Electricity transmission licence application form

Purpose of this form

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

Basis for this form

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

Use of this form and the applicant's responsibilities

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

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

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

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

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

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

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

Providing accurate and relevant information and a complete application (answering all questions and providing all information) will assist in timely processing of an application. All applications are assessed on a case-by-case basis. If insufficient information is provided with an application, we will

contact the applicant about the requirement for additional information to be submitted before the application is considered further.

Prior reading

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

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

Licence conditions

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

Further information

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

Consultation and confidentiality

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

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

How to lodge an application

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

Electronically: <u>licences@esc.vic.gov.au</u>

Hard copy: Market Operations, Energy Division

Essential Services Commission

Level 8, 570 Bourke Street

Melbourne VIC 3000

Large files

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

Application fees and annual licence fees

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

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

1.General Information – The Applicant

The applicant must answer all questions in this section.

Transmission Company Victoria Pty Ltd (ACN 665 119 068) (**TCV**) seeks a licence to transmit electricity in connection with the Victoria New South Wales Interconnector West project in Victoria (**VNI West**).

The VNI West project is a proposed new transmission link between Victoria and New South Wales that will help harness clean, low-cost electricity from renewable energy zones (**REZ**s) in both states, helping reduce the cost of carbon emissions abatement and improving the reliability and security of electricity supply as ageing coal-fired power stations close.

The Western Renewables Link (**WRL**), a new double circuit high voltage transmission line between Bulgana and Sydenham that is currently being progressed through the environmental and planning approvals process by AusNet, also supports this goal, by increasing transmission network capacity for existing and new renewable generation in western Victoria.

In AEMO's 2022 Integrated System Plan (ISP), VNI West was identified as an actionable ISP project that should be progressed urgently and delivered as soon as possible.

Under its declared network functions – including for Victorian transmission planning – set out in the National Electricity Law (**NEL**), AEMO is responsible for planning and directing augmentation on the Victorian electricity transmission Declared Shared Network (**DSN**). AusNet owns and operates much of that network. Transgrid operates and manages the high voltage electricity transmission network in New South Wales and the Australian Capital Territory and is the jurisdictional planning body for New South Wales.

On 20 February 2023 then again on 27 May 2023, the Victorian Government issued an order under section 16Y of the National Electricity (Victoria) Act 2005 (**NEVA**) that conferred functions in respect of VNI West on AEMO (each a **VNI NEVA Order**). Those functions include the assessment of alternative options to the preferred options¹ to expedite the development and delivery of those projects². A link to each VNI NEVA Order is set out at Error! Reference source not found.

On 24 February 2023, AEMO incorporated TCV as a wholly owned subsidiary of AEMO and has engaged TCV under an agreement to carry out, or procure the carrying out of, the early works needed to implement VNI West, as contemplated in the VNI NEVA Order.

Such early works include the development of the design for terminal stations and transmission lines, community consultation and stakeholder engagement (including landholder and Traditional Owner engagement) and environmental studies and related activities (including field surveys to support route refinements and planning and environment approvals requirements).

At the appropriate point in time prior to the conclusion of the early works, TCV will be transferred to a third party (**New Owner**) through a procurement process that is currently being developed by

¹ As described in the VNI West PADR and the WRL Project Assessment Conclusions Report (**PACR**).

² Being the VNI West and WRL Specified Augmentations as described in clauses 3 and 4 of the NEVA Order.

AEMO. After the transfer to the New Owner, the intention is that TCV will continue to develop and then build, own and operate VNI West.

TCV provides the following application details in accordance with the 'Electricity Transmission Licence Application Form' and 'Guideline: Applications for electricity and gas industry licences' issued by the Essential Services Commission (**ESC**).

1.1. Legal name of applicant

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

Name:	Transmission Company Victoria Pty Ltd
	(TCV)

1.2. Legal identity of applicant

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

ABN: 70 665 119 068 ACN: 665 119 068

Type of entity: Company limited by shares

1.3. Contact details and address of the applicant

The applicant Business address: Level 12, 171 Collins Street State: Melbourne Postcode: 3000 Postal address (if different): As above State: Melbourne Postcode: 3000 Full name of contact person: Merryn York Position title: Director Telephone: 1300 858 724 Mobile: Email: merryn.york@aemo.com.au

1.4. Diagram of corporate and organisational structure

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

- a) corporate structure (including any parent and related companies within the meaning of the *Corporations Act 2001*), and
- b) organisational chart (including composition of the board, management, and other key personnel responsible for the key functions)

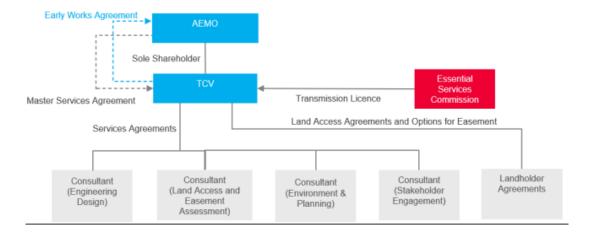
1.4.2. Corporate structure

TCV is a wholly owned subsidiary of Australian Energy Market Operator Limited (ACN 072 010 327) (**AEMO**), the entity responsible for planning the Victorian transmission network in accordance with AEMO's declared network functions under section 50C of the NEL.

