



ACERZ
the future of renewable energy

Application for NSW transmission operator's licence

ACERZ Partnership (ABN 48 205 081 299)

19 April 2024

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1 Introduction

1.1 PURPOSE OF THIS DOCUMENT

ACERZ Partnership (ABN 48 205 081 299) (Applicant) seeks a licence to operate the transmission system for the Renewable Energy Zone network infrastructure project (RNIP) associated with the Central-West Orana (CWO) Renewable Energy Zone (REZ) as specified in Schedule 1.

The CWO REZ is the first renewable energy zone (REZ) network infrastructure project to be progressed under the Electricity Infrastructure Investment Act 2020 (EII Act) and is currently in the development phase. The CWO REZ will be the first REZ in NSW and in Australia and will play a primary role in enabling the transformation of electricity supply in New South Wales through coordinating investment in new transmission capacity and new renewable energy generation.

ACERZ was selected by the Energy Corporation of New South Wales (EnergyCo) as the Infrastructure Planner for the CWO REZ as the recommended Network Operator for the CWO RNIP through a competitive tender process, consistent with the requirements and provisions of the EII Act, the EII Regulation, and the NSW Government Procurement Policy Framework. ACERZ was selected because of our extensive expertise, capability, ability to deliver value and proposed approach to delivery and risk management of the design in accordance with the Government evaluation criteria.

Following this recommendation, it is expected that the Customer Trustee will authorise ACERZ as the Network Operator to design, construct and operate the CWO RNIP for a 35-year project term (Project Term). Construction is due to commence later this year, with the energisation and commissioning of the network to be completed by 2028.

The CWO RNIP will initially provide 4.5 GW capacity which is expected to be expanded to 6 GW by 2029.

The CWO RNIP will be in the Central-West Orana region, spanning a corridor from the Barigan Creek switching station at Wollar to Elong Elong via Merotherie. It will connect to the existing NSW electricity network via enabling works to be undertaken by Transgrid.

FIGURE 1: MAP OF THE CWO RENEWABLE NETWORK INFRASTRUCTURE PROJECT



EnergyCo was appointed by the Minister for Energy (**Minister**) as Infrastructure Planner for the CWO REZ under the EII Act and is responsible for investigating, planning, coordinating and carrying out the planning and design of generation infrastructure, and the investigating, planning, coordinating and carrying out the planning and design, construction and operation of storage and network infrastructure.

The Applicant has entered into a commitment deed with the Infrastructure Planner in December 2023 (**Commitment Deed**) to govern the relationship between the parties in connection with the CWO RNIP until financial close, including the process for entry into project agreements and the performance of early activities in respect of the development, construction, ownership, control and operation of the CWO RNIP. At the time of this application, it is intended that the parties will enter into a project deed on or around September 2024 to govern the carrying out of the CWO RNIP (**Project Deed**).

In accordance with the Electricity Supply Act 1995 (NSW) (ES Act), the Minister declared the CWO RNI as a transmission system for the purposes of the ES Act on 19 April 2024 as published in the NSW Gazette. The ACERERZ Partnership makes this application for the grant of a transmission operator's licence in relation to the CWO RNI transmission system as declared by the Minister.

It is a requirement under the Commitment Deed among the Infrastructure Planner for the Central-West Orana (CWO) renewable energy zone (REZ), the ACERERZ Partnership and others that the ACERERZ Partnership obtain a transmission operator's licence under the Electricity Supply Act 1995 (NSW) (ES Act) in relation to the proposed CWO renewable energy infrastructure (RNI).

The grant of a transmission operator's licence to the ACERERZ Partnership under the ES Act is also a condition precedent to financial close occurring under the CWO REZ Project Deed between the Infrastructure Planner and the ACERERZ Partnership for the CWO Renewable Network Infrastructure Project (RNIP).

The grant of the licence the subject of this application needs to occur as soon as possible to enable financial close to occur under the CWO REZ Project Deed by September 2024 and the CWO RNIP to be completed consistent with the timeframes of the NSW Energy Infrastructure Roadmap to ensure the affordability, reliability, security and sustainability of electricity supply in NSW.

The Applicant provides the following application details in accordance with the requirements of the ES Act.

1.2 IDENTITY OF APPLICANT

Name of the Applicant	ACERERZ Partnership, a partnership carried on under that name by: <ol style="list-style-type: none"> 1. Cobra CWO NO Pty Limited (ACN 670 780 631) as trustee of the Cobra CWO NO Trust; 2. Concesiones CWO REZ NO Pty Limited (ACN 670 755 521) as trustee of the Concesiones CWO REZ NO Trust; and 3. Edwards REZ NO Pty Limited (ACN 670 791 321) as trustee of the Edwards REZ NO Trust, ERIC Epsilon REZ NO 1 Pty Ltd (ACN 669 396 801) as trustee of the ERIC Epsilon REZ NO Trust 1, ERIC Epsilon REZ NO 2 Pty Ltd (ACN 669 396 909) as trustee of the ERIC Epsilon REZ NO Trust 2, ERIC Epsilon REZ NO 3 Pty Ltd (ACN 669 397 040) as trustee of the ERIC Epsilon REZ NO Trust 3 and ERIC Epsilon REZ NO 4 Pty Ltd (ACN 669 397 237) as trustee of the ERIC Epsilon REZ NO Trust 4, being a partnership carried on under the name of Endeavour REZ NO Partnership as Trustee for Edwards REZ NO Trust & Others (ABN 73 599 732 810)
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ABN or ACN Details	48 205 081 299
Type of entity	Partnership

1.3 CONTACT DETAILS AND ADDRESS OF THE APPLICANT

Registered business address	Level 9, 77 King Street, Sydney, NSW 2000
Postal address	As above
Contact person on behalf of the Applicant	Position title: Chief Executive Officer Name: Trevor Armstrong Telephone: [REDACTED] Email: trevor.armstrong.acerez.com.au

1.4 CORPORATE STRATEGY AND STRUCTURE

ACEREZ has been established solely to deliver the authorised CWO RNIP. This project will play a crucial role in placing downward pressures on electricity prices and enabling the State's transition from fossil fuel generation to renewables and storage thereby achieving the State's decarbonisation targets. Our structure, management organisation and functions have been developed to deliver long term value and savings for electricity customers through efficient and timely delivery of network services and de-risking new generation and storage projects in NSW.

We will have a substantial operational presence in New South Wales including establishing a Head Office and a separate control operations room based in Paramatta, plus a central depot located in the CWO REZ.

Our five strategic corporate objectives with supporting values have been developed to achieve the objects of the EII Act focusing on, among other objects, improving the affordability, reliability, security and sustainability of electricity supply.

FIGURE 2: ACEREZ CORPORATE OBJECTIVES AND VALUES



ACEREZ is a general law partnership comprising three partners, being the entities set out in **Table 1**. The partnership has been created to deliver the CWO RNIP whose primary activity is the delivery and operation of the transmission network. This includes.

- Lead Project Lifecycle: Design, finance, build, operate, and maintain the CWO RNIP, ensuring adherence to performance regime.
- Manage Stakeholders: Negotiate and manage contracts with government, contractors, lenders, and investors, ensuring transparency and accountability.
- Deliver Project Outcomes: Secure funding, oversee construction, collect regulated service payments (**RSPs**), and ensure efficient operation to achieve project objectives.

More detail on the entities is provided in **Confidential Schedule 2**.

TABLE 1 –ACERZ PARTNERSHIP AND OWNERSHIP INTEREST

Partner	Description	Proportion
Endeavour Energy REZ Energy Network Operator Partnership (ABN 73 599 732 810)	Endeavour Energy is a NSW based electricity distribution network service provider and holder of a NSW distributor's licence.	27.96%
Acciona Concesiones Concesiones CWO REZ NO Pty Limited ACN 670 755 521 in its capacity as trustee of the Concesiones CWO REZ NO Trust	Acciona Concesiones is a Spanish sustainable infrastructure and renewables multinational conglomerate. Concesiones CWO REZ NO Pty Limited is a wholly owned subsidiary of Acciona Concesiones,	36.02%
Cobra Cobra CWO NO Pty Limited ACN 670 780 631 in its capacity as trustee of the Cobra CWO NO Trust	Cobra is a Spanish renewable energy and transmission developer. Cobra CWO NO Pty Limited is a wholly owned subsidiary of Cobra.	36.02%

1.5 DESCRIPTION OF THE PRINCIPAL ACTIVITIES OF THE PARTNERSHIP ENTITIES

Acciona Concesiones

Acciona Concesiones is a wholly owned subsidiary of Corporation Acciona Infraestructuras S.L. The ACCIONA Group is a global leader in sustainable infrastructure solutions, water services, and renewable energy projects. It employs over 40,000 professionals in more than 40 countries, including Spain, Brazil, Chile, Mexico, Canada, the United States, Australia, New Zealand, Poland and Norway.

Acciona Concesiones, S.L. is Acciona's investment arm in infrastructure Public Private Partnership (PPP) projects. It is a world-leading PPP developer, investor and operator with over 40 privately financed infrastructure projects internationally, representing a combined project value in excess of \$13 billion. Its approach to developing and managing project-financed infrastructure and energy projects in Australia has been successfully deployed on numerous recent landmark transportation and energy projects such as Sydney Light Rail, the Toowoomba Second Range Crossing motorway, and the East Rockingham Resource Recovery Facility.

In Australia since 2002, Acciona strengthened its Australian presence in 2017 with the acquisition of the Geotech group, a Melbourne-based engineering and construction group. More recently, in 2020, the acquisition of Lendlease Engineering Pty Ltd has further expanded ACCIONA's experience, resources and portfolio, including major infrastructure assets such as the Southern Program Alliance and the Ballarat Line Upgrade in Victoria, WestConnex 3A in NSW and the Gawler Rail Electrification Project in South Australia.

Cobra Instalaciones y Servicios.

Cobra is a wholly owned subsidiary of Cobra Gestión de Infraestructuras S.A.U., which is, in turn, wholly owned by Cobra Servicios Comunicaciones y Energía S.L.U. (Cobra IS), a company established in Spain. Cobra IS is a wholly owned subsidiary of VINCI S.A., a joint stock company established in France and listed on the Euronext Paris Stock Exchange.

With more than 36,000 people in 70 countries, Cobra is a world leader in the development, operation and PPP investment of industrial and energy infrastructure. It has participated in over 110 projects in recent years including transmission lines, desalination plants, wind and solar farms, and gas storage, with a combined asset value in excess of \$20 billion worldwide.

Cobra is a world leader in transmission development with more than 30,000 km of transmission lines delivered and 10,000 km operated and maintained in Europe, South America, Africa and Asia. Cobra also manages 14 operations and maintenance projects in Brazil as a TNSP through its associate entity company, CYMI. CYMI brings lessons learnt from two decades of operating networks up to 525kV as a transmission network service provider and will act as support to ACERZ during the construction and energisation phase of this project.

Endeavour Energy¹

Endeavour Energy is a licensed distribution network service provider (DNSP) that plans, builds, operates and maintains the electricity distribution network connecting 2.5 million customers to safe, reliable and affordable electricity in NSW.

