zero injuries are the only acceptable target. AusNet will not compromise on safety and will not tolerate unsafe acts and behaviours.

AusNet's **missionZero** HSEQ strategy will be achieved through strong safety leadership, safe behaviour, commitment to creating safe workplace environments and continuous improvements in safety systems and measurement.

Our leading value is '*We work safely*'. We will never compromise on safety because we genuinely care for the wellbeing of our people and our communities. To achieve our **goal of zero injuries**, we established our Mission Zero Strategy.



Figure 7: missionZero

AusNet's Services Compliance RACI document

On 12 December 2023, the refreshed enterprise compliance policy was endorsed by AusNet's board and the regulatory compliance framework on 19 March 2024. This mentions that compliance at AusNet is decentralized and embedded in specialist functions across AusNet with each function responsible for compliance with its obligations.

Please refer to **Attachment 3A and 3B**.

3 Financial viability

3.1 Financial resources

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

FINANCIAL RESOURCES

The Applicant is a wholly owned subsidiary AusNet Pty Ltd which is a wholly owned subsidiary of AusNet Energy Holdings No. 4 Pty Ltd and has the financial resources to perform the activities the subject of the licence. AusNet provides strong financial viability which results in the ability to be commercially competitive, innovative and flexible.

Details of the AusNet Group of companies' financial performance for the period from 1 April 2020 to 31 December 2022 is shown in the following table. A copy of the 2021 Annual Report is attached representing the previous ownership structure, please refer to Attachment FF - 2021 Annual Report.

The audited annual reports for AusNet Services Ltd include for the respective financial year, the:

- | Profit and loss statement and balance sheets, including all notes;
- | Directors' declaration;
- | Directors' report; and
- | Audit opinions.

The following table presents AusNet's high level summary of financial performance, both pre and post the acquisition by Brookfield.

Table 8: AusNet's Financial Performance Summary

Name	12 mths to Mar-20	12 mths to Mar-21	12 mths to Mar-22	9 mths to Dec-22
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Note: In February 2022, AusNet became a privately owned company and was no longer listed on the ASX. AusNet's financial year end changed from March to December post-acquisition.

Attachment reference:

Attachment FF - 2021 Annual Report

Credit Ratings

AusNet Services is a diversified Australian energy infrastructure business with over \$12 billion of electricity and gas network and connection assets.

AusNet has a strong financial position generating positive operating cash flows. AusNet Services has a BBB+/Baa1 credit ratings from S&P and Moody's respectively and has over \$10.5 billion of debt with an ability to access funding both within Australia and offshore.

The AusNet Group raises all its debt through AusNet Services Holdings Pty Ltd, a wholly owned subsidiary of AusNet Pty Ltd. Members of the wholly owned group including AusNet Pty Ltd have access to funds that are borrowed through the central funding vehicle. Interest rate risk is managed at a portfolio level across the wholly owned group.

Insurances

AusNet is able to meet the applicable insurance requirements for contestable markets in Victoria. AusNet has insurance arrangements in place in Victoria and other States with insurers that are of good repute and conditions that are applicable in the electricity industry.

- b) the applicant will be a registered market participant with the Australian Energy Market Operator for its electricity transmission activities.

Yes, the applicant will be a registered market participant with AEMO for the electricity transmission activities.

4 Fit and proper person

- 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

- 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:

No

- 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:

No

- 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:

No

- 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.

Not Applicable. Details provided in the application form.

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

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

Yes

5 Commission objectives

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*.

Granting a transmission license to the Applicant is consistent with the objectives of the commission in terms of protecting the long-term interests of Victorian consumers.

The licence will enable the Applicant to continue to own, maintain and otherwise perform its functions in respect of the shared assets and make the assets available for Edify Energy Pty Ltd.

At a high level, the BESS will typically be charged by Edify Energy Pty Ltd when prices and demand are at their lowest, and discharged into the NEM by Edify Energy Pty Ltd when supply is at its tightest, contributing to a reduction in prices paid by consumers.

Edify Energy Pty Ltd has a Systems Support Agreement with the Australian Energy Market Operator (AEMO) for 125MW of this capacity and will provide additional capacity at periods of peak demand, improving reliability of the system.

The BESS is intended to connect to a new greenfield Terminal Station being Koorangie Terminal Station (KOTS) through the Victorian Transmission Network (VTN) and helps contribute to the clean energy transformation by supporting the network in north-western Victoria, the key development corridor for renewable energy in Victoria.

6 Statutory declaration