AEMO is a not-for-profit company limited by guarantee incorporated under the Corporations Act 2001 (Cth). The company membership comprises government and industry members with government having 60% of the voting power in general meetings and industry members having 40%. The government members are the Commonwealth, New South Wales, Victoria, South Australia, Queensland, Western Australia, Tasmania and the Australian Capital Territory.

The diagram below illustrates the organisational and the contracting structure for AEMO and TCV. In particular:

- AEMO has engaged TCV under the TCV Early Works Agreement;
- AEMO provides management services to TCV under the AEMO Services Agreement (which
 provides TCV with access to AEMO's key personnel, expertise and workforce);
- TCV has engaged directly with third-party consultants;
- TCV will enter into Land Access Agreements and Options for Easements with landholders; and
- TCV will hold the Transmission Licence (if granted) for the purpose of developing, owning and operating the VNI West transmission lines.



Attachment reference: An organisational diagram (current as at 15 May 2024) for TCV confirming the: (i) composition of the board, management and other key personnel responsible for key

functions; and (ii) reporting lines for key personnel responsible for key functions, is set out in **Error!**Reference source not found.

1.4.3. Organisational Chart

In addition to the organisational diagram, TCV Directors and Senior Management work collaboratively with senior Department of Energy, Environment and Climate Action (**DEECA**) personnel, including representatives of VicGrid.

Further information regarding the TCV Board of Directors is included below.

Daniel Westerman (Director)

Daniel Westerman commenced as CEO and Managing Director of AEMO in May 2021. He oversees AEMO's strategy and operations, including collaboration with market participants and policy makers.

Daniel is a chartered engineer and a skilled business leader with significant experience in the energy sector.

Prior to joining AEMO, Daniel held a variety of senior executive roles with London-listed electricity and gas utility, National Grid Plc. Most recently he served as Chief Transformation Officer and President of Renewable Energy, where he led the company-wide transformation program, and grew a large-scale renewable energy business in the United States. In previous roles he has been responsible for engineering, planning and operational control of the electricity transmission network across Great Britain, as well as the development of distributed energy systems, such as rooftop solar, storage and energy metering.

Prior to joining National Grid Plc, he held positions with McKinsey & Company and Ford Australia.

Daniel holds degrees in Engineering and Mathematics from the University of Melbourne, and an MBA from Melbourne Business School. He is a Fellow of the Energy Institute and the Institution of Engineering and Technology, a Fellow of the Australian Academy of Technological Sciences and Engineering and a Fellow of the Institute of Directors.

Merryn York (Director)

Merryn York is responsible for leading System Design at AEMO, driving the collaborative and industry-wide efforts in meeting the engineering challenges of a net-zero energy system.

Joining AEMO in March 2022, Merryn brings deep industry experience in generator connections, transmission planning, regulatory investment and the delivery of major transmission projects.

Before joining AEMO, Merryn served as a Commissioner at the Australian Energy Market Commission (AEMC), where she engaged widely across the industry. Prior to joining the AEMC, she served as Chief Executive of Powerlink Queensland from 2011-2019.

Merryn has a Bachelor of Engineering, Masters of Engineering Science and Graduate Certificate in Applied Law from the University of Queensland. She is an Honorary Fellow of the Institute of Engineers Australia, a Fellow of the Australian Academy of Technological Sciences and Engineering and Graduate member of the Australian Institute of Company Directors.

1.5. The Licence and transmission infrastructure details

The applicant must answer all questions in this section.

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

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

Provide details on the following

(a) Date from which licence is sought:

The licence is sought as soon as practicable to facilitate the delivery of the VNI West project in accordance with the VNI NEVA Orders and noting that the VNI West Project is an actionable ISP project.

(b) Transmission asset name:

Victoria New South Wales Interconnector West (or VNI West)

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

The VNI West Project Assessment Conclusions Report (**PACR**) published in May 2023, identified the preferred area of interest named Option 5A. Option 5A identified a 5km–50km wide area of interest for the project in north-west Victoria. The preferred area of interest map for Option 5A is contained within the PACR.

Since the PACR was published, work has been undertaken to further articulate the preferred route. This work (and details of the further refined area) is detailed in the Report of the Draft Corridor for VNI West (**Report on the Draft Corridor**) published on 6 October 2023³. The Draft Corridor is now, as at the date of our submission, an area of approximately 2km wide (within the originally identified Option 5A area), with wider areas in some locations where flexibility is needed in relation to connection points or to consider options.

³ See report at https://www.transmissionvictoria.com.au/-/media/16bf3d579a8944f084eb37bd800a13a0.ashx?la=en and further information at https://www.transmissionvictoria.com.au/reports

There are a number of local government areas (**LGAs**) that cover the line route identified in the Report on the Draft Corridor, including Northern Grampians, Buloke, Loddon and Gannawarra.

The final easement required for the project (typically 70m-120m wide) will be determined after further conversations with landholders and Traditional Owners, considering inputs from stakeholders and during the design and planning and the environment approval processes.

VNI West cannot proceed without environmental and planning approval from the State and Commonwealth Governments, which will require comprehensive environmental assessments and stakeholder engagement.

The map for the Draft Corridor is attached at Annexure A3 - VNI West NEVA Orders

As at the date of this application, the following Ministerial Orders have been made by the Minister for Energy and Resources in relation to the VNI West project:

- 20 February 2023 NEVA Order https://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S060.pdf
- 27 May 2023 NEVA Order https://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S267.pdf#page=1

Annexure A5 – Draft Corridor Map.