Endeavour manages a 50,000 km network bordering the CWO REZ region, including 1,250 km of 132 kV HV lines, and works with Transgrid and AEMO on a daily basis. Endeavour's asset and stability management strategies yield 99.999% reliability.

Our partners have demonstrated capability and capacity to operate transmission network infrastructure to a safe, secure and reliable standard and maintain appropriate processes for business and supply continuity consistent with industry practice.

1.6 ACERZ PARTNERSHIP COMMITTEE

An experienced Partnership Committee is responsible for the overall corporate governance of ACERZ. This includes responsibility to provide effective guidance and direction, independence in decision making, and executive development and planning to ensure that our obligations under the EII Act (and if granted a transmission operator's licence, the ES Act) are performed and that consumers receive safe, reliable, affordable and clean energy.

Expertise of our Partnership Committee members are summarised in **Table 2**.

TABLE 2: ACERZ PARTNERSHIP COMMITTEE

Member	Expertise
Phil Garling <i>Independent Chair</i>	<p>Phil is a professional Board member and company Director with a career spanning electricity networks, construction, financing and infrastructure. He has chaired Energy Queensland from 2016 to 2022 and previously chaired DUET from 2004 to 2010. Further he has held Director roles with Essential Energy, Ausgrid and Endeavour Energy.</p> <p>His most recent executive experience was as global Head of Infrastructure at AMP Capital where he spent nine years, before retiring in 2011 to pursue a full time Non-Executive Director career.</p>
Diego Marín Acciona Concesiones	<p>Diego Marín has served as Chief Executive Officer of Acciona's Concessions business since December 2018. In this role, he leads Acciona's equity investment business in sustainable infrastructure, with a current portfolio of 16 concession projects and a total managed investment of over €10 billion,</p>

¹ Endeavour Energy is 49.6% owned by the NSW Government (ERIC Epsilon Holdings Pty Ltd) and 50.4% owned by a private consortium comprising Macquarie Asset Management, British Columbia Investment and Qatar Investment Authority (collectively, Edwards O Holding Trust).

Member	Expertise
	<p>including roads, tramways and metros, social infrastructure, irrigation channels and ports, and transmission lines in Australia, New Zealand, Spain, Canada, the US, Mexico, Chile, Peru and Brazil, and is actively seeking new greenfield opportunities globally.</p> <p>Prior to joining Acciona, Diego was Global Head of Financial Sponsors and Infrastructure Clients at BBVA Corporate & Investment Banking, where he spent eight years. Prior to that, Diego held various management positions at Ferrovial (and its subsidiary Cintra) in the areas of corporate and business development. At Cintra, he became CEO of the SH130 toll road concession in the US. Diego joined Cintra in 2003 after several years at Roland Berger Strategy Consultants, where he started his career.</p> <p>Diego holds a degree in Business Administration from the University of Zaragoza (Spain) and an International MBA from the Instituto de Empresa (Spain) and Manchester Business School (UK).</p>
James Bramley Acciona Concesiones	<p>James Bramley is the Director of the Acciona Concesiones business in Australia and New Zealand.</p> <p>James has been working in the PPP and infrastructure sector for more than 20 years, leading the development, delivery, operation and financing of major infrastructure projects.</p> <p>James has been involved in the bidding, successful delivery and operation of Northwest Rail Link OTS PPP, New Generation Rollingstock, the New Adelaide Hospital and Sydney Light Rail, and was Chairman of the respective SPV Boards.</p> <p>Before joining Acciona in 2022, James worked in John Laing, Macquarie Capital, Multiplex and Transport for NSW (TfNSW) with international exposure in the UK and Asia-Pacific.</p>
Luis Rein Rojo Cobra	<p>Luis Rein has been working in the PPP and concession infrastructure sector for more than 20 years, including transmission lines, water, and energy. He was involved in Cobra's first transmission projects in Brazil and brings this experience of opening new markets to ACE Energy.</p> <p>Since 2009, Luis has been responsible for Cobra's concession projects including more than €10 billion invested in various asset classes, including the financing, construction, management and O&M of more than 12,000 km of HV transmission lines around the world.</p> <p>Luis has also been a board member and Chairman of various SPVs, and is the former Chairman of BOW Power, a renewable development company, and a board member of more than 20 SPVs of transmission line projects.</p>
Marta Pérez Cobra	<p>Marta Pérez is the Project Manager leading the CWO REZ transaction on behalf of Cobra Concessions, responsible for the Network Operator workstream. Marta has extensive experience working on PPPs across multiple jurisdictions and varying stages of development. With an engineering and financial background, Marta's most recent experience prior to working on the CWO REZ spans the management of concessions during their operational phase in Iberia and LATAM and exploring new business development opportunities for Cobra in new jurisdiction including Australia.</p> <p>Prior to Cobra, Marta worked for international construction developer and operator Sacyr Concessions and managed refinancings, contractual legal resolutions and project deeds modifications.</p>
Leanne Pickering Endeavour Energy	<p>Leanne Pickering is the Chief Customer & Strategy Officer for Endeavour Energy.</p> <p>Leanne has been working in the infrastructure sector for more than 20 years, leading a broad portfolio of roles including legal, corporate governance, mergers and acquisitions, equity and debt financings, strategy, corporate communications, customer experience, procurement, health, safety and environment.</p>

Member	Expertise
	Prior to joining Endeavour Energy in 2018, Leanne was General Counsel at an ASX50 infrastructure fund with interests in electricity, gas and renewables in Australia and overseas, a Division Director at Macquarie and a senior associate at top-tier law firms.
Guy Chalkley Endeavour Energy	<p>Guy was appointed Endeavour Energy CEO in December 2019 and took up the position in April 2020. He is a highly regarded energy industry leader and influencer, and a board member of Energy Networks Australia, the peak national body representing gas distribution and electricity transmission & distribution businesses throughout Australia.</p> <p>Guy has a wealth of international, financial and operational experience gained across a diverse range of sectors operating and residing in Australia, Asia, Africa, Europe, and North and South America.</p> <p>Guy was appointed CEO of Western Power in 2016, a Western Australian State Government-owned transmission and distribution network corporation, after earlier roles including Chief Financial Officer. Prior to joining Western Power, he worked for a decade at Veolia Water and Thames Water in senior finance and regulatory director roles.</p>

1.7 ORGANISATIONAL STRUCTURE

To effectively deliver on our regulatory and commercial obligations, we operate through following three businesses. The ACEREZ Partnership as the Network Operator will be the licence holder and has operational responsibility for the CWO RNIP. All operational and compliance functions will be conducted by the Network Operator who contracts with other two businesses to assist in the design and maintenance of the CWO RNIP.

Business	Principal Activities
Network Operator	<ul style="list-style-type: none"> • Licence holder and operator of the CWO RNIP • Responsible for meeting the TNSP licence and regulatory obligations under the NER, being the entity holding the TNSP registration in the NEM. • System operations of the network
Design and Construct Contractor	<ul style="list-style-type: none"> • Delivering the RNI Works and other Delivery Activities during the Delivery Phase of the CWO RNIP
Maintenance and Lifecycle Contractor	<ul style="list-style-type: none"> • Management, maintenance and asset lifecycle activities during the Operations Phase of the CWO RNIP

2 Nature of transmission operator's licence application

2.1 SUMMARY OF PROJECT

The CWO REZ is NSW's first REZ and covers an area approximately 20,000 square kilometres centred by Dubbo and Dunedoo, on the land of the Wiradjuri, Wailwan and Kamilaroi people. The CWO REZ was formally declared by the Minister in November 2021 following public exhibition and consultation with stakeholders.

EnergyCo as the Infrastructure Planner for the CWO REZ has since continued to extensively engage with the local community and landowners on the CWO RNIP.

The CWO REZ is a key element to the NSW Electricity Infrastructure Roadmap and will play a crucial role in enabling the State's transition from fossil fuel generation to renewable generation and help achieve the State's decarbonisation targets.

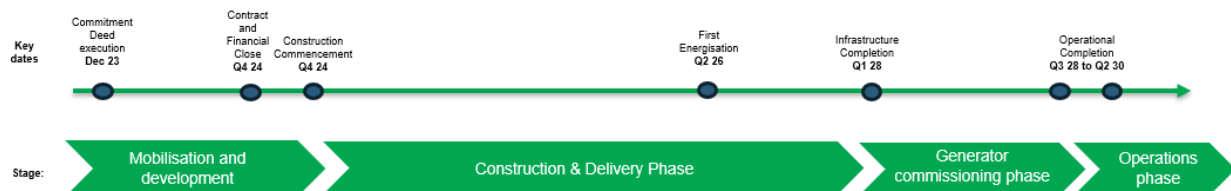
EnergyCo has selected ACERZ as the Network Operator to carry out the CWO RNIP following a competitive tender process. It is expected that the Customer Trustee will authorise ACERZ as the network operator to design, construct and operate the CWO RNIP for a 35-year project term.

In accordance with the EII Act, ACERZ will:

- finance, design and construct the CWO RNIP,
- operate and maintain the CWO RNI, and
- handback the CWO RNI to EnergyCo or its nominee at the end of the concession period.

During the design and commissioning of the network, we currently expect to connect around 5 GW to 6 GW of generation and storage capacity across multiple connection points to the network.

An overview of key milestones and timelines are set out below:



We are currently working very closely with the Infrastructure Planner to finalise the detailed design for the CWO RNI, including preparing and agreeing our commissioning, operational readiness and network management plans. During the construction and delivery phase, we will implement the required systems and procedures consistent with industry practice plus applicable laws, licence obligations and regulations.

Comparison with the regulatory framework for NEM TNSPs

The legislative framework for the CWO RNIP consists of the EII Act, the EII Regulation and guidelines required by them. Under this framework, the role of REZ Network Operator will in part be governed by a modified form of the National Electricity Rules (NER) to be set out in a new Chapter 9 of the NER.

Our role and functions are unique compared to other transmission network service providers in the NEM. Importantly, we do not undertake any network planning functions. It is the responsibility of EnergyCo, as the Infrastructure Planner, to plan and specify the network for each of the NSW REZs. As part of its role, the Infrastructure Planner engages with the community on the design, organises land access, conducts options analysis and identifies the appropriate network solution. It is ACERZ role, as the REZ network operator, to design, construct and maintain the CWO RNI to the standards specified by the Infrastructure Planner.

An overview of the role and regulatory obligations of REZ network operators in comparison with the existing NER and NSW based framework for transmission service providers is set out in Table 3.

