

Australian Industry Participation (AIP) plan Summary

– Project Phase

1. Project Details

Nominated project proponent: NSW Electricity Networks Operations Pty Ltd, as trustee for the NSW Electricity Networks Operations Trust (trading as 'TransGrid')

Project name: EnergyConnect – Transgrid NSW

Description of the project: EnergyConnect - Transgrid NSW (EnergyConnect) consists of

- Construction of new high voltage transmission lines and associated infrastructure between the SA/NSW border near Chowilla and the existing Buronga substation
- An upgrade to the existing transmission line between the Buronga substation and the NSW/Victorian border at Monak, near Red Cliffs
- An expansion and upgrade of the existing Buronga substation from an operating capacity of 220 kV to 330 kV
- Rebuild of the existing transmission line between the NSW/Victoria border to the existing Red Cliffs substation in Victoria
- An upgrade to the existing Red Cliffs substation in Victoria
- Establishment and upgrade of access tracks and roads, as required
- Other ancillary works required to facilitate construction e.g. temporary laydown and staging areas, concrete batching plants, brake/winch sites, site offices and establishment of accommodation camps for workers
- Construction of new high voltage transmission line and associated infrastructure between the existing Buronga substation and Wagga Wagga
- Substation works including construction of a new substation at an approximate midway location between Buronga and Wagga Wagga and upgrades to the existing Wagga Wagga 330 kV substation

EnergyConnect will be shovel-ready in 2021 and preliminary employment estimates indicate 1,000 jobs in regional NSW during each year of construction. The project will be completed in 2024.

TransGrid have procured an Engineering, Procurement and Construct Principal Contractor, SