



Public forum 1 transcript – Transmission Company Victoria Pty Ltd electricity transmission licence application

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Note: This transcript was originally automatically generated. We reviewed the transcript and made changes for accuracy. Minor discrepancies between the transcript and the forum may remain.

Chris Porter 0:14

All right, good afternoon all. Thanks for joining us today and for those couple of minutes while we were organise things to kick off. My name is Chris Porter. I'm from Cube group and I'll be Co ordinating this afternoon's discussion. We've been engaged to help Essential Services Commission host these forums. I'm also being supported today by my colleague Monique who's sharing the slides today.

Purpose of today's discussion is to present information on how you can participate in the Essential Services Commission's feedback process on the application for a transmissions licence from the Transmission Company Victoria Proprietary Limited.

For the rest of the discussions, they will refer to transmission company Victoria as TCV and the Essential Services Commission as ESC just to make things a bit more streamlined there.

From the ESC team, we're joined by Nathan Zhivov, who's the executive director of the Energy Division. He'll present most of the information and answer the questions today. Nathan's role in that head of energy division is to lead the assessment of the TCV application and make the recommendation to the Commissioners based on the ESC's assessment. He's the most senior staff member involved in the licence assessment process.

Nathan's also joined by some other members of the ESC Energy Division who are also involved in other parts of the assessment process along the way.

So something to note in terms of the focus for today's discussion is to give you information and answer questions about the licence assessment process and how you can provide feedback on TCV's application.

Rather than sort of focusing on the content and details of the application itself. We'll aim to answer all the questions that you might have later on and note where we're not able to answer questions or respond to feedback, particularly on the on the application itself.

Can we go to the next slide. So, as we kick off, I'll acknowledge that I'm on the lands of the Wurundjeri people of the Kulin nation. I pay my respects to elders past and present. Also send that respect to the traditional owners of lands you may be joining from today across the state and any people from the First Nations community who may be joining us today.

As we kick off some points on how the session's going to run today, so this is set up as a teams webinar.

So important things to know for the purposes of transparency, the session will be recorded and then made available on the ESC website, probably in around a fortnight's time after the session.

Because it is a webinar, cameras and microphones are switched off for everyone except the presenters just to keep it nice and smooth. If you'd like to interact, please use the Q&A function to submit your questions throughout the session, or you can do this at any time. We'll be keeping an eye on the questions as they come in and we'll get to those after Nathan's presentation. Important point to note is that the questions that come through aren't anonymous, so your name will appear against them, but they may not appear immediately because the ESC team will be filtering them and making sure they're being checked as they come through.

So just some points on how to ask a question. So you should see most likely at the top of your screen as shown in that green box there a Q&A option if you click on that it'll open up the function probably on the right hand side there. If you're using a mobile phone you might need to click on the three little dots next to the hangup button in order to access that. That's where you can post your questions, type it in and hit send and it'll head off to the ESC team to keep an eye on.

There have been some questions submitted ahead of time as well, so after Nathan's presentation we'll start with those because they might actually be questions that are common and relevant to others as well.

We will do our best to answer all the questions we get. It's a reasonably large group, so there might be quite a few and that's great. If there's any we're not able to cover the ESC team are committed to take them away and provide other responses through other channels, such as other documentation that's been shared on the Engage Victoria website or if there are questions that aren't necessarily particularly relevant to the ESC process itself, they can pass those on to the other organisations that might be better place to respond.

Some of the more detailed questions might actually be better raised in submissions too and we'll include some information in the presentation on how you might be able to ask a question in your submission.

Another point on questions is because the TCV application is currently under assessment by the Commission, it might affect the amount of detail that Nathan can give in the responses today so just something to keep in mind.

A reminder that the focus is about how you can provide feedback on the application process itself.

The submission process is the core focus for how you provide your feedback. So whilst obviously there's opportunity to ask questions, everything today really encourage if you've got submissions or points to raise about the TCV application that it gets captured in a submission.

So what we're covering today is I'll shortly hand over to Nathan to provide some information about the application and session process and how you can participate in it. And Nathan will then describe the process that the application goes through and what to expect from there. And hopefully after about 15 minutes or so from Nathan, we'll move to that more open Q&A session. So we'll ask those few that have come through ahead of time and then we'll sort of open up to the questions that have been trickling through throughout the session as well.