TABLE 3: OVERVIEW OF EII TRANSMISSION REGULATION TO NATIONAL ELECTRICITY RULES

Regulatory obligation	Role of TNSP under the NER	Role of REZ Network Operator
Transmission Planning Report	TNSP to provide an annual report covering a 10 year forecast of planning, projects and constraints	<p>Customer Trustee to publish an Infrastructure Investment Objectives Report that includes a 20-year development pathway report.</p> <p>EnergyCo developed the Network Infrastructure Strategy, which is a 20-year strategy for the practical coordination of NSW network infrastructure to connect new generation, firming and storage in NSW's five REZs, and otherwise to assist NSW meet the EII Act objectives.</p> <p>Network Operator inputs into these reports through providing a limited scope report covering Asset Management condition information.</p>
Involvement in Joint Planning and AEMO planning processes	TNSP to lead and provide information to AEMO	Planning obligations are the responsibility of the Infrastructure Planner and not the REZ network operator. ACERZ is not involved in the planning processes as set out in the NER
Generator Performance Standards	TNSP to negotiate and decide GPS with AEMO approval consistent with NER Ch.5	REZ GPS are set by EnergyCo as part of the REZ Access Standards
System Operations	AEMO has delegated load shedding and restoration plus system restart functions to Transgrid in addition to NER requirements	NER requirements to apply to REZ Network Operator

Benefits of the project for NSW customers

The granting of this licence will contribute to the long-term interests of NSW consumers, as it will increase the connection of electricity in NSW and therefore increase security and reliability of supply. Further it is expected that the project will deliver substantial consumer savings through lower wholesale prices compared to the counterfactual plus providing addition protection against disruptions and volatility as the National Electricity Market shifts away from fossil fuel generation.²

² Additional information on the benefits are set out in the NSW Government Energy Co CWO REZ Transmission Project Environmental Impact Statement and section 4.1 of the Response to Submission Report
See https://www.planningportal.nsw.gov.au/major-projects/projects/central-west-orana-rez-transmission#tab-tab_assessment

[REDACTED]

[REDACTED]

[REDACTED]

Achieving the Objects of the ES Act

The granting of a licence to ACER EZ is consistent with furthering the objects of the ES Act (as set out in section 3 of the ES Act).

3(a) to promote the efficient and environmentally responsible production and use of electricity and to deliver a safe and reliable supply of electricity.

The recommended RNI project for the CWO REZ has been designed and selected to achieve the objects of the ES Act through improving the affordability, reliability, security and sustainability of electricity supply and achieving better co-ordinating in energy investment in new generation, storage, network and related infrastructure.

In addition to the expected \$3 billion of net benefits to NSW electricity customers over the long term, the CWO RNIP is expected to result in an emissions saving of 11.6 million tonnes of carbon dioxide equivalent over its lifetime. Most of these emissions savings occur early in the life of the CWO RNIP, as generation and storage projects located in the CWO REZ displace other, more emissions intensive generators within NSW.

The recommended CWO REZ will improve the reliability and security of electricity supply, with the CWO REZ expected to be able to continually supply 4.5 GW of electricity during normal system conditions while catering for a single credible contingency event (and up to 6 GW by 2029). The CWO RNIP is expected to be capable of hosting up to 8.76 GW of new renewable energy generation and energy storage projects, improving the sustainability and affordability of electricity supply.

In forming its recommendations on the technical design and performance requirements for the CWO RNIP, the Infrastructure Planner considered a range of different design options. These options were assessed in accordance with the RNI options assessment framework. In making a recommendation, the Infrastructure Planner has assessed the relative contribution of each RNIP option for the CWO REZ to enable the delivery of safe, reliable and secure electricity supply. In doing so, the Infrastructure Planner applied relevant NER standards to ensure secure and reliable operations of the CWO REZ. The identification was informed by a quantitative cost benefit analysis to estimate the financial net benefit expected to accrue to NSW electricity customers as a result of the CWO RNIP.

In addition, granting a licence for the operation of the CWO RNIP will increase the supply of energy, firming and system strength services. This will have a downward price effect on the retail market due to the increased availability of generation supply and related products which could reduce the market power of existing retailers and encourage greater competition in the retail market for the benefit of customers.

The safe and reliable supply of electricity through the CWO RNIP is promoted through the comprehensive performance and reliability framework that we have committed to under the Project Deed. This is explained further in section 3.2 of this application.

3(b) to confer on network operators such powers as are necessary to enable them to construct, operate, repair and maintain their electricity works,

The granting of this licence will result enable ACER EZ (in its capacity as a Network Operator under the ES Act) the necessary powers to construct, operate, repair and maintain the declared CWO REZ transmission system and will allow the arrangements for transmission under the ES Act to apply in to the CWO REZ transmission system.

This will support the legislative framework under the EII Act and our commitments under the Project Deed to enable ACERZ to effectively and efficiently construct, operate and maintain the CWO REZ network,

3(d) to promote and encourage the safety of persons and property in relation to the generation, transmission, distribution and use of electricity,

The development and operation of the CWO RNIP network will occur in accordance with all the applicable health, safety, environmental and social legislation applying to the NSW electricity industry.

ACERZ is establishing an ENSMS (Electricity Network Safety Management System) compliant to AS5577 to address the safety of our community, employees and delivery partners and the protection of property and network assets. It will also address safety aspects related to environmental protection and loss of electricity supply.

To support this, we are implementing best practice arrangements including an WHS management system and QM system. This is complemented by the Network Operator Performance Regime (see section 3.2) which financially incentivises us to deliver an effective WHS management plan.

3(e) to ensure that any significant disruption to the supply of electricity in an emergency is managed effectively.

The following arrangements will enable ACERZ to minimise and effectively managed risks of any significant disruption to the supply of electricity in NSW:

- ACERZ are progressing an application AEMO to be registered as a Network Service Provider. As a Network Service Provider, ACERZ will be legally required to comply with power system requirements under the National Electricity Rules. As part of these requirements, ACERZ will be required to prepare a local black start procedures for approval by AEMO, covering how the network will respond and bring supply back following a black system or major supply disruption.
- Effective management of cyber security threats through the implementation of the Security of Critical Infrastructure Act 2018 (Cth) (SOCI Act) Critical Infrastructure conditions into our operations, data management and system compliance network operator, including maintaining a substantial operational presence in Australia. This is explained further in section 4.
- The network has been designed to safely manage the largest and second largest credible risk to electricity supply. The planning of the CWO RNIP to a N-1 and N-1 Secure standard is consistent with the current approach in the National Electricity Market and contributes to the reliability and security outcomes within the NSW power system by maintaining current lack of reserve levels. This is explained further in section 3.2 of the application.

2.2 TYPE OF LICENCE SOUGHT

The Applicant seeks a transmission operator's licence under Schedule 2 of the *Electricity Supply Act 1995* (NSW) to operate the CWO RNIP transmission system as declared by the Minister on 19 April 2024.

2.3 DATE FROM WHICH LICENCE IS SOUGHT

The Applicant requests the licence to be granted as soon as possible to enable the delivery of the CWO RNIP in accordance with the target delivery timeframes set out in the AEMO NSW Infrastructure Investment Objectives Report and the NSW Electricity Infrastructure Roadmap.

Obtaining a NSW transmission operator's licence is a pre-requisite for the financial close in relation to CWO RNIP, which is currently intended to occur in Q3 2024.

Consistent with the Government objectives, ACERZ is progressing the project to have the transmission system commissioned and first generation connected by October 2028. Given the anticipated construction and commission timeline, achieving financial close in Q4 2024 is essential to meeting the timeframes.

ACERZ is required to operate and maintain the CWO RNI over the 35-year concession period for the CWO RNIP. The expiry date for this concession period is currently expected to be approximately Q4 2059 (being 35 years from the date of financial close of the CWO RNIP), subject to any extension in accordance with the terms of the Project Deed) and we note that the Minister could impose a condition specifying the period for which the licence is to remain in force. The end date of the concession period will be finalised at financial close.

2.4 NATURE AND SCOPE OF OPERATIONS FOR WHICH LICENCE IS SOUGHT

An electricity transmission operator's licence is required to allow the Applicant to operate the transmission system for the CWO REZ. This includes any future augmentations to the systems approved by the Infrastructure Planner.

Licence conditions

The Applicant understands that the transmission operator's licence, must, at a minimum, contain conditions³:

- a) that impose specified performance standards for the reliability of operation of a transmission system and provide for reliability performance monitoring and reporting;
- b) for ensuring that a network operator has arrangements in place to identify, assess and manage business continuity risks and manage business disruptions, and
- c) for ensuring that a network operator maintains a substantial operational presence in Australia.
- d) In considering the appropriate licence conditions to be applied to this Project we would appreciate consideration of the following:
 - appropriate timing of application to reflect the development, construction and commissioning timeframes of the CWO RNIP as agreed with EnergyCo consistent with its obligations to CWO REZ access holders.
 - alignment in the performance and reliability criteria between the Project Deed entered with EnergyCo and the licence granted by the Minister.

Suggested timing of conditions compliance requirements

There is no draft template for the transmission operator's licence conditions for applicants to review in advance of their application. As an alternative, we have therefore considered conditions based on the transmission licence conditions set out in the current Transgrid licence⁴. We recognise that the Minister may propose alternative conditions or amend these conditions in the case of our application.

Since the Commitment Deed was executed, we have been further progressing our systems planning and procedures implementation to enable us to be able to comply with NSW licence conditions and our operating requirements under the Project Deed. We request consideration of the appropriate timing of when certain licence conditions should apply to the CWO RNIP given the development nature of the project.

In summary, we advise that any technical, operational, and critical infrastructure related conditions are linked to the date of first energisation of the network. Further reliability and

³ NSW Electricity Supply Act – Schedule 2, clause 6(5(c))

⁴ Electricity Transmission Licence issued by the Independent Pricing and Regulatory Tribunal prior to the date of this application. That document is the Instrument of Variation of Conditions of Transmission Operator's Licence granted in favour of NSW Electricity Networks Operations Pty Limited (ACN 609 169 959) as trustee for the NSW Electricity Networks Operations Trust dated 15 September 2023.

performance standards and compliance reporting should take effect on the first Infrastructure Completion date. The reasons for this suggested staggered approach to the timing of when licence conditions apply are to:

- provide reasonable time for ACEREZ to install, test and operate the supporting systems needed for compliance.
- align with the construction and commissioning timeframes so that the licence complements the CWO RNIP development without creating extra costs.
- reflect our commitment to the Infrastructure Planner on the timing and implementation of our operating and IT systems.

Our suggested timings reflect what can be reasonably and practically achieved during the delivery phase and optimise the application of the safeguard in the licence conditions to the appropriate time. We believe that this provides the appropriate balance between protections and costs for consumers.

Reliability and Performance Standards for the CWO RNI Project

In relation to the reliability and performance standards for the CWO RNIP, we appreciate if IPART, in considering its recommendations to the Minister, recognises the importance and value in consistency between the REZ framework under the EII Act and the licence conditions under the ES Act.

We note that for the Transgrid transmission operator's licence, IPART has developed planning standards as the reliability and performance criteria.⁵ As explained earlier, the Infrastructure Planner operates as the planner for the REZ network and is responsible for planning the technical capacity, reliability and performance capability of the network. A similar approach would therefore be redundant for any REZ Network Operator.

Section 3 of this application sets out the reliability and performance standards that ACEREZ must comply with under the Project Deed as the Network Operator for the CWO RNIP. This sets out a range of key performance metrics relating to the availability, reliability and management of outages which will be valuable to the access rights holders in the REZ. ACEREZ are subject to sufficient financial penalties if we fail to comply with these standards.

Applying an alternative or supplementary reliability and performance standards through the licence conditions could lead to additional costs and duplication of reporting plus potential confusion for stakeholders. This could impact on the stakeholders' understanding of the NSW REZ framework under the EII Act given that the Minister is one of the responsible Ministers for the EII Act and is also responsible for granting the licence.