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

Initially, TCV will undertake early works activities that relate to the VNI West project including:

- project initiation, including future planning, design and procurement activities such as precontracting activities for engineering, procurement and construction contracts;
- costs estimation;
- desktop investigations;
- environmental surveys and geotechnical studies and investigations;
- environment effects statement preparation (if required);
- preparing and submitting planning and environment approvals and licences;
- stakeholder engagement with local communities, landowners, government departments, local councils, registered aboriginal parties and others;
- route identification, refinement and selection;
- site investigation and selection;
- land and easement assessment;
- entering into land access arrangements including a Land Access Agreement to conduct the early works and ultimately, Options for Easements:
- developing a biodiversity policy and offset strategy;
- engineering design; and
- if required to meet the project timeline, the procurement and disposal of long lead time items of capital equipment for use in the construction or operation of VNI West.

Once early works are substantially progressed or completed, TCV will also develop, build, own and operate the VNI West project. AEMO intends to transfer its interest in TCV to a New Owner before the planned construction phase through a procurement process. Further details in relation to the interaction between the early works phase and the procurement of the planned construction phase are contained in section 2 below.

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

The maps and shapefiles that TCV is currently working to are those in the following sections of the VNI West PACR and Report on the Draft Corridor:

- VNI West PACR:
 - Figure 21 Single-line diagram for Option 5 and Option 5A (in particular the section of the line diagram in green);
- Report on the Draft Corridor:
 - Figure 2 Draft Corridor for VNI West (Victorian portion);
 - Figure 3 Key constraints and cultural values within the Draft Corridor and area of interest;
 - Figure 4 Key constraints and cultural values avoided within the southern region of the Area of Interest;
 - Figure 5 Key environmental and planning constraints and cultural values avoided within the south-central region of the Area of Interest;
 - Figure 6 Key environmental and planning constraints and environmental values avoided within the north-central region of the Area of Interest;
 - Figure 7 Key environmental and planning constraints and cultural values avoided within the northern region of the Area of Interest;
 - Figure 9 Traditional Owner Boundaries; and
 - Figure 10 Social pinpoint.

Attachment reference: The Draft Corridor as outlined in the Report on the Draft Corridor published on 6 October 2023 are attached at Annexure A3 – VNI West NEVA Orders

As at the date of this application, the following Ministerial Orders have been made by the Minister for Energy and Resources in relation to the VNI West project:

- 20 February 2023 NEVA Order https://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S060.pdf
- 27 May 2023 NEVA Order https://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S267.pdf#page=1

Annexure A5 – Draft Corridor Map.

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

The VNI West project transmission line will connect to the WRL project at the terminal station at Bulgana, and to Project EnergyConnect at the Dinawan terminal station near Jerilderie, NSW

crossing the Murray River north of Kerang. Exact terminal station and border crossing locations will be determined through the design and planning and environment approval processes.

Attachment reference: The Draft Corridor is attached at Annexure A3 – VNI West NEVA Orders

As at the date of this application, the following Ministerial Orders have been made by the Minister for Energy and Resources in relation to the VNI West project:

- 20 February 2023 NEVA Order https://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S060.pdf
- 27 May 2023 NEVA Order https://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S267.pdf#page=1

Annexure A5 – Draft Corridor Map.

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

Attachment reference: The indicative single line diagram for the Draft Corridor is attached at Annexure A3 – VNI West NEVA Orders

As at the date of this application, the following Ministerial Orders have been made by the Minister for Energy and Resources in relation to the VNI West project:

- 20 February 2023 NEVA Order https://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S060.pdf
- 27 May 2023 NEVA Order https://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S267.pdf#page=1

Annexure A5 – Draft Corridor Map. Further design in relation to the proposed electrical layouts will be completed by TCV during the Development Phase referred to in section 2 below.

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

Attachment reference: The draft technical specification sheet with details about the VNI West project's technical assets is attached at **Annexure A6 – Draft Technical Specification Sheet**. Further refinement of the technical specifications will be completed by TCV during the Development Phase referred to in section 2 below.

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

The Project Assessment Draft Report was published in July 20224.

⁴ See https://aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/victorian_transmission/vni-west-ritt/vni-west-project-assessment-draft-report.pdf?la=en

On 20 February 2023 and 27 May 2023, the Victorian Minister made an order under section 16Y of the NEVA that conferred upon AEMO functions which include the assessment of alternate options to expedite the development and delivery of the WRL and VNI West projects.

In order to comply with the functions conferred upon AEMO under the VNI NEVA Order, AEMO and Transgrid published the Consultation Report – Options Assessment in February 2023⁵. This Consultation Report provided stakeholders, communities, and Traditional Owner groups the opportunity to provide feedback on the proposed options and the updated multi criteria analysis prior to publication of the VNI West PACR. This consultation process was over-and-above the minimum consultation requirements prescribed for the RIT-T.

The VNI West PACR was published in May 2023°. The VNI West PACR identified the preferred option 5A through responses to the Additional Consultation Report and AEMO's ongoing consultation and assessment efforts. As outlined in the VNI West PACR, the Victorian Minister for Energy and Resources has accepted AEMO Victorian Planning's recommendation that Option 5A is the preferred option for the VNI West Project.