With that, Nathan, I'll pass over to you and let you take us through the more fulsome part of the detail on TCVs application and the ESC assessment process, and then we'll come back a bit later for some questions.

Nathan Zhivov (ESC) 5:53

Thanks very much, Chris. Thank you to all of you for taking the time to come today in the middle of what I'm sure are busy days for many of you. As Chris said, my name is Nathan Zhivov. I'm the executive director here at the Energy division of ESC. And so I head up energy regulation for the ESC. I know there's been a lot of interest in this application and that's one of the reasons why we're running today's information session and another one in a couple weeks' time.

I'm going to cover off four things before we get to questions today, so I'm going to provide you with an overview of TCVs application at a pretty high level.

I'm gonna talk through the ESC's role in electricity licencing, including the assessment process and the decision making process.

I'm gonna provide a bit of information on how people can make submissions and what we do with the information that people provide in their submissions, and I'm going to talk about the time frames and the next steps for our processes.

Can I ask for the next slide please?

Thanks. So TCV's applied for a licence to transmit electricity and that application is under the Electricity Industry Act. TCV is planning to use that licence if they get it to transmit electricity in connection with the Victoria NSW Interconnector West or the VNI West project, which is located in Victoria and goes over the border into NSW. TCV has provided us with information to support its application and assessment of the application against the statutory criteria that are in the Electricity Industry Act.

The application form and additional public materials are on the Engage Victoria Web page so that you can read them and have a look at them and have a bit of a think about them as you think about what you'd like to say about whether or not we should grant a licence and make your submission.

Can I have the next slide please?

So I'm going to talk a little bit about the ESCs role in energy regulation and assessing transmission licence application. So first a little bit of history. The ESC was created under the Essential Services Commission Act back in 2001.

We're an independent regulator, which means we're independent of government and our role is to promote the long term interests of Victorian consumers with respect to price, quality and reliability of essential services.

Some of the essential services, in addition to energy that we have a role in, include water, local government and a number of other things.

In relation to electricity, we are mainly focused on consumer protections. We licence businesses to enter the market, whether that's as a result of them wanting to transmit electricity, distribute electricity or to generate supply or sell electricity in Victoria.

We also write codes and guidelines, so one of the codes and guidelines that you might be familiar with is the Land Access code of practise and that regulates the rules and processes that licenced electricity transmission companies need to comply with when using statutory powers to access private land.

We also have a number of codes of practice that you might get the benefit of through your ordinary use of electricity, like the energy retail code of practice, which has a whole lot of consumer protections in it for how electricity retailers in particular need to deal with their customers.

In addition to licencing people and writing a lot of the rules that they have to comply with, we enforce those rules, so we have a compliance and enforcement function and their role is to investigate alleged breaches of Victoria's energy rules and if we find that breaches have taken place, we can take action. Sometimes that involves taking people to court, sometimes that involves issuing fines, sometimes that involves making sure that they take other steps to remedy any breaches.

Can I have the next slide please?

So I want to talk a little bit about the transmission licence application process and what it is that we assess because there are some criteria we need to look at under the Electricity Industry Act and I wanted to give you a bit of an idea about them.

The first thing that we look at is does the applicant have the technical capacity to comply with the conditions of the licence? A lot of this is looking at the governance, risk and compliance systems and policies that the applicant has in place. This would include ensuring that their policies and procedures in relation to land access in particular align with and comply with the Land Access code of practice.

We also look at the personnel available to the applicant.

The applicant company might employ people, but they might also use people or have access to people who are part of the corporate group that they belong to. Or they might have independent contractors or people coming in from other places. We look at all of these personnel and their ability to help the applicant have the technical capacity to comply with its licence conditions. One of the things we particularly look at in circumstances where the people helping are not employed are not employees of the applicant directly.

Is whether or not there are agreements in place between the applicant company and the other companies who do employ these people, showing the requisite technical capacity for the applicant company to comply with its licence conditions. One of the other criteria we look at is our statutory objectives. As mentioned a little bit earlier, the Commission has an overarching statutory objective and that's to promote the long term interests of Victorian consumers. Having regard to the price, quality and reliability of essential services.