Further such an approach of having separate reliability and performance criteria in the licence could affect the risks to the project through duplication of compliance and reporting requirements. This creates the possibility of differences in interruption and assessment between the Infrastructure Planner and the Tribunal on performance and reliability issues. Any deviation or addition from the technical requirements provided to tenders for the CWO REZ may impact on investors' risk perception resulting in higher financing costs which will be passed through to customers through our revenue service payments.

The Applicant requests that if licence conditions are proposed that we could be consulted about any proposed conditions prior to the licence being issued.

⁵ Independent Pricing and Regulatory Tribunal, Electricity Transmission Reliability Standards – Final Report Recommendation #4, p21 August 2016

3 Transmission Asset

3.1 NATURE AND SCOPE OF OPERATIONS

The CWO RNIP will initially comprise up to 4.5 GW of transfer capacity located in the Central-West Orana region. The CWO RNIP is shown in **Figures 3 and 4** and will consist of:

- a) **core infrastructure** – comprising the electricity transmission network between the Barigan Creek 500kV switching station and Elong Elong energy hub, via Merotherie energy hub. The network between Elong Elong and Merotherie will be built at 500kV, but initially operated at 330kV;
- b) **hub to project (H2P) infrastructure** – the energy hubs at Merotherie and Elong Elong facilitate the connection of new renewable energy generation and storage to the core infrastructure via a hub to project transmission network, or via generator led connections. The 330kV transmission network of assets will extend from the core infrastructure to the locations of up to 11 initial generation projects and enable further connections and augmentations over time as shared network infrastructure; and
- c) centralised system strength infrastructure.

Additional detail regarding the composition of the CWO RNIP provided in Schedule 1 to this application. This covers the transmission system as declared by the Minister on 19 April for which the Applicant is seeking a transmission operator's licence for.

The CWO RNIP will be connected to the NSW electricity transmission network by the enabling works to be designed, constructed, owned and operated by Transgrid (**Enabling RNIP**). The Enabling RNIP includes additional 330kV transmission lines between the Bayswater substation and Liddell substation, and between the Mount Piper substation and Wallerawang substation, cut in works for the Barigan Creek switching station and the facilitation of outages on an existing 330kV line for overcrossings by a new 500kV line.

Together, the CWO RNIP, Enabling RNIP and hub to project infrastructure will make up the CWO REZ. **Figure 4** which depicts the relevant infrastructure forming each category. Under the Project Deed, the Infrastructure Planner has the option to seek future augmentation to the CWO RNIP.

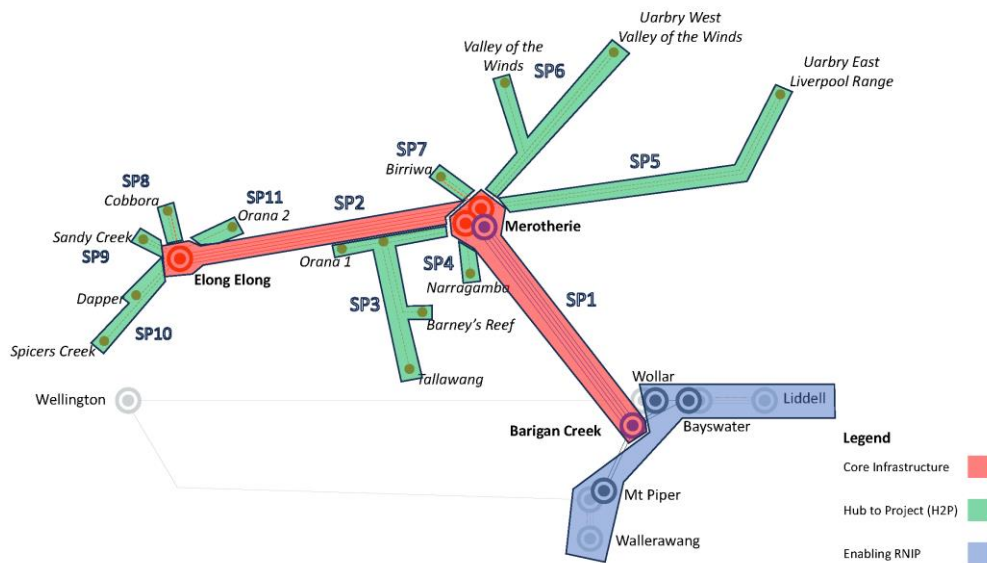
Subject to the Applicant being authorised by the Consumer Trustee to carry out the CWO RNIP, an AER initial revenue determination under the EII Act, planning approvals and financial close under the relevant project documents, the CWO RNIP will commence construction in the second half of 2024, with completion of core infrastructure expected March 2028 and operational completion between August 2028 and May 2030 following the completion of the H2P infrastructure and the commissioning of the REZ generators. This will be staged over multiple connections during this period, with the first operational completion and supply to the NSW network expected in Q2 2029.

Subject to Transgrid being authorised by the Consumer Trustee to carry out the Enabling RNIP and an AER revenue determination, construction of the Enabling RNIP will commence in Q3 2025, with operational completion expected in the middle of 2027.

FIGURE 3 – CENTRAL-WEST ORANA RENEWABLE ENERGY ZONE NETWORK INFRASTRUCTURE



FIGURE 4 – CENTRAL-WEST ORANA RENEWABLE ENERGY ZONE NETWORK INFRASTRUCTURE – RELEVANT INFRASTRUCTURE BY CATEGORY



3.2 RELIABILITY AND SECURITY OF ELECTRICAL SUPPLY

The CWO RNIP will play a crucial role in the NSW energy transition. EnergyCo, as the Infrastructure Planner, has planned and designed the technical capacity of the network to best deliver benefits to NSW electricity customer and facilitate the smooth transition away from fossil fuel generation. As noted in section 2, the Infrastructure Planner conducted a comparative analysis of the RNI options to identify which option was most compatible with minimising disruption to local communities and maximising the economic opportunities. The chosen option provides a very low level of curtailment risk to CWO REZ generation.

It is ACERZ's role as the Network Operator to construct, delivery and operate the CWO RNIP to the required standards specified by the Infrastructure Planner. This is supported by a comprehensive and robust performance incentive on ACERZ through the Network Operator Performance Regime as described below.

Further, ACERZ will be required to comply with the technical standards for operating and maintaining transmission networks provided in Schedule 5.1 to the NER and other relevant NER

requirements. These standards cover a range of requirements including power system security, quality of supply, and line ratings.

This section of our application provides a summary of how the network will ensure a reliable and security electricity supply for NSW covering:

- Security of supply considerations in the RNI planning process with EnergyCo;
- System strength arrangements for the RNI
- Application of the Network Operator Performance Regime; and
- Maintaining the security of the RNI

Security of supply

The planning of the CWO RNIP by the Infrastructure Planner to a N-1 and N-1 Secure standard is consistent with the current approach in the National Electricity Market and contributes to the reliability and security outcomes within the NSW power system by maintaining current lack of reserve levels.⁶

The 'N-1' standard is a system security measure such that if a component should fail or be shut down in a network operating at the maximum forecast levels of transmission and supply, network security is still guaranteed.

The N-1 planning standard was applied to the assessment of transformer configuration. 1,500 MVA transformers were assessed and selected as the appropriate sized solution for the CWO RNIP based on site constraints, cost, ability to provide the required transfer capacity and consistency with the existing NSW transmission network. The transformers in the CWO RNIP set the maximum transfer capacity from Merotherie to Barigan Creek Substation with maximum transfer capacity ultimately governed by the N-1 transformer rating. The N-1 planning standard allows for an appropriate level of redundancy and allows for a single transformer to be out of service in the event of a failure or for planned maintenance.

Design of the CWO REZ has also taken into account AEMO's ability to operate the power system and re-secure the power system after a single credible contingency. The CWO REZ has been designed having consideration of the impact on the power system of the largest credible risk (**LCR**) and second largest credible risk (**LCR2**), being a loss of a 500kV circuit, and an additional second loss of a circuit, between Merotherie to New Wollar.

To enable AEMO to manage the system as required by the NER, the CWO REZ has been designed with four circuits so that it can function securely under these LCR(N-1) and LCR(N-2) events, without impacting the lack of reserve levels from current market levels to ensure market efficiency and mitigate events that will negatively impact consumers.

ACERZ (as the Network Operator for the CWO RNIP) is responsible for providing system strength within the CWO REZ to meet the demand from 5.84 GW of connected generation and storage. The Infrastructure Planner has proposed a system strength solution involves a total installed capacity of 1750 MVA synchronous condensers each with a capacity of 250 MVA. This provides redundancy to address single credible contingency events including a synchronous condenser machine outage.

We recognise that connecting of multiple generators at the same time could lead to increased risk of system security issues. To address this, we have established a Generation Integration Centre (GIC) for the CWO RNIP to perform network operation and control functions. The purpose of the GIC is to manage the interface with generators to ensure large amounts of asynchronous generation are not commissioned that may affect system security.

⁶ For the core infrastructure, only DCST lines were considered to be viable configuration because in order to meet a N-1 planning or N-1 Secure operating standard, a SCST configuration would require double the number of lines when compared to a DCST configuration. This in turn would result in a corridor double the width compared to a DCST configuration with respective increases in property acquisition, environmental and biodiversity offset, construction, maintenance and lifecycle costs.

Transgrid, in its capacity as the NSW jurisdictional planning body, is currently the system strength service provider for NSW in the NER and no change to this allocation of responsibility is proposed by EnergyCo for the REZ Network Operator. It will be Transgrid's function to conduct system strength assessments and consider if generation applicant needs to self-remediate or pay NER system strength charge.⁷

Network Operator Performance Regime (NOPR)

ACERZ will operate under a comprehensive performance regime established by EnergyCo under the Project Deed. The Network Operator Performance Regime (NOPR) provides a strong incentive for the recommended Network Operator to ensure that the CWO RNIP is available and reliable by requiring it to meet specified availability and reliability targets. Failure to meet these targets results in a reduction to the annual revenue owing to the Network Operator.

The key features of the NOPR are summarised below.

The objective of the NOPR is to provide a set of transparent and specific metrics that financially motivate the Network Operator to ensure the safe, secure, and reliable operation of the CWO RNIP. Further 20% of the regime has been prepared to require ACERZ to deliver on a wide range of key performance indicators important to the consumer, community, and the wider NSW economy.

The NOPR will take effect from the First date of Infrastructure Completion and remain in force over the Project Term.

The following principles underpin the NOPR regime:

- The scheme will reduce RSPs to the Network Operator should it fail to meet the required service levels;
- The regime will allow for an initial “bedding in” period from completion where deductions are measured but penalties may be reduced;
- Specific events outside the control of the Network Operator will be excluded from the scheme;
- Should the Network Operator reach the maximum annual payment deduction of any NOPR component then remediation action (cure plans) under the Project Deed will be triggered;
- Termination of the Project Deed can be triggered by significant and sustained non-performance; and
- The regime metrics will be reported monthly with abatement applied monthly on the KPI component and annually on other components.

The NOPR reflects a balance between outcome-based measures and leading indicators most important to the Infrastructure Planner. The regime has four components proposed to be weighed against the total performance measure, outlined in 4 below.