The VNI West PACR outlines the proposed preferred option for the VNI West Project.

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

The VNI West project is currently planning to be a considered project under the NER sometime between 2025 and 2026.

⁵ See https://aemo.com.au/-/media/files/electricity/nem/planning_and_forecasting/victorian_transmission/vni-west-ritty/ni-west-consultation-report---options-assessment.pdf?la=en&hash=D86F047ECAD16C6BFC73DDC797ED6789

⁶ See the Project Assessment Conclusions Report Volume 1 and 2: https://aemo.com.au/initiatives/major-programs/vniwest/reports-and-project-updates

2. Technical capacity

The applicant must answer all questions in this section.

2.1. Experience and knowledge of the industry

Provide information about the human resources available to the applicant. This includes:

- a) the experience and qualifications of those employees outlined in the organisational chart (see 1.4b)
- b) if the applicant will employ contractors or agents to assist with the licensed activities, the name of those contractors or agents, details about the experience of the contractors or agents in such operations and details of the processes in place to ensure the contractors or agents comply with the licence conditions, including relevant regulatory obligations.

[CONFIDENTIAL]

In addition to the expertise and experience of AEMO employees who are currently assisting the VNI West project early works, TCV has engaged specialist consultants to assist it in undertaking the early works needed to implement VNI West (outlined further below). The early works being conducted include the development of the design for terminal stations and transmission lines, community consultation and stakeholder engagement (including landholder and Traditional Owner engagement), land access engagement with landholders, developing the project procurement strategy and tendering arrangements, consideration of long lead equipment procurement, and undertaking planning and environment activities (including route refinements and field surveys).

Development/Delivery Phase and TCV

As mentioned in section 1, VNI West has been identified as an actionable ISP project that should be progressed urgently and delivered as soon as possible. To expedite the project, the VNI NEVA Orders have been made and the VNI West PACR and Report on the Draft Corridor have been issued.

In accordance with AEMO's declared network functions under section 50C of the NEL and clause 6.6 of the VNI NEVA Order dated 20 February 2023, AEMO incorporated TCV as a wholly owned subsidiary of AEMO, and engaged TCV to procure the delivery of the VNI West project.

As noted in the Introduction in section 1, to enable the transition of the VNI West project to a proposed New Owner, AEMO will issue a tender (later in 2024) to engage with the TNSP market. Through this process, AEMO will seek submissions from tenderers to:

 continue to work alongside TCV during the early works development phase to assist with the completion of the early works (that will continue to be led by TCV) (Development Phase); and late in the Development Phase, transfer TCV to the New Owner to enable construction commencement, delivery and the ongoing operation of the VNI West project (**Delivery Phase**).

The initial selection, ongoing assessment through the Development Phase and eventual appointment of the proposed New Owner will be subject to a robust and extensive tender, onboarding and evaluation process developed in consultation with key community stakeholder groups, Traditional Owners and VicGrid.

Throughout the Development Phase, TCV will continue to progress the early works with the assistance of the proposed New Owner. Once TCV is transferred to the New Owner, TCV will continue to progress the VNI West project to the Delivery Phase which will involve the construction, delivery and operation of the VNI West project. TCV will continue to be responsible for commitments made to landholders, contractors and other stakeholders during the early stages of the Project.

If TCV is granted a transmission licence, the intention is that TCV would continue to hold the transmission licence after being acquired by the New Owner (subject to any conditions placed on the transmission licence by the ESC).

TCV Technical Capacity

TCV will have sufficient technical capacity to comply with the conditions of the licence. TCV's experience and knowledge of the industry is ensured through access to AEMO employees and the engagement of specialist consultants and professional advisors. In particular:

- in respect of the early works through the **Development Phase**:
 - AEMO will provide TCV with corporate and project services under the AEMO Services
 Agreement;
 - TCV has contracted directly with experienced consultants to assist with the performance of the early works;
 - the appointment of a proposed New Owner to assist TCV with the Development Phase (via the procurement process outlined above) will add further experience and technical capacity to the project team (comprising AEMO staff, VicGrid staff and consultants) to progress the early works; and
- in respect of the construction and operation of VNI West through the **Delivery Phase**:
 - the New Owner of TCV will continue with the VNI West project under a collaborative delivery model. This model will require the New Owner to continue to work with the existing project team (comprising AEMO staff, VicGrid staff and consultants) and relevant stakeholders;

- It is envisaged that the New Owner will engage a construction partner to undertake the construction of the VNI West project;
- the intention is that shares in TCV will be held by the New Owner when it commences such Delivery Phase works. As a condition to the transfer of shares in TCV to the New Owner, it is expected the New Owner will be required (through the usual Change in Control obligation contained within the standard licence conditions) to demonstrate to the ESC that it has the requisite technical capacity such that TCV continues to comply with the conditions of the licence.

In addition, under section 19(4) of the Electricity Industry Act (Vic) 2000 (EIA), the ESC does not have to be satisfied as to the applicant's technical capacity to comply with the conditions of the licence at the time it is issued if:

- the activities specified in the licence are not likely to be commenced to be carried out within the next 12 months; and
- the application is granted subject to such conditions as are decided by the ESC relating to further approval of the applicant's technical capacity necessary for the carrying out of the activities.

As mentioned above, other than in respect of the early works, the transmission activities specified in the licence will not be commenced to be carried out within the next 18 months.