The last thing that we look at is whether the applicant is a fit and proper person to hold a transmission licence. Now we look at a range of things in this space, but included in it is the conduct of the applicant company, its directors, its office holders or any person with a significant managerial duty or influence in relation to the applicant company.

We also need to be quite frank that discovery of matters that might have a relationship with fit and proper persons will not automatically lead us to conclude that the applicant isn't a fit and proper person to hold a Victorian energy licence. So to give an example, it's possible that an employee somewhere in the past had a minor criminal matter, or that there was a minor non-compliance somewhere in the past. Whether or not that affects our view that the applicant company is fit and proper to hold a licence will depend on a number of factors. How serious was the matter? How long ago was it? What remediation has been put in place in relation to the matter and how has the applicant company behaved subsequent to that matter?

Alright, if we could go to the next slide please.

Now, one of the questions that often comes up with transmission licences is in relation to how early in the process of a project can we grant a licence.

Now the act. And that's the second dot point that you can see there specifically considers a situation where a licence is granted more than 12 months before the licenced entity starts transmitting electricity.

Where that occurs, we might choose to include a licence condition for another technical capacity assessment later on in the project's life, before the applicant can start transmitting electricity.

One of the other things that is common in a lot of the licences that we issue is including a licence condition that requires the licensee to maintain technical capacity to comply with their licence conditions throughout the life of holding the licence, so they have to be that way at all times.

Can I move to the next slide please?

Now a lot of people often ask us about what are the standard licence conditions that you tend to see in a transmission licence. And so I'm going to run through a few of those.

They include things like.

Address for the company and the process for issuing notices to them. The description of the activities that the licence permits the company to undertake and the date from which they can do it.

Provisions around change of control, which is if the company gets sold or if its shares get sold to another party.

A requirement to comply with regulatory instruments like the codes of practice that we issue and making non-compliance a civil penalty so that we can fine them if they don't. The ongoing technical capacity requirement I talked about a little bit earlier.

And there are also items relating to the general administration of the licence, like revocation, variation and transfer. We might also include special licence conditions where matters in the licence need to be specified for the particular party.

Another thing that we do as a Commission is from time to time we review the standard licence conditions across all entities in a group like transmission businesses and ensure that they remain fit for purpose and up to date.

Can I have the next slide please.

We want your feedback on this application to assist us in assessing whether TCV should hold a licence and whether or not they meet the statutory criteria.

Submissions are due by 5:00 PM on the 21st of October this year.

Now there are a lot of ways that you can give us your opinion. You can provide a written submission and you can put that through the Engage Victoria website or by e-mail. But you can also complete a survey that we've put on the Engage Victoria website. If writing a submission is a bit too long.

Unless you request otherwise, your name and your submission will generally be published on our website and made publicly available. This is a transparency measure so that everyone can see what everyone else has said about the application, and so that we can be transparent in the information that we're considering in making these decisions.

We'll consider any submissions in relation to the statutory criteria that come in, and they may, in addition to deter to influencing the decision whether or not to grant a licence, they might also inform on what kind of conditions we put in place, if any, on the licence.

You can send submissions by e-mail or you can mail them to the address on this slide.

Can I go to the next slide please?

Now just to give you a preview of the survey questions that are on the Engage Victoria website. They're there in front of you on that slide right now you can go to that website and you can answer those questions. You don't have to answer every single one of them if you don't want to, you can just answer some of them and you can also submit a document or e-mail rather than completing the survey.

Can I go to the next slide please?

Once submissions close, we will consider all of the stakeholder feedback that we receive and we'll assess it together with the documentation from TCV.

It's hard to give you an exact date on how long this will take, but we're expecting this process to take about two months from the close of submissions, so we haven't set a decision date just yet. But given that we're getting towards the end of the year and there's a holiday period over summer, it is possible that the Commission won't make a decision on whether or not to grant this licence until sometime in early 2025.

That's it for my presentation. Thanks very much for listening and I'd like to hand back to Chris over to you.