TABLE 4: COMPONENTS AND WEIGHTING FOR TOTAL PERFORMANCE MEASURE OF THE NOPR

Component	Performance	Weighting
Availability	Network assets to remain in operating service	20%
Reliability	Network capacity to be provided at times when REZ generation is expected to be generating	30%

⁷ This is subject to the finalisation of the NER amendments under the EII Act.

Component	Performance	Weighting
Planned Outages (Maintenance)	No deviations in expected times of planned outages	20%
KPIs	Range of metrics important to the community, Government and customer including social licence, Risk Management, Health & Safety, Regulatory Reporting, relationship management, First Nations participation	30%

The NOPR is substantially different from the existing service target performance incentive scheme (STPIS) that applies to TNSPs under the NER:

- NOPR operates as a penalty own incentive – there is no potential revenue gain from out-performing the standards.
- The magnitude of the potential revenue reduction is comparable higher under the NOPR than STPIS.
- The range of performance measures have been specified design for REZ generators and to support REZ Access Scheme.
- Unlike the STPIS, the NOPR contains a range of key performance indicators covering areas such as community engagement, First Nations collaboration, asset management, training, environment, and regulatory reporting.
- The metrics have been set to reflect that the RNI will be new commissioned assets.

The NOPR encourages decision making across delivery activities (design, procure, construct) and operations activities (M&L) to promote safe, secure, and reliable operation of the CWO RNIP.

The application of the NOPR is supported through comprehensive reporting requirements. ACERZ is required to report on a monthly, quarterly and yearly basis our performance outcomes and how we are on achieving the NOPR targets. Further in the event of any issues of non-compliance, ACERZ must also prepare and submit performance management and improvement plans for Infrastructure Planner approval.

Further detail on the Network Operator Performance Regime is provided in the Project Deed.

Security of the Infrastructure

ACERZ will maintain the security of the CWO RNIP from potential risks and cyber-attacks through:

- Maintaining a substantial operational presence in Australia through our Head Office in Parramatta and our field depot being situated in Mudgee. These sites will house all of the key management personnel in ACERZ.
- Implementing and maintaining a CIRMP (Critical Infrastructure Risk Management Plan) in line with SOCI obligations with protections relating to the four key hazard vectors:
 - physical and natural security
 - cyber and information security
 - personnel; and
 - supply chain.
- Implementing and maintaining Business Continuity Plans for critical systems to ensure ACERZ can continue to operate and meet our core objective of transmitting electricity.
- Implementing a robust and secure data management and IT systems to be standard required under the Government's SOCI Act.

ACERZ will develop an audit and risk committee with the key objective of providing oversight of the CIRMP and ensuring that ACERZ eliminates or minimises these risks so far as is reasonably practicable.

4 Technical Capacity

The responsibilities of the Network Operator of the CWO RNIP are to design, construct, commission, operate and maintain the RNI and connections to generators in accordance with the Project Deed (including the Specific Technical Requirements and the NOPR) and the NER. The Network Operator is also responsible for interfacing with numerous parties, principally AEMO, Transgrid and Generators, to connect them as efficiently as possible to the REZ.

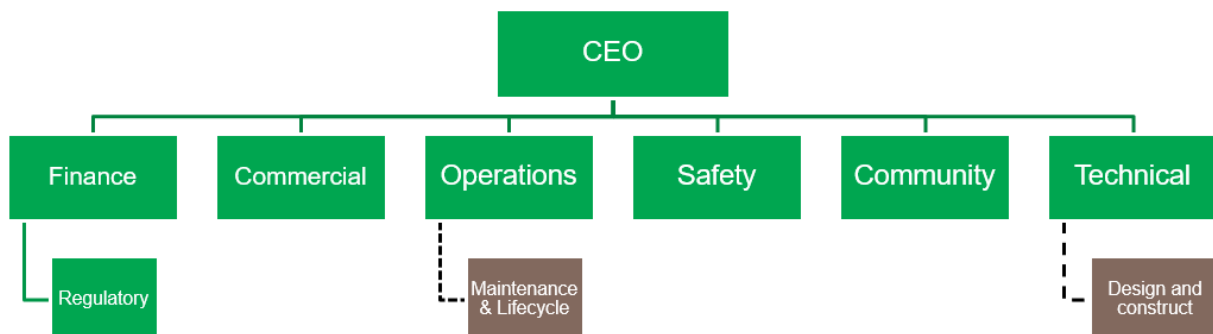
The ACEREZ Partnership has access to the expertise, knowledge and skill base to operate a viable electricity business, including the transmission and connection assets associated with the CWO REZ.

This is complemented by the technical capabilities and experience of the ACEREZ Partnership. This includes access to policies and procedures plus experience with development and operation of relevant IT systems. The ACEREZ Partnership have collectively delivered over 30,000km of transmission lines and delivered, owned or operated more than 660 substations.

4.1 EXPERIENCE AND KNOWLEDGE OF THE INDUSTRY

ACEREZ operational structure supports the delivery of our corporate strategy, providing strong focus on continually improving outcomes and performance of our regulated network assets for all customers and stakeholders. Operational divisions are split along functional lines, providing the efficient delivery of asset management, construction, maintenance and customer services.

We deliver our activities and services through the following divisions:



Our team includes expertise in delivering, managing and operating electricity network and supply assets in the National Electricity Market. The details of the experience and qualifications of ACEREZ executive management team including their experience of delivering network services in the NEM is set out in **Table 5**.

TABLE 5: ACEREZ MANAGEMENT TEAM

Leadership Team	Detail
Trevor Armstrong <i>Chief Executive Officer</i>	Trevor has over 35 years of experience in the energy and infrastructure sectors and has previously held various senior executive roles at Ausgrid for over 30 years including CEO. His experience includes leading large and complex engineering operations including transformation, project delivery, implementing asset management and regulatory strategies and leading high-performance teams. Trevor is a Non-Executive Director of Power and Water Corporation NT and the Chair of the System Control, Market Operations and Regulatory Committee of the Board. He is the Independent member of the Supervising Committee for BJEI FIRB conditions. Trevor has his own strategy advisory practice in Energy and Infrastructure with clients including EnergyCo (NSW Government), Home Affairs (Australian

Leadership Team	Detail
	<p>Government), Macquarie Bank, Ausgrid, Neoen, TasNetworks and Enzen Australia. Trevor was an advisory member of the UNSW Dean's Engineering Panel and the previous Chairman of CIGRE Australia Pty Ltd. He was also the Distribution Network Service Provider representative on the Australian Energy Market Commission Reliability Panel for 10 years and contributed to the International Utilities Working Group of mega cities while at Ausgrid.</p>
Melanie Gagnon <i>Chief Financial Officer</i>	<p>Melanie has over 16 years' experience in managing highly complex financial arrangements on large PPP and collaborative contracts. Over the past 10 years, Melanie has worked on and closed various Australian Projects where she conducted the preliminary financial evaluation and led the project finance modelling team through to closing. With extensive and deep knowledge of the PPP market worldwide, leading a team of 7 senior and junior analysts at Acciona Concesiones bidding on projects, including Transmission Lines in Chile, Brazil and Peru. Furthermore, Melanie was involved directly with the asset management team during construction and operations for ongoing project updates as well as refinancing, delays, disinvestments and changes of control.</p> <p>Melanie oversees the financial modelling workstream for the ACERZ project, managing the finance team, the Network Operator's financial and commercial requirements, interact with debt financiers and equity investors, and oversee the regulatory determination processes.</p>
Lyndon Frearson <i>Generation Connections Program Director</i>	<p>Lyndon is experienced in remote and regional infrastructure development and deployment, policy, and financing. Lyndon has worked in Australia, South Asia, the Pacific, and Africa. He has provided critical input and leadership into some of Australia's largest public and privately financed renewable energy projects and programs, directly overseeing the construction of more than \$1 billion of infrastructure in regional and remote Australia across the last five years. For example, at Bushlight Australia, Lyndon helped to develop large standalone renewable energy systems to meet the supply requirements of remote Aboriginal communities, including the product development of demand side management devices, determined through community engagement process.</p> <p>An active contributor to knowledge-sharing across various sectors, Lyndon has established knowledge partnerships with CSIRO, Google, NREL, the IEA, the UNDP, AEMO, ARENA, and CEFC, for example with integration of intermittent generators, including isolated minigrids, and in the wide-scale development of rural electrification and renewable energy programs.</p>
Gavin Brennan <i>Technical Director</i>	<p>Gavin has over 40 years' experience in operational, strategic, leadership and advisory roles in the Australian electricity supply industry, including 11 years in executive leadership through privatisation and high uptake of grid scale renewables in South Australia (the highest renewable jurisdiction in the NEM). Previous roles include Executive Manager of Asset and Operations for the SA TNSP (ElectraNet) and Acting Group Manager Asset Management for Transgrid. Gavin has a deep and applied understanding of the National Electricity Rules, jurisdictional regulatory and licencing requirements and the economic regulation of electricity network businesses.</p>
Rob Armstrong <i>Operations Director</i>	<p>Rob has 20 years' experience in a network supply utility at Endeavour Energy. In this time he has gained experience across the business working in Asset Management, Field Operations and commercial business support</p>

Leadership Team	Detail
	to facilitate the adoption and uplift of systems and processes to enhance business outcomes. More recently, Rob has been a senior leader in the business managing Endeavour Energy's Network Operations. He has overseen major incident recoveries from storm, bushfire and flood events, whilst also leading the transition to a new ADMS within the organisation.
Miranda Wood <i>Director Communications and Stakeholder Engagement</i>	A uniquely experienced media, government and strategic communications specialist, Miranda has more than 20 years of experience working in high-pressure environments and leading and managing teams. She has held senior leadership positions including Executive Director of Media for the Office of NSW Premier and NSW Ambulance Director of Media and Communications. A former journalist, Miranda also led some of the biggest and busiest newsrooms in Australia during her time at News Corp and Fairfax.

The following roles and responsibilities will be established prior to the first energising of the CWO RNIP:

- **Control room management**, led by an experienced Control Room Manager, overseeing 24/7 real time operation of the network, through shift operators trained and deemed competent under the National Accreditation program currently under development by AEMO.
- **Power Systems Engineering**, developing and maintaining operating manuals, network models, equipment ratings and constraint management in conjunction with AEMO and Transgrid. The upskilling and mobilisation of this team will be supported by CYMI, whose 20 years of operational experience as a TNSP in Brazil will help drive Operational Readiness, and the implementation of a training simulator in the Energy Management System.
- **Operational Technology Engineering**, providing ongoing management of the EMS and network model, as well as other IT system integrations with AEMO and other systems/interfaces.
- **IT & Cyber Security**, to continue to evolve policies, procedures and implementation of work practices and systems to mitigate cyber security and IT risks in line with industry practice through close coordination with governing bodies.

4.2 GENERATION INTEGRATION CENTRE

The Generation Integration Centre (GIC) has been established by ACEREZ with a singular and sustained mission:

'Ensuring that the new generators are supported to connect, integrate and export new generation in a safe, secure and timely manner.'