TCV has engaged the following consultants to advise and assist in relation to the early works. Key early works contractors as at the date of this licence application include:

- **AECOM** as the technical and design advisor and the planning and environment advisor.
- CNC Project Management as the land and property advisor.
- **Aurecon** as the community and stakeholder engagement advisor.

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

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

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

Please refer to the response in section 2.1(a) and (b) above.

Attachment reference: Please see details outlined in [CONFIDENTIAL]

2.2. Risk management

a) Provide confirmation and evidence that the applicant has identified the risks associated with electricity transmission. Additionally, provide evidence that the applicant has established, utilised and relied upon risk management systems and processes which are adequate, accurate and current to address those risks.

AEMO (TCV's sole shareholder) is committed to maintaining a comprehensive and integrated risk management capability that is embedded into every business activity, decision, function, and process aligned to the international Risk Management Standard ISO 31000:2018 Risk Management – Guidelines, to create a culture that is risk aware.

TCV has formally adopted AEMO's risk management systems and processes and developed its own risk register for the VNI West Project that is actively managed and updated by TCV.

Attachment reference: [CONFIDENTIAL]

b) Provide a copy of the applicant's risk management strategy. A statement should also be provided (or supporting document must make it clear) whether the strategy has been developed in line with any Australian or International Standard (for example, ISO 31000:2018).

Attachment reference: [CONFIDENTIAL]

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

Attachment reference: [CONFIDENTIAL]

2.3. Land access dispute resolution

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

TCV has, in conjunction with its principal land advisory consultant (CNC Project Management), established Communication and Stakeholder Engagement Plan, which includes a specific section addressing Landholder engagement.

In addition to this, it has also developed the Enquiry and Complaint Handling Policy which outlines the process of raising a dispute and the proposed processes and procedures to resolve such disputes. **[CONFIDENTIAL]**

Attachment reference: [CONFIDENTIAL]

2.4. Registration with the Australian Energy Market Operator

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

TCV has not registered with AEMO as an Intending Participant - Network Service Provider and does not have immediate plans to do so.

It is intended that TCV will register with AEMO as a Network Service Provider in accordance with section 11 of the NEL. However, as mentioned in section 2.1, AEMO will, as a separate stage, tender for and contract with a New Owner for the construction and operation of VNI West.

Conditions of the tender process are expected to include the requirements that promptly following the transfer of shares to the New Owner, TCV will be registered with AEMO as a Network Service Provider in accordance with section 11 of the NEL.

2.5. Licences held in other jurisdictions

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

The applicant does not hold, or has previously held, an electricity or gas licence or authorisation in other jurisdictions.

2.6. Previous unsuccessful licence applications in other jurisdictions

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

The applicant has not applied for an electricity or gas licence or authorisation in other jurisdictions.

2.7. Licences held by associates of the applicant

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

The applicant's associates do not hold electricity or gas licence or authorisations in other jurisdictions.

2.8. Compliance management

- a) Provide evidence of compliance management which demonstrates how the compliance systems the applicant has (or will have) in place will ensure compliance with all the relevant regulatory obligations required by the transmission licence.
- b) Provide a copy of the applicant's compliance management strategy. A statement should also be provided (or supporting document must make it clear) whether the strategy has been developed in line with any Australian or International Standard (for example, AS ISO 19600:2015).

TCV has formally adopted AEMO's compliance management systems and processes and developed its own compliance register that outlines regulatory obligations for the early works stage of the VNI West project, including the source of each obligation. The compliance register is a live document (that is being continuously reviewed) and will be updated as the VNI West project develops.

In January 2019, AEMO's Compliance Framework was updated to incorporate alignment with AS ISO19600: 2015. In May 2022, AEMO's Compliance Framework was updated to incorporate alignment with ISO 37301:2021. As noted above, as a wholly owned subsidiary of AEMO, TCV has adopted this framework.

Attachment reference: [CONFIDENTIAL]

2.9. Material agreements

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

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

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

[CONFIDENTIAL]

It is intended that, in due course, TCV will enter in agreements that are material to the undertaking of the transmission activity, including:

• options for easement.

- connection agreements.
- Interface agreements with Transgrid in respect of the NSW portion of the VNI West.
- · contracts for the construction and delivery of VNI West.
- network services agreements.
- management services agreements.
- operation and maintenance agreements.

As mentioned above:

- other than the early works, TCV will not commence to carry out the activities specified in the licence within the next 18 months.
- under section 19(4) of the EIA, the ESC does not have to be satisfied as to the applicant's technical capacity to comply with the conditions of the licence at the time it is issued if the activities specified in the licence are not likely to be commenced to be carried out within the next 12 months and the application is granted subject to such conditions as are decided by the ESC relating to further approval of the applicant's technical capacity or approval of future facilities necessary for the carrying out of the activities.

Attachment reference: [CONFIDENTIAL]

2.10. Declared Transmission System Operator

An explanation of whether the transmission assets are contemplated to form part of the Declared Transmission System and whether the applicant is, or has requested to be, a Declared Transmission System Operator.⁷

Yes, the transmission assets are contemplated to form part of the Victorian Declared Transmission System.

TCV will become a Declared Transmission System Operator once the transmission line is operational and subject to obtaining a transmission licence.

Attachment reference: not applicable.