Chris Porter 17:08

Thanks Nathan, some really helpful information there about how to get involved in the process and what gets considered. So we've got plenty of time now for some questions, which is really good. I'll flag too that that we are respectful of everyone's time. So we will commit to get you out at exactly 12:45 as scheduled, if not before depending on how many questions we've got. So if we do have more questions and we can answer in the time available, we will find ways to follow up as I mentioned before.

So I guess, yeah, just a reminder that the focus for the discussion on the questions is about the how do we get involved in the licence application process, but we'll consider the questions as they come in.

If we get a lot of questions on similar topics, I might bundle them up just in the interest of time, but we'll see how we go there.

Now in starting off we did have the opportunity to submit questions ahead of the forum too, and we've received a few of those. So we might make a start on those Nathan, if that's alright, because they're probably ones that might help address other questions that might be coming through.

And I think we're going to bring you up on the screen so we can see you nice and clearly. There we go. So the first question we got from ahead of time was our visual impact and any associated compensation.

Might be determined for nearby land owners nearby the transmission lines and how we ensure objectivity and fairness in that process.

Nathan Zhivov (ESC) 18:29

Yeah, that's a great question. Thanks for putting it in. It's probably important to say that VIC Grid and all of the things that it's putting in place around compensation for land owners and things like visual amenity is the agency that really deals with the answer to that question. It's not so much part of the licencing process, but if you'd like to find out a bit more information about what they're offering and how they're going about that, we know that you can e-mail them at vicgrid@deeca.vic.gov.au.

Equally, if we know that people have a range of views on things like visual amenity and things like that.

And we know that, you know, people have views on how that relates to the statutory criteria, particularly the things around the long term interest of consumers. So if you'd like to make a submission about that topic for us to consider as part of the licence application assessment process, we'd love to hear from you on how you think visual amenity relates to the long term interests of consumers in relation to price reliability.

And those other factors and we take that into account as part of the assessment process.

Chris Porter 19:40

That's right. Right. Thanks, Nathan. That's a helpful distinction there.

Nathan Zhivov (ESC) 19:40

Back to you, Chris.

Chris Porter 19:45

So second question of the six that were received ahead of time relates to the licences under section 93 of the Land Access Act which you mentioned earlier. So the question being, it does appear that TCV is applying for the licence to gain powers under that section 93 of the Land Access Act.

The question wants to know, does TCV have any intention in owning and operating the transmission infrastructure, and if so, what experience TCV would have in doing so?

Nathan Zhivov (ESC) 20:11

That's a great question. It's come up a few times and I'm happy to answer it. We've asked that question of TCV themselves on more than one occasion and at every time TCV has been clear with us both when they speak to us and in writing that the company TCV is going to not just be involved in the process. Now, as we go through the preparatory stages, but all the way through build, commissioning and operation and through the life of the entire asset, that's the intention that they've stated on more than one occasion.

Now, in relation to the land access rights, we are assessing as part of this TCV's technical capacity to comply with its obligations in relation to land access, particularly around the personnel, policy, systems and processes that it has in place to ensure that it complies should it use land access powers with the Land Access code of practice, which is a code of practice we put in place just recently.

Now there's one more thing that I think I think would also be useful to say.

And I just kind of go back to the point that I made about granting licences early in a project's life, which is, as I said, the act does anticipate that someone might get a licence quite early in the life of a project, possibly more than 12 months before they transmit electricity. And it does provide for us to come back at a later stage and assess their technical capacity to transmit electricity in those circumstances.

And that's something that we will consider as part of this assessment process about how we might manage that. Again, if people want to make submissions about this situation and their views on TCV's technical capacity, we're more than happy to hear them. We'd love to see hear them through submissions or through the survey or through the other mechanisms that we've made available. And we'll take that into account in considering and assessing the licence application and ultimately in the Commission's decision. I hope that's useful.

Chris Porter 22:14

That's great. Thanks Nathan. The next question probably follows on from that a little bit about the timing of the, the stage of the project and when the licence has been applied for. So it's a bit of a broad one. It's got two parts. The question was how the Commission assesses the quality and integrity of licence applications, noting that there's no independent review on what's proposed post licencing and there's interest in how the Commission's getting comfort over the information and assumptions made in the application given it's relatively early in the stage of the project's life.

There's a follow up part to it is to what role the Commission has.

If and when a licence is then approved and is in place.