To facilitate the connection of Generators to the CWO REZ network, ACEREZ has developed a bespoke connection framework to ensure the targeted volume of renewable generation can be processed and connected in an accelerated manner. To support this innovative approach, ACEREZ has developed the GIC to take ownership of the connection process and to ensure the desired generation output objectives for the CWO REZ are achieved.

The role of the GIC will be to ensure the connection of each renewable generator will be undertaken with an integrated approach. This approach will give broad consideration of integrating generation into the CWO REZ as it is being designed and constructed as well as ensuring broader existing network integration is considered.

ACERZ has developed and will implement a streamlined, innovative and collaborative approach with Energy Suppliers and other key stakeholders that achieves the critical connection milestones for all Access Right Holders' connections. This process recognises the need to robustly and safely co-ordinate multiple generation connections at the same time.

We have developed our generation integration centre to have sufficient expertise, focus and technical capability to manage the risks of connecting significant inverter-based generation and successfully align with the overarching Initial Access Rights Holders and RNI delivery and commissioning timelines. As Network Operator, ACERZ will work with the Generators to mitigate risks related to system security in the rapidly changing environment associated with the commissioning of large amounts of asynchronous generation.

This will be undertaken in the context of our commitment to safety (led by the Safety Director), ensuring that – notwithstanding the accelerated timeframes for connection – new generators comply with the Electrical Safety Rules and are familiar with their responsibilities in this area. We will take a proactive role in interfacing with Generators to ensure they progress through to registration and meet their milestones for operational completion.

After the completion of the commissioning process, responsibility for ensuring that generators will pass from the GIC to Operations. As part of this transition of responsibilities, the ACERZ Partnership will transfer GIC staff with the engineering skills to model and assess generator technical performance into Operations, to ensure continuity of the knowledge and connections established during the process.

4.3 REGISTRATION WITH THE AUSTRALIAN ENERGY MARKET OPERATOR

The Applicant was registered as an Intending Participant with AEMO effective 3 October 2023. This registration required that AEMO be reasonably satisfied that the Applicant intends to carry out an activity for which it must, or may, be registered as a participant in the National Electricity Market.

An Intending Participant is a Registered Participant for the purposes of the NER and as such, may exercise such rights and is bound by such obligations under the NER as specified by AEMO.

These rights and obligations are contained in AEMO's Schedule of Rights and Obligations of Intending Participants (Schedule). Under the Schedule, and in relation to Chapter 6A of the NER, an Intending TNSP may exercise the rights and is subject to the obligations applicable to a NSP in respect of services proposed to be provided by means of the Intending TNSP's transmission system (or, in the case of an Intending DNSPs, the distribution system).

A requirement of the Intending Participant application is producing a Local Black Start Plan (LBSP) that is approved by AEMO. The Applicant has submitted initial drafts of the LBSP to AEMO and is working with AEMO to finalise the plan as part of our registration.

AEMO has informed us that they are currently revising their registration procedures and requirements for transmission service providers to consider emerging REZs across the NEM and to better reflect the developmental nature of such transmission business.

AEMO has requested that we submit our application following the publication of the updated procedures which is due to be released in June 2024.

One of the conditions for network registration is for the applicant to demonstrate compliance with all applicable requirements currently imposed by the jurisdictional body or agency responsible for licensing or regulating electricity supply activities in the region(s) in which the network assets are located. Therefore, we expected to obtain registration shortly after the Minister's granting of the transmission operator's licence.

4.4 IT SYSTEMS DEVELOPMENT

We are progressing the development and implementation of our supporting IT systems consistent with the requirements of a registered TNSP and other regulatory requirements.

To support an orderly development of these systems, ACERZ has established an IT program delivery group to centralise this function for the organisation and apply governance and oversight to ensure it meets the organisations objectives. A core deliverable of this group is to develop a roadmap, identifying the business requirements and intended IT solutions for these. This is to ensure a coordinated and well architected environment is developed to support ACERZ operations.

This is focused across five key areas of:

- 1 Baseline IT systems and end user computing to support users in being able to work effectively by April 2024
- 2 Asset Management Systems to catalogue and manage assets by September 2025
- 3 System Operations/Control Centre expected to be operational by September 2024
- 4 Operational Technology (OT) systems:
 - a) IT notifications email address is expected to be operational by April 2024
 - b) SCADA/EMS expected to be operational by end 2025
 - c) AEMO MarketNet connection expected operational by early 2025
 - d) AEMO e-Hub access expected operational by early 2025
- 5 Critical Infrastructure/Cyber security is a part of delivering all of the systems and processes which ACERZ deploys. There is not a single cyber security tool/project to be deployed however it is a component of all various capabilities which are developed. This will be managed/measured through compliance and assessment against ISO27001 (information security) and the AESCSF (Australian Energy Sector Cyber Security Framework).

4.5 MATERIAL AGREEMENTS FOR CWO REZ

The following section details contracts and agreements that are either under negotiation or are to be entered into by the Applicant to facilitate construction and the conduct and operation of transmission services in connection with the CWO RNIP.

- 1 **Commitment Deed** – the Applicant and others have entered into the Commitment Deed on 18 December 2023 with EnergyCo as the Infrastructure Planner under the EII Act.
- 2 The Commitment Deed governs the relationship between the Infrastructure Planner, and the Applicant as recommended Network Operator for the CWO RNIP during the period until financial close. It covers the process for the Network Operator for the CWO RNIP to be authorised by the Consumer Trustee to carry out the CWO RNIP and obtain a revenue determination from the AER, the process for the project agreements to be finalised and entered into, and the performance of certain early activities.
- 3 **Project Deed** – the Applicant will enter into a Project Deed with the Infrastructure Planner. At the time of this application, it is intended that the parties will enter into the Project Deed at contract close on or around October 2024.

The project deed is the overarching document that sets out the contractual rights and obligations of the Infrastructure Planner and the Network Operator for the CWO RNIP in relation to carrying out the project. It obliges the Network Operator for the CWO RNIP to carry out the project, gives effect to the agreed risk allocation for the project and includes the adjustment mechanics for the service payments.

- 4 **RNI Regulated Payment Deed** – the Applicant will enter into a payment deed with the Scheme Financial Vehicle prior to financial close.

The RNI Regulated Payment Deed is intended to address limited administrative matters relating to the payment by the Scheme Financial Vehicle of service payments to the Network Operator in accordance with the Scheme Financial Vehicle's statutory obligation under the EII Act.

- 5 **REZ Network Connection Agreement** – the Applicant will enter into a network connection agreement with Transgrid prior to financial close.

The REZ Network Connection Agreement is the agreement for the connection of the REZ Network Infrastructure (the responsibility of the Applicant) to Transgrid's existing transmission network. This is the connection agreement required and regulated by the National Electricity Rules.

We understand that EnergyCo has provided (or will provide) copies of these agreements to the Tribunal.

4.6 LAND ACCESS FOR CWO REZ

The Infrastructure Planner will make the land and easements necessary for construction and operation of the RNI available to the Network Operator in accordance with the Project Deed. Please note that the Infrastructure Planner is the proponent of the Environmental Impact Statement.

Land access for the CWO RNIP will be provided by EnergyCo according to the dates outlined in the Project Deed (refer to Site Access Schedule within the Project Deed - see confidential annex 2) and are agreed between EnergyCo and ACERZ for the easements and access tracks required to construct the CWO RNIP.

Land access will be secured by way of agreements between landowners and EnergyCo based on negotiated agreements or in some instances where agreement could not be reached, compulsory acquisition under EnergyCo's compulsory acquisition power will occur and is contained in section 15, Energy and Utilities Administration Act 1987 (NSW).

Construction of the CWO RNIP will be undertaken through temporary interests in land, either by way of construction easements or construction leases or licences. Once construction is completed, permanent easements largely by way of transmission easements will be registered.

Access to the land affected by the temporary easements will be in accordance with the terms of Registered Easement Memorandum AT283341, that sets out the rights and obligations of EnergyCo, and ACERZ, as authorised by EnergyCo with regards to the Easement, including granting the Network Operator the right to do all things necessary to establish, construct, maintain and operate electricity works and all facilities and structures and things reasonably required for the transmission of electricity and telecommunications and to establish and operate all or part of the REZ Network Infrastructure in, on or under the land burdened.

The Easement Memorandum also sets out the limitations of activities that may be undertaken by the landowners in the land affected by the Easement.

5 Governance and Compliance Framework

We recognise the major role we will play within the local communities in the CWO REZ, and the impact our activities can have on communities, families and the industry and therefore will ensure that our approach to providing the CWO RNIP is robust, efficient and collaborative. ACERZ's governance and compliance framework is hence central to the successful delivery of CWO RNIP and will enable performance to be monitored against set objectives, articulate risk appetite and manage risk.

The CWO RNIP will operate under a unique set of regulatory frameworks as a combined result of the EII Act, Project Deed, National Electricity Rules and the NSW transmission operator's licence. Our commitment to EnergyCo is to implement and apply robust and comprehensive systems during the delivery phase to enable effective governance and compliance with all our requirements. To date, we are developing systems on the assumption of the licence conditions set out in the licence granted to Transgrid.

Further as explained in section 3 of this application, the KPI element to the Network Operator Performance Regime places a comprehensive financial incentive on ACERZ on implementing and maintaining effective governance, relationship, first and compliance management.

5.1 GOVERNANCE FRAMEWORK

ACERZ is building a highly competent team, governance and compliance systems to meet all our requirements. This encompasses:

- Capability (people);
- Systems (organisational); and
- Processes (including governance structure, internal controls and arrangements).

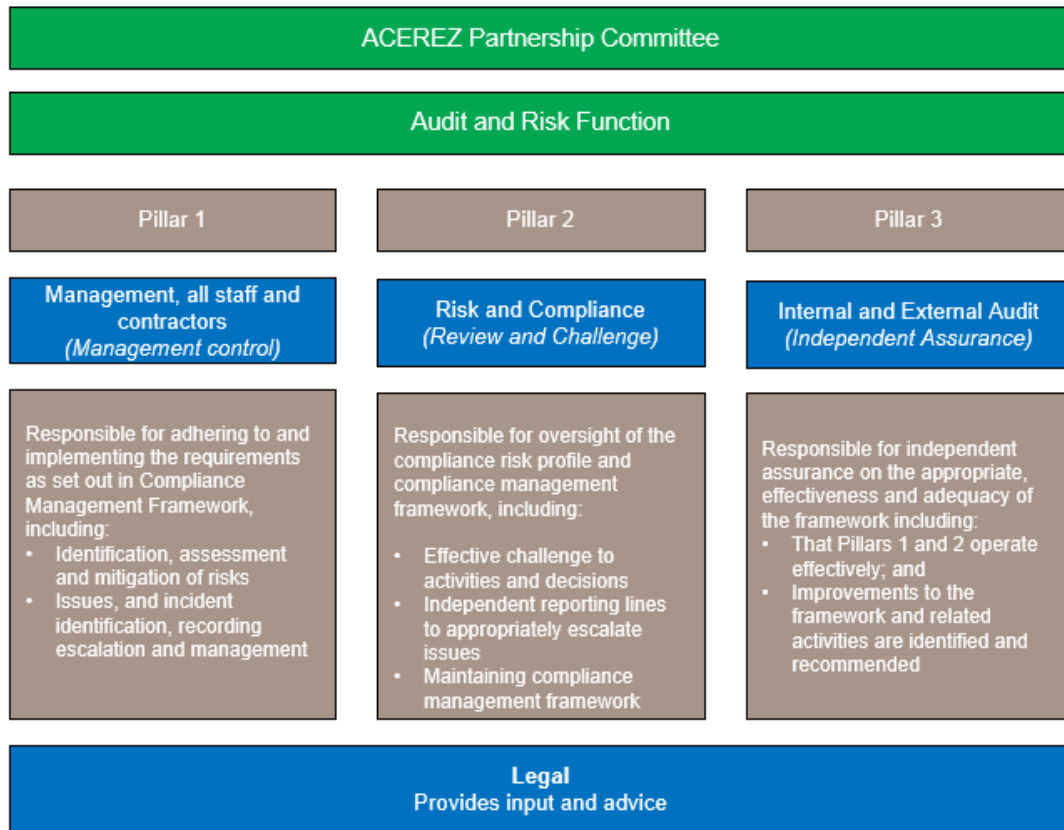
We have secured the engagement of specialists with a background in transmission operation in Transgrid, Electranet and Powerlink as well as power system engineers from CYMI to help develop our documents and operating manuals to the conditions of the CWO RNIP, our regulatory requirements and best practice. We are building on the existing experience of our Partners in the development and application of our governance and compliance systems.