2.11. Approvals

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

TCV does not hold any planning or environmental approvals as at the date of this application. TCV will seek the relevant planning and environmental approvals as and when required as the early works phase progresses.

⁷ See section 31 National Electricity (Victoria) Act 2005.

On 1 February 2024, TCV submitted a referral of the VNI West project to the Victorian Minister for Planning to consider whether an Environment Effects Statement (**EES**) will be required for the project under the Environmental Effects Act 1978. On 6 February 2024, the Minister for Planning accepted the Environmental Effects Statement referral. On 13 April 2024, the Minister for Planning decided that an EES is required in accordance with the Environmental Effects Act 1978 (Vic).8

The Draft Corridor will also be referred to the Commonwealth Minister to determine whether approval is required under the Environment Protection and Biodiversity Conservation Act 1999.

Attachment reference: Not applicable

2.12. Land access

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

a) Copies of any agreements to access land for the purpose of the transmission (including preparatory works). If there are multiple agreements on similar terms, a copy of a single agreement is sufficient.

TCV has commenced discussions with relevant landholders to enter into Land Access Agreements. An example of the type of Land Access Agreements that will be negotiated by TCV is set out in the Annexures. The Land Access Agreements will be used for the purposes of obtaining access to land to continue investigations into the project as part of the early works.

As the specific line route is yet to be finalised, TCV has not negotiated any Options for Easement and will not exercise the majority of Options for Easement until the route has been, or is close to being finalised.

Attachment Reference: [CONFIDENTIAL]

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

As the date of this application, TCV:

- has only recently commenced accessing land for the purposes of conducting the early works both on public land and under executed Land Access Agreements; and
- has not entered into any Options for Easement to access land.

As a result, no complaints have been received in relation to land access on private land in relation to our early works.

⁸ EES Referral link Victoria to New South Wales Interconnector West (Victorian component) (planning.vic.gov.au).

For the sake of clarity, TCV has received complaints and queries in relation to the project generally since starting the RIT-T process. These complaints have been made in the context of the project more broadly including in relation to the potential location of the project corridor. TCV has proactively responded to these complaints and queries in line with the TCV Enquiry and Complaint Handling Policy.

c) Copies of any policy or process of the applicant relating to the negotiation of access to land for the purpose of the transmission (including preparatory works). Where relevant, that policy or process, should demonstrate the applicant has the technical capacity to undertake land access in accordance with the commission's Land Access Code of Practice.

TCV, in conjunction with consultant land advisor CNC Project Management, has developed a number of policies, procedures and frameworks relating to the negotiation of access to land for the purposes of transmission as attached to **[CONFIDENTIAL].**

In addition, TCV has published on its website its Landholder Guide⁹ that details how it will engage with Landholders affected by the VNI West Project. The Landholder Guide includes details relating to compensation arrangements and the process of how a Land Access Agreement and Option for Easement document will be presented, discussed and negotiated with Landholders.

[CONFIDENTIAL]

Attachment reference: [CONFIDENTIAL]

d) Information about the skills, experience and expertise of the key personnel who will be engaging with local communities and landowners regarding the applicant's intended use of land access powers under the *Electricity Industry Act 2000*.

As noted above, the relevant persons who will be engaging with local communities and landowners are outlined in **[CONFIDENTIAL]**

Attachment Reference: [CONFIDENTIAL]

2.13. Engagement with Energy Safe Victoria

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

TCV team members have commenced face-to-face engagement with Energy Safe Victoria in relation to the VNI West project. As the project develops, further engagement and discussion will occur between Energy Safe Victoria and our safety and project management representatives.

⁹ See https://transmissionvictoria.com.au/landholders

Energy Safe Victoria are included in the distribution list for VNI West project updates and therefore they have received links to all of AEMO's Project Updates for the VNI West project via email.

2.14. Additional information

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

TCV confirms that it will have sufficient technical capacity to comply with the conditions of the licence. In particular:

- in respect of the early works, as is further described above:
 - TCV will contract directly with experienced consultants to perform certain workstreams forming the early works; and
 - AEMO will provide TCV with corporate and project management services pursuant to the AEMO Services Agreement; and
- in respect of the construction and operation of VNI West, the shares in TCV will be held by the New Owner when it commences such works. As a condition to the transfer of shares in TCV to the New Owner, the New Owner will have to demonstrate to the ESC that it has the requisite technical capacity to ensure that TCV complies with the conditions of the licence.

In any event, under section 19(4) of the EIA, the ESC does not have to be satisfied as to the applicant's technical capacity to comply with the conditions of the licence at the time it is issued if:

- the activities specified in the licence are not likely to be commenced to be carried out within the next 12 months; and
- the application is granted subject to such conditions as are decided by the ESC relating to further approval of the applicant's technical capacity or approval of future facilities necessary for the carrying out of the activities.