Nathan Zhivov (ESC) 22:53

OK, there's a fair bit in that one, so I'll try to, I'll try to give as much information as I can in part.

Chris Porter 22:55

Yeah.

Nathan Zhivov (ESC) 23:00

We will look at all of the information that's being provided to us from the applicant in this case, I think that's what they're referring to, but also when they're looking at things like when we're looking at the submissions that people put in. We've got a range of techniques that we need to go through the documents to check whether they comply with what will be the licence conditions, whether they kind of comply with the codes of practice that are going to apply. We do that quite thoroughly. We do an assessment, we kind of tick off particularly for things like codes of practice. We kind of tick off, does this comply with the obligations in the code of practice 1 by 1?

We look at things like the CV's of the various personnel to see do they have energy industry experience such that we can have faith that these people have been in the industry, they know what they're doing, they've got a good record of doing so and doing so in compliance with the relevant laws. So we do go through that process.

Now the next part of the question, if I remember correctly, was about, you know, we grant the licence and what happens after that, right? So once so assuming that someone gets a licence because not everybody does. Once someone gets a licence, they are subject to all of the energy laws and they then kind of move into our kind of compliance and enforcement space.

We will. You know, we get we gather data, for example through the Land Access code of practice on licensees and their activities in accessing land to use that as one example.

We look at that data.

We also can receive complaints from other sources and wherever that occurs, and there's any kind of concern around whether or not they're complying, we can investigate that. We have a long history of investigating all sorts of energy players and taking action where they've not complied with the law, and that's include issuing fines and more recently, taking them to court for more serious matters. And we do the same thing here.

Chris Porter 24:49

That's helpful. And I think I might actually use those as a point to jump into a question I'm just seeing come through the chat because it's relevant to what happens after a licence is in play. So question is where can people from the public find out what a breach of a transmission licence might be like? Are they listed somewhere or are they, are they published and how might they know if an activity being undertaken by a licence holder constitutes a breach?

Nathan Zhivov (ESC) 25:14

OK, that's a really great question too. There's lots of sources for finding out what are the obligations on transmission companies. And there are lots of sources for, you know, if you find out a breach or there's something you're unhappy with, how to go about it. So I'd say a few things.

There's obviously acts of Parliament and that can be a bit little bit difficult to trawl through, but I do think the Land access code of practice which is on our website sets and pretty clear information about what the rules are, and there's also some materials on there that are in a bit more plain English.

So I'd recommend that.

I'd also say that in complying with the Land Access code of practice, there are obligations on companies to provide information to landholders before they come onto land and that information is often about the process that has to be followed, their obligations and things that they need to do.

If you find yourself in a situation where someone is looking to come onto land, and that's something that you're not happy with, or you disagree with, there are avenues to deal with it, particularly if the concern is that they're not complying with their obligations.

There's probably two key steps that you take, and I'd take them in this order. One is to raise it with the contacts that you have with the relevant company, because they should be giving you a contact before they come onto your land as part of the notice materials and the second one is the Energy and Water Ombudsman. If you can't resolve the dispute directly with the company, they are available to assist in dispute resolution. I hope that's useful.

Chris Porter 26:41

That's great. Thanks Nathan. Good follow up there. The next question we received ahead of time was around the process. If application is denied. So if a licenced application does get denied, is there a minimum time frame that needs to pass before the applicant can reapply or are they are they off the books forever?

Nathan Zhivov (ESC) 27:00

Yeah. OK.

I'd put it this way.

If the Commission makes a decision to deny somebody a licence to reject their application, what the Commission's communicating to that person or to that company is that their level of capacity to meet licence conditions and the statutory criteria is well below what's needed for them to get a licence, and we don't think that that level of capacity is likely to bridge that gap any time really soon.

And so in other parts of the market, from time to time, we have seen people not continue with licence applications.

For similar sorts of reasons, and where that's happened, we have explained to them that we think it's going to take them quite a while if they want to resubmit it all to get up to scratch. And often we say to them that we're talking at least 12 months.

Now, if we find ourselves in that sort of a situation where the gap is so large that we're not granting the licence and we're going to move to a reject decision for TCV, I would be having a similar conversation with them about your so far away from being up to scratch that we're going to move towards rejection. And you really need to go away, have a decent think and do some decent work. And I reckon that in many cases that's kind of a decent period of time.