Our governance framework is based on a robust governance structure with defined roles and responsibilities. There are 3 key parts to our framework as set out in **Figure 5**:

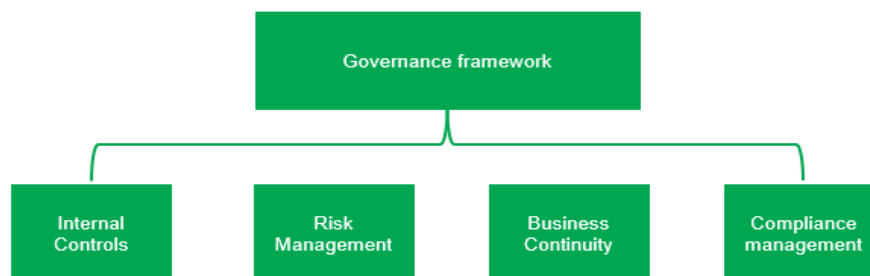
For ACERZ the key elements to effective governance are:

- The Partnership Committee
- Chief Executive Officer
- Audit and Risk function
- Management forums
- Risk management framework
- Internal control and assurance
- Compliance framework
- Financial processes
- Corporate Strategy

FIGURE 5 – ACEREZ PARTNERSHIP OPERATING MODEL FOR GOVERNANCE AND COMPLIANCE



There are four key pillars to our overall governance framework:



We are developing our own suite of operating policies and procedures to ensure consistent quality operation of its network. These procedures will generally leverage existing policies and procedures in use by other TNSPs within Australia and our Partners consistent with good industry practice. The overarching objective of these policies and procedure is to maintain the secure and reliable operation of the CWO RNIP and the national electricity grid.

5.2 INTERNAL CONTROLS

A range of internal controls procedures are being developed to support our governance and compliance framework. These will set out our approach on key activities to support objectives, manage risks and comply with legislative and regulatory obligations. These procedures provide clear accountability and transparent management of our duties as a network operator.

Such internal controls can be further categorised into:



5.3 RISK MANAGEMENT

ACEREZ is preparing a risk management framework in line with the international standard ISO 31000 Risk Management- Principles and Guidelines. Risk management processes are developed in accordance with this standard to improve decision making by understanding the effect of uncertainty on the achievement of business objectives including meeting regulatory obligations.

An important component to this is a comprehensive risk register detailing risk management during both delivery and operational phase.

5.4 BUSINESS CONTINUITY

Effective planning for business continuity is crucial to the success of the CWO RNIP both during the delivery and operation phases. The Project Deed contains a number of core activities to enable business continuity and to effectively respond and manage emergencies. This is supported by on-going engagement and reporting to the Infrastructure Planner.

ACEREZ is currently preparing a Business Continuity Plan and implementing supporting systems. This Plan will identify, assess and manage all potential disruptions to the on-going operations of the transmission network. It will explain how potential risks could impact on our business operations, the procedures and safeguards to lower such risks plus detail responses in the event of any disruption.

This Plan will cover maintenance and recovery of critical systems, staff training plus operating and safety protocols. It will also reflect our local black start procedure as agreed with AEMO plus any obligations to Transgrid at the network-to-network connection point.

5.5 COMPLIANCE MANAGEMENT

We are committed to complying with our legislative, regulatory and contractual obligations. ACEREZ is implementing effective and comprehensive systems to prudently manage our compliance obligations as the Network Operator. In developing our compliance management systems, we will have regard relevant international standards and accepted practice in the sector. Further our staff are contractually required to adhere to the policies and procedures of ACEREZ.

Any further new compliance obligations in the future will be managed on a case-by-case basis with internal and/or external advice in relation to what is required, the appropriate team to manage those obligations and process for achieving timely and accurate compliance.

5.6 FIRST NATIONS PARTICIPATION

ACEREZ is developing an Industry and Aboriginal Participation Plan (IAPP) that considers the following guidelines and frameworks and aligns with the goals of the Central West Orana Working Group, to ensure we engage with Aboriginal communities in a culturally respectful way; and deliver programs and opportunities that lead to improved economic and social outcomes for the community. In addition to the Central West Orana Working Group; and Local Aboriginal Land Councils, we are working with local individual Aboriginal Elders, leaders, community members and groups under our engagement strategy.

Our IAPP covers our economic development, employment, education, local manufacturing and first nations employment and training targets. This complies with federal and state legislative requirements and meets the recommendations of the First Nations Guidelines and Renewable Energy Sector Board's (RESB) Plan under the EII Act.

Our commitments for First Nations participation include:

- Procurement strategy that maximises local content investment and supports local suppliers, including SMEs, with full and fair access to economic development and capability building experience.
- Prioritise First Nations participation for at least 2% of contract value, less exclusions, invested with First Nation-owned businesses and a workforce participation target of 2% (minimum criteria is 1.5%); with cultural recognition, respect and education at the core of project delivery.
- Invest in a leading employment, skills and knowledge transfer approach to build the skill capability and capacity for NSW's renewable energy future.
- Ensure fair and ethical practices are maintained in the workforce and across the supply chain through effective partnerships, prioritising opportunity creation and benchmarking suppliers.
- Promote environmentally Sustainable Procurement through the supply chain to reducing greenhouse gas emissions, embedding circularity into decision-making, reducing materials required and diverting waste from landfill.
- Support investment and innovation in the supply chain through local prioritisation, dedicated resources and skills and training.

Together, Acciona and Endeavour Energy have worked extensively to build and maintain social licence with First Nations people within NSW, while Cobra has international experience in managing Indigenous rights within its South American transmission projects.

5.7 ELECTRICITY NETWORK SAFETY MANAGEMENT SYSTEM

ACEREZ is establishing an ENSMS (Electricity Network Safety Management System) compliant to AS5577 to address the safety of our community, employees and delivery partners and the protection of property and network assets. It will also address safety aspects related to environmental protection and loss of electricity supply.

The development of the ENSMS will be supported with input from workers focussed across the lifespan of the assets from planning/design to construction, commissioning, operation and finally disposal. The ENSMS will provide a consolidated management system which frames the ENSMS through corporate policies and management system and drives its implementation through supporting strategies, management systems and processes to deliver network safety outcomes.

5.8 ASSET MANAGEMENT

We are implementing a comprehensive asset management system that is consistent with the standard AS ISO 55001-2014. We will organise for this system to be certified by an appropriately qualified person prior to the expected date of first energisation.

5.9 ENVIRONMENTAL MANAGEMENT

We are implementing a comprehensive environmental management system that is consistent with the standard AS ISO 14001-2016. We will organise for this system to be certified by an appropriately qualified person prior to the expected date of first energisation.

As part of our approach to environment management, we are committed to following the NSW Code of Practise for Authorised Network Operators where relevant to our functions.

5.10 PERFORMANCE MONITORING AND REPORTING

Given the unique regulatory framework applicable to the REZ Network Operator, we are a subject to a range of different performance and regulatory reporting requirements. Under the Project Deed, we are subject to a range of regular reporting obligations both during the delivery and operation phase of the project. These are in addition to the current reporting requirements of the Commitment Deed.

Further, under the EII Act and the NER the AER has powers to seek additional information from ACER EZ. This includes the discretion to prepare and publish reports on the financial and operational performance of REZ Network Operators.

These arrangements will be complemented by the reporting and auditing requirements under the NSW Transmission Licence.

We are developing appropriate monitoring, data verification and reporting systems in order to effectively comply with all these requirements in a timely and reasonable manner.

5.11 ETHICAL AND RESPONSIBLE BEHAVIOUR

ACER EZ is committed to preventing and minimising modern slavery in the supply chain, including forced, bonded, indentured and child labour. ACER EZ will implement the below measures throughout the delivery of the CWO RNIP:

- Identify areas of risk: undertake a review of key risk areas for modern slavery in the supply chain.
- Train staff: procurement staff will be trained recognising and reporting slavery in the supply chain.
- Due diligence audits: undertake due diligence by conducting checks into the supplier's supply chain.
- Modern Slavery Statement: register a statement that is compliant with the Modern Slavery Act 2018 (Cth).
- Major Supply Goods Agreement: require third party contractors to not engage in any conduct or omission which may contravene any Modern Slavery Laws. Any breach of this clause will result in immediate contract termination.

6 Financial viability

The Applicant is financially viable and has the financial resources to sustainably and reliably undertake electricity transmission services in NSW, consistent with our obligations under the Project Deed, NSW legislation and NER. The applicant's approach to insurance, financing and contracting was assessed by EnergyCo as part of their tender evaluation process for the CWO RNIP.

6.1 FINANCIAL VIABILITY AND CONSIDERATIONS SUPPORTING FINANCIAL CAPACITY

Funding

The arrangements for the funding and recovery of CWO REZ Project Costs are set out in the Commitment Deed and Project Deed and regulated under the EII Act.

[REDACTED]

Element	Achievement
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁸ . The Infrastructure Planner will fund reimbursements from the Transmission Acceleration Facility.