Accordingly, TCV confirms:

- that other than in respect of the early works, the activities specified in the licence will not be commenced to be carried out within the next 18 months;
- that VNI West is not merely speculative the progression of the early works is the subject of a NEVA Order and it has been identified as an actionable ISP project by AEMO. There is a strong likelihood that it will be developed;
- that the grant of the licence to TCV to enable it to commence the planning and development phases of VNI West is consistent with the ESC's approach set out in the Guideline, with the EIA and with the VNI NEVA Order; and
- that TCV understands that the licence, if granted, will have conditions which are substantially the same as, and not more onerous than, the conditions contained in the latest transmission licence issued by the ESC prior to the date of this application (i.e. the licence issued to

TransGrid Services Pty Limited (ACN 626 136 865) as trustee for TransGrid Services Trust (ABN 70 250 995 390) on 1 July 2020) (the 2020 Transmission Licence). Assuming this is correct, TCV will consider similar conditions to those licence conditions (noting some conditions in the 2020 Transmission Licence are not relevant to TCV or the VNI West project). This may include requiring TCV to:

- provide prior notice to the ESC of any change of control of TCV; and
- provide information to the ESC on its ongoing technical capacity or financial viability to undertake the activities authorised by the licence.

If the ESC proposes to vary or impose different licence conditions on TCV to those contained in the 2020 Transmission Licence, TCV requests the ESC provide the opportunity to be consulted about the proposed conditions prior to the licence being issued.

3. Financial viability

3.1. Financial resources

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

Provide a statement to confirm that:

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

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

TCV confirms that it is financially viable and has (or will have) the financial resources to sustainably undertake the electricity transmission activity.

In particular:

- in respect of the early works:
 - TCV will be a wholly owned subsidiary of AEMO;
 - clause 8.1 of the VNI NEVA Order states that AEMO's costs in relation to the early works (to the extent not funded by governments) are recoverable through charges in respect of prescribed transmission services (ie TUoS);
 - [CONFIDENTIAL]
- in respect of the construction and operation of VNI West:
 - TCV will be a subsidiary of the New Owner, and the New Owner will be required to demonstrate that it is financially viable and has the financial resources to procure that TCV sustainably undertake the electricity transmission activity in several forums, for example (as mentioned above):
 - through the tender process, the New Owner must demonstrate to AEMO that it has the financial and technical capability to procure that TCV carry out the construction and operation of VNI West;

- as a condition to the transfer of shares in TCV to the New Owner, the New Owner will
 have to demonstrate to the ESC that it has the requisite financial viability to procure that
 TCV will comply with the conditions of the licence; and
- following the transfer of shares in TCV to the New Owner, TCV will have to register with AEMO as a Network Service Provider in accordance with section 11 of the NEL. TCV will be required to demonstrate to AEMO that it can meet its financial obligations to AEMO; and
- TCV will be paid to construct and operate VNI West and to provide services to AEMO under a network services agreement in accordance with section 50D of the NEL.

TCV confirms that the applicant will be a registered participant with the Australian Energy Market Operator for its electricity transmission activities.

4. Fit and proper person

The applicant must answer all questions in this section.

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

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

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

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

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

If yes, provide details:

No.

b) Has the applicant, any directors of the applicant, directors of any entity that can exert control over the applicant or any person with significant managerial responsibility or influence on the applicant been prosecuted for any offences or had any enforcement action taken under any state, territory, Commonwealth or foreign legislation (including, but not limited to, the Competition and Consumer Act 2010, Corporations Act 2001, or the Australian Securities and Investments Commission Act 2001)?
If yes, provide details:

No.

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

If yes, provide details:

No.

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

If yes, provide details:

No.

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

No.

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

No other information to be provided.

Additional information

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

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

Yes.

- b) Is the applicant under external administration (as defined in the *Corporations Act 2001*) or under a similar form of administration under any laws applicable to it in any jurisdiction?
 No.
- c) Is the applicant immune from suit in respect of the obligations under the *Electricity Industry Act 2000*?
 - No, except in the limited circumstances afforded to all TNSP's under the EIA and NEL.
- d) Is the applicant capable of being sued in its own name in a court of Australia?
 Yes.

5. Commission objectives

The applicant must answer all questions in this section.

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

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

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

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

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

The Essential Services Commission's objective (as outlined by section 8 of the Essential Services Commission Act 2001 (Vic)) is to promote the long-term interests of Victorian Consumers having regard to the price, quality and reliability of essential services.

The VNI West project is a critical opportunity to increase the interconnection between New South Wales and Victoria which has been identified in the 2018, 2020 and 2022 Integrated System Plans prepared by AEMO. Targeted investment to increase the interconnection capacity between the two states will facilitate the efficient dispatch of new and existing generation and help maintain supply reliability in Victoria. This is expected to put downward pressure on energy costs by lowering overall power system investment and dispatch costs across the National Electricity Market (**NEM**).

The investment will also provide interconnector diversity by creating multiple physical interconnector routes between Victoria and New South Wales. This interconnector diversity increases the resilience of the grid against extreme climate conditions and improves overall system security.

In seeking to achieve the objective specified in section 8 of the Essential Services Commission Act 2001 (Vic), the Commission must have regard to the following:

Efficiency in the industry and incentives for long term investment

The power system in eastern Australia is undergoing fundamental, rapid and complex change as it transitions to net zero emissions. The integration of renewable generation and adoption of new

technologies continues to shift the geography and technical characteristics of electricity supply in Victoria and New South Wales.

Concurrently, the forecast closure of ageing coal-fired generators in Victoria and New South Wales over the coming decades presents a significant challenge to supply reliability for the energy industry. This challenge is further increasing with the latest round of announced coal-fired generator closures and various recent additional government announcements supporting the transition to renewables.

These factors support the need to improve interconnection between the States and to increase generation capacity in the Victorian network. Improving these factors will lead to further efficiency and incentives for renewable energy investment in the longer term.