Chris Porter 28:30

That's helpful. Thanks, Nathan.

Next question received ahead of time. Again sort of relates to that one a little bit interest about what measurements you use to assess the financial viability of the applicant.

Nathan Zhivov (ESC) 28:42

Yeah, yeah.

Chris Porter 28:44

And if possible, how you can describe how that's measured in the case for TCV within what's possible, particularly if ownership structure comes into play, particularly given TCV is wholly owned by AEMO. So it's an interesting structure there.

Nathan Zhivov (ESC) 28:58

OK, let me say a few things about that, because transmission can often be a little bit different to some of the other players in the market, generally speaking because they're monopoly assets, transmission companies revenues are regulated.

By the Australian energy regulator. Once they get up and running.

And so often kind of questions of financial viability and transmission, and not quite as problematic as they sometimes can be. If you're kind of in the retail space where there's a bit more risk.

Having said that, we require applicants to submit their financials. You know their balance sheets, their profits and loss statements, their cash flow statements. We also require them to submit any agreements that they have with other parties.

Often parents and investors that are kind of providing guarantees around the level of funding that they'll have available to them.

And there's also a requirement we often kind of look at whether they're in a position to meet certain prudential requirements. We assess those documents, and we're usually looking ahead into the future about two years because beyond two years, financial forecasting can get a bit fluffy to see when we're looking at financial liability up close to kind of have a look, if the organisation is in a position that if it faced certain different scenarios in the market, could it remain solvent, could it remain liquid?

And if they pass those sorts of tests, then we kind of come to the view that they're financially viable.

With all of them, we're looking at their ownership structure and the reason we're looking at their ownership structure is because often we get applications from a particular company, but they're part of a corporate group. And so because they're part of a corporate group, often the funding available to them to keep them financially viable might be coming from somewhere else in the corporate group. So that's not uncommon. We do a similar sort of a thing here where we'd be looking at, you know, who's providing the funding, where it's coming from, what are the guarantees. How long do they last? And, you know, given the particular risk profile that we're looking at with this sort of a company, do we come to the view that that's financially viable? I hope that's useful.

Chris Porter 31:04

Thanks Nathan, so last questions we received ahead of time. Just a reminder, if anyone's got any more to pop them through because, I think at this stage this will be the last one.

Is will the licence be novated to the transmission network service provider who operate VNI West or will the will the TNSP then have to obtain their own licence separate?

Nathan Zhivov (ESC) 31:26

Oh, OK, so I probably won't talk about a couple of things in that space. So first of all, our understanding from the application and everything that TCV has submitted to us, it is that even if there is a change of control in the entity TCV, the entity TCV is going to be the entity that is involved in the project throughout its life. From the early stages. Now all the way through building all the way through commissioning, all the way through operation to the end of the life of the asset.

Now it is possible because this happens really commonly in the energy industry that you will see a change of control over the life of TCV.

In the time that I've been in my job, I've seen several changes of controls in various different bits of the market. There are a number of things that we put in place to manage that because it's such a common process. The first one is we require anyone who gets a licence to notify us pretty much immediately. Not quite immediately, but pretty close as soon as there's a change of control likely.

We can know that that's happening.

Once that happens and we find out about it, we undertake a bit of an assessment. So we're basically looking at whether the change of control, the new people coming in the new company coming in etc, affects the ability of the licensee to meet the statutory criteria, particularly around technical capacity and particularly looking at fit and proper person. And that happens, you know, several times a year, if we found ourselves in a situation, a situation where as a result of that assessment we had concerns that the change of control meant that the applicant or the licensee at that point, no longer meet the statutory criteria, so because of the change of the control, they can no longer.

They no longer have technical capacity or they're no longer financially viable.

Right. We would start show cause process about why they should have to keep their licence. We'd be asking the question, you know, we'd be basically saying we've got reason to think that you no longer meet the criteria. Why should you get to keep your licence and we'd go through that and we'd say what they give to us and we'd assess it and we'd consider it. And if we weren't satisfied as the result of that, that they were still able to meet the statutory criteria, I'd have no qualms in recommending to client Commission that they revoke the licence. I hope that's useful.