Cost recovery

The AER has been appointed as a regulator for the purposes of the EII Act and is authorised under section 64 of the EII Act to exercise the functions, powers and duties of a regulator in respect of network infrastructure projects in Division 3 of Part 5 of the EII Act. This includes determining the RSP amount payable to the ACERZ as the Network Operator for CWO RNIP.⁹

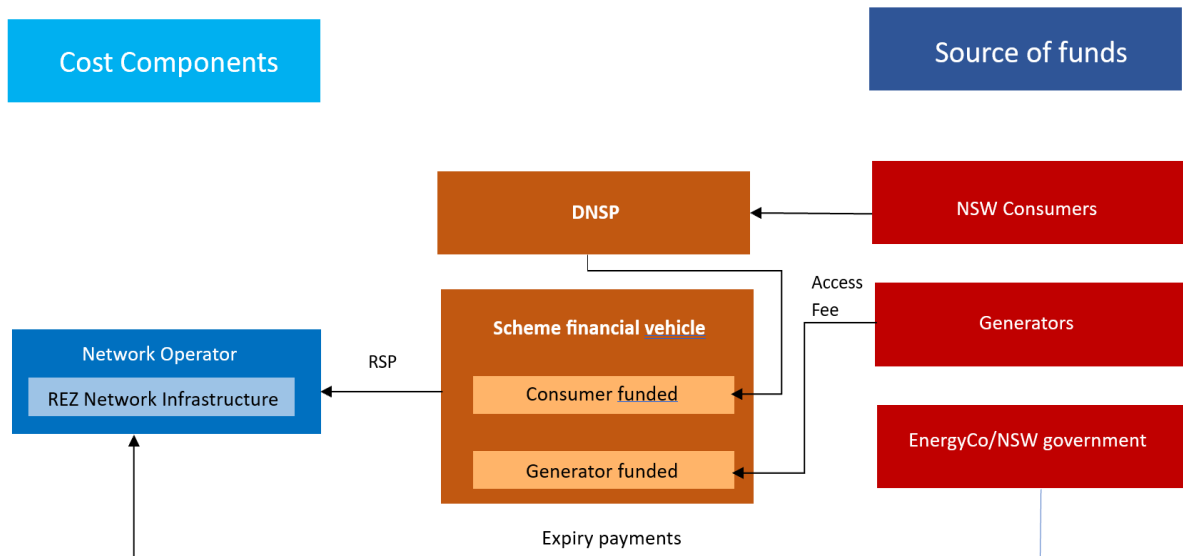
Cost recovery is enabled through the AER's Revenue Determination, which is forecast to be made in Q3 2024. The AER's Revenue Determination will set the annual revenue allowance, referred to as Revenue Service Payments for the duration of the Project Term and can be subsequently adjusted in future determinations in accordance with the Project Deed.

Provided the AER considers the procurement process for the CWO RNIP was a genuine and appropriate competitive assessment process, the AER is required to accept the outcomes and project costs of that process as prudent, efficient and reasonable.

The Applicant will be responsible for delivering the CWO RNIP and will be paid the RSP by the Scheme Financial Vehicle for the entire CWO RNIP scope in accordance with the revenue determination. The RSP comprises operating costs which are passed through, and a capital (debt and equity) component to recover debt and equity financing which funds the CWO RNIP.

Figure 6 presents how our costs are recovered from customers and REZ access holders through the Scheme Financial Vehicle (SFV).

FIGURE 6: COST RECOVERY ARRANGEMENTS FOR THE CWO RNIP



The RSPs provided through the Scheme Financial Vehicle will be sufficient to repay the debt and equity financing of the CWO RNIP in addition to the ongoing operational costs over the

⁹ As required by section 38(1) of the EII Act, including amounts for different components set out in section 38(2) of the EII Act, following the submission of a regulatory determination application (Revenue Proposal) by the Network Operator for the RNI Project.

term. The financial model for the CWO RNIP has comprehensively considered all anticipated costs and funding requirements. The model incorporates both operational and capital expenditures, alongside various funding sources such as equity, debt, and other revenues. Based on the detailed forecasts within the model, the CWO RNIP has sufficient cash flow to support the project throughout its entire lifecycle. This includes covering all operational needs, financing payments, and potential contingencies.

The Applicant will also be entitled to a terminal value payment from the Infrastructure Planner at the end of the Project Term, expected to expire in 2059 (subject to any extensions in accordance with the terms of the Project Deed).

The Scheme Financial Vehicle will recover the costs for the H2P (see section 3.1) and system strength infrastructure from access right holders via access fees to offset the total cost to NSW electricity customers.¹⁰

6.2 INSURANCE

The Applicant will ensure that it has sufficient insurance cover typical of a regulated network business in the NEM and in accordance with our requirements under the Project Deed. The cover provided will adequately protect against unforeseen circumstances that could impact its financial stability and project delivery plus on-going operations.

This insurance encompasses coverage for both the Network Operator itself and its essential downstream contracts with Design & Construction (D&C) and Maintenance & Lifecycle (M&L) contractors. This ensures continuity of project execution and minimises financial implications associated with any potential risks. This multi-layered insurance program demonstrates our commitment to managing risks effectively and ensuring the project's success.

Details of the type and level of insurance maintained by the Applicant is set out in Confidential Schedule 3.

¹⁰ Access fees will be paid to the Scheme Financial Vehicle by access rights holders in accordance with an access scheme, where fees will be set by the Consumer Trustee to ensure that generators bear the costs for relevant infrastructure and NSW consumers are not exposed to undue risk.

7. Statutory Declaration

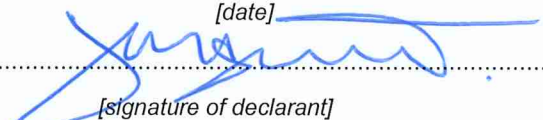
Statutory Declaration OATHS ACT 1900, NSW, EIGHTH SCHEDULE

I, Trevor Armstrong, do solemnly and sincerely declare that:

- a) I am the CEO of ACERZ Partnership ABN 48 205 081 299; and
- b) The information provided in this application (including any attachments) to the Independent Pricing and Regulatory Tribunal for an electricity transmission operator licence is true and correct to the best of my knowledge

and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act 1900.

Declared at: Sydney on 19 April 2024
[place] [date]


[signature of declarant]

in the presence of an authorised witness, who states:

I, Jordan Wright, a Australian legal practitioner
[name of authorised witness] [qualification of authorised witness]

certify the following matters concerning the making of this statutory declaration by the person who made it: [~~*please cross out any text that does not apply~~]

1. *I saw the face of the person OR ~~*I did not see the face of the person because the person was wearing a face covering, but I am satisfied that the person had a special justification for not removing the covering, and~~
2. *I have known the person for at least 12 months OR ~~*I have confirmed the person's identity using an identification document and the document I relied on was~~

[describe identification document relied on]


[signature of authorised witness]

19 April 2024
[date]

Schedule 1 – REZ Network Infrastructure Project

REZ Network Infrastructure Project

The CWO REZ Network Infrastructure Project declared as a transmission system by the Minister for the purposes of the ES Act comprises:

- (a) a 500 kV transmission network from Wollar to Elong Elong via Merotherie comprising:
- 1) a 500 kV switching station at Barigan Creek generally at the location shown in the Map (below);
 - 2) a 500/330 kV substation at Merotherie generally at the location shown in the Map (**Merotherie Energy Hub**);
 - 3) a 330kV substation at Elong Elong generally at the location shown in the Map (**Elong Elong Energy Hub**);
 - 4) a transmission line from the Barigan Creek switching station to the Merotherie Energy Hub comprising two 500 kV double circuit lines, indicatively as shown in the Map; and
 - 5) a transmission line from the Merotherie Energy Hub to the Elong Elong Energy Hub comprising two 500 kV double circuit lines indicatively as shown in the Map,

with an operating voltage of 330 kV or 500kV and generally as described in the Diagram (below);

- (b) transmission lines and switching stations comprising the H2P Separable Portions, with an operating voltage of 330 kV;
- (c) synchronous condensers, power transformers, switchgear and reactive plant at the Energy Hubs;
- (d) all other control, communications, protection and other associated equipment and electricity structures necessary for the control and operation of the electricity power lines and associated equipment and electricity structures; and
- (e) any change, modification or addition to the electricity power lines and associated equipment and electricity structures described above.

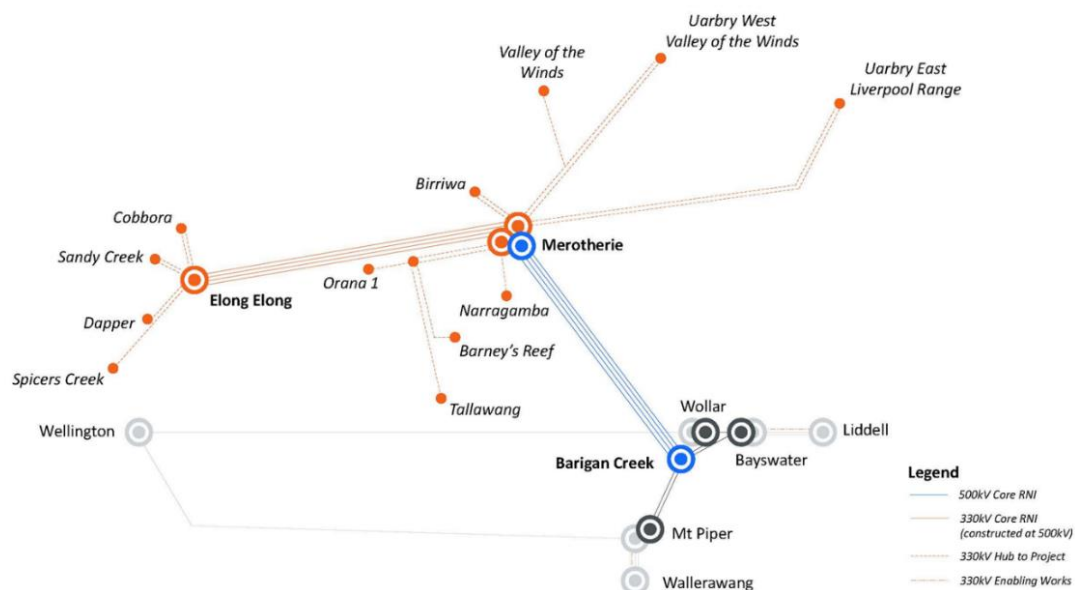
The CWO Transmission System does not include any Dedicated Connection Assets.

HSP Switching Stations

H2P Separable Portion (SP)	H2P Switching Stations
Separable Portion 3 (SP3)	<ul style="list-style-type: none"> • A “MER C3” switching station generally at the location shown in the Map. • A “MER C3-1” switching station generally at the location shown in the Map. • A “MER C3-2” switching station generally at the location shown in the Map. • A “MER C3-3” switching station generally at the location shown in the Map.
Separable Portion 4 (SP4)	<ul style="list-style-type: none"> • A “MER C2-1” switching station generally at the location shown in the Map.

Separable Portion 5 (SP5)	<ul style="list-style-type: none"> A Uarbry East switching station generally at the location shown in the Map.
Separable Portion 6 (SP6)	<ul style="list-style-type: none"> A Uarbry West switching station generally at the location shown in the Map. A “MER C4-1” switching station generally at the location shown in the Map.
Separable Portion 7 (SP7)	<ul style="list-style-type: none"> A “MER C1-1” switching station generally at the location shown in the Map.
Separable Portion 8 (SP8)	<ul style="list-style-type: none"> A “ELO C1-2” switching station generally at the location shown in the Map.
Separable Portion 9 (SP9)	<ul style="list-style-type: none"> A “ELO C2-1” switching station generally at the location shown in the Map.
Separable Portion 10 (SP10)	<ul style="list-style-type: none"> A “ELO C3-1” switching station generally at the location shown in the Map. A “ELO C3-2” switching station generally at the location shown in the Map.

Diagram of declared CWO RNIP



Map of the declared CWO RNIP



ACERZ
the future of renewable energy

[illegible]

[REDACTED]

[REDACTED]

[REDACTED]