Financial Viability of the Industry

The financial viability of the electricity industry will be improved by the granting of a transmission licence to TCV for the purpose of facilitating VNI West Project.

The VNI West Project, once developed, will improve the security of electricity supply between NSW and Victoria. This will assist with attracting private investment to assist with the development of new renewable generation projects in Victoria. This has significant economic benefits to multiple industries across Victoria (and more broadly).

The degree of, and scope for, competition within the industry including countervailing market power and information asymmetries

Improving the ability to add new generation will serve to improve competition and investment in generation and storage in the Victorian network.

The benefits and cost of regulation for consumers and users of products and services

As noted above, improving the interconnection capacity between the two states will facilitate the efficient dispatch of new and existing generation and help maintain supply reliability in Victoria.

This is expected to put downward pressure on energy costs by lowering overall power system investment and dispatch costs across the NEM. Further information in this regard can be found in AEMO's Consultation Report – Options Assessment published in February 2023.

Relevant health, safety, environmental and social legislation applying to the industry

The undertaking of the early works, and ultimately, the construction and operation of the VNI West project is subject to all relevant health, safety, environmental and social legislation applying the electricity industry. TCV (and its contractors) have implemented (and will continue to review and improve) health, safety, environmental and social systems to ensure ongoing compliance with relevant legislation. [CONFIDENTIAL]

6. Statutory declaration

All the information provided in this application and attached documents for an electricity transmission licence must be true and correct and must be verified by a statutory declaration. This statutory declaration must be made by the applicant (where the applicant is an individual) or a director of the applicant (where the applicant is a corporation) and must be made in accordance with the requirements of the *Oaths and Affirmations Act 2018*.

An example statutory declaration form can be found <u>here</u>. Information for authorised witnesses can be found <u>here</u>.

[Statutory Declaration of Merryn York, TCV Director provided separately]

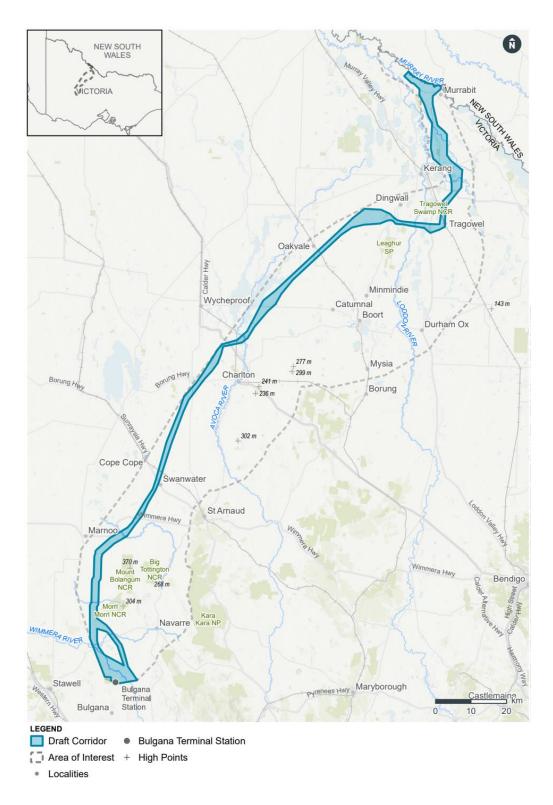
Annexure A3 – VNI West NEVA Orders

As at the date of this application, the following Ministerial Orders have been made by the Minister for Energy and Resources in relation to the VNI West project:

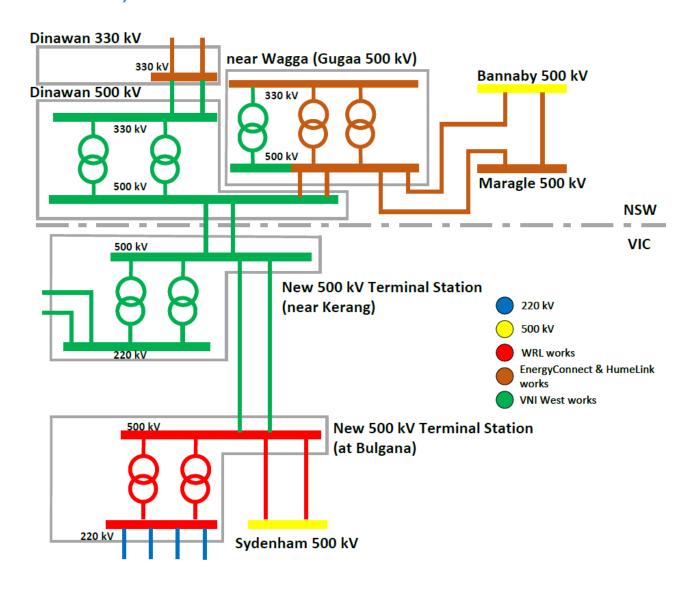
- 20 February 2023 NEVA Order https://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S060.pdf
- 27 May 2023 NEVA Order https://www.gazette.vic.gov.au/gazette/Gazettes2023/GG2023S267.pdf#page=1

Annexure A5 – Draft Corridor Map

Draft Corridor and Area of Interest of VNI West as shown in the Report on the Draft Corridor



Single Line Diagram of Preferred Option 5A (as contained in the VNI West PACR)



Annexure A6 – Draft Technical Specification Sheet

[To be provided separately]