Chris Porter 33:48

That's right. Thanks, Nathan. It's a dynamic space. So it's important to have those those processes in place. You're not quite off the hook yet because. We have had a new question come through in the chat now, which is great. So this one's about.

Timing of licence application in terms of the life of the asset. So the question is what control in regard does the ESC have regarding the timing of granting a transmission licence in reference to the intended commissioning date of the asset itself?

And how far ahead can a licence be granted? Is there a typical time frame for when that happens ahead of when the things commissioned?

Nathan Zhivov (ESC) 34:24

Yeah, fair enough. That's a good question. So probably answer that in a few different parts. I think the first thing that I'd say is it's not good practise and we wouldn't sit on a licenced application from anyone once one comes in, that's complete. We think that the right thing to do is to move through a decision making process in a timely fashion, making sure that we can meet all of the legislative requirements and give all the stakeholders an opportunity to comment.

And so generally speaking, we will try to move through the licence applications that come through to us in a timely fashion.

The second thing I'd say is that the act doesn't place any kind of front end limit on how early someone can apply. It just doesn't talk about it. It explicitly anticipates that someone might get a licence more than 12 months before commencing operations, but it doesn't specifically talk about, you know, when.

You might apply. It doesn't put a limit on that.

The next thing that I'll probably say is that's part of the reason why when we've had kind of similar situations with people coming in quite early, we've put in place licence conditions and it's something that we'll consider if people want us to hear for the licensee to come back and get a further technical capacity assessment before they commence transmitting electricity.

And that's probably the three things that I'd say about that question. I hope I've covered everything.

Chris Porter 36:01

It's a helpful point, particularly that the that the licence doesn't need to be reapplied for, but that assessment happens again of the technical capacity that's helpful.

So I've not seen any other questions come in just yet. So it looks like you've done well there. I think responding to those that came ahead and those in the session here as well.

We are getting close to time as well, so that's really good to have to have been had a full discussion there.

Some thoughts about where we go from here so we can we can one we can probably bring the slides back up now if we I think we might have one more question. It's just come through. So let's grab that one.

So one more question for you, Nathan, before we wrap up, if the licence is granted pursuant to contracts in place, does the Commission require any kind of review if those contracts fundamentally change as well?

Nathan Zhivov (ESC) 36:54

OK, so there is in pretty much every licence a condition that requires the licensee to maintain technical capacity for as long as they hold the licence.

If we would ever find ourselves in a situation where, as a result of contracts or whatever it is could be any number of factors falling away to the point where the licensee no longer has technical capacity.

Then we'd be kind of going through a process at that point of looking into it, asking them about it, a bit like what I mentioned with change of control. And if we weren't satisfied that the technical capacity is still there and we felt that the technical capacity had fallen away, after that process, again, I would have no qualms in recommending my Commission that they revoke the licence. I don't think it would be acceptable, certainly not to me as an individual or in my role, to have a situation where we have someone in the market who doesn't have the technical capacity to comply with their licence conditions, regardless of how that comes up.

Chris Porter 38:05

All right.

So as we wrap up, just a reminder on how you can be involved in the process. I think you know you've heard some information say from Nathan, but reminder that the submissions are the pathway to have your input into this process. So they are due by 5:00 PM on the 21st of October. So it's still a little bit of time.

You can make that submission via the Engage Victoria website on the link that's included there and.

I'm sure if you Google it you'll get there as well. Other comments can also be directed directly to the ESC, so you've got the e-mail address there of licences@esc.vic.gov.au or by mail at the address that's there.

Reminder too, that this was the first of two forums in this process, so a second one is being held in the evening on the 8th of October at 6:00 PM. So if there's any more information you're interested in hearing or additional questions, you've got, feel free to join that one as well. The presentation content will be the same, but obviously the question might be different based on what comes through.

In the meantime, so there's a second opportunity to hear that information again.

Haven't seen any further questions come through, so happy to give everyone a few minutes back in their day and I appreciate your time and interest in joining us today. And thanks again to Nathan and the team.

Nathan Zhivov (ESC) 39:27

Thanks very much for coming today everyone. I really appreciate it and I hope to hear from you through the submissions process. Take care.

End of transcription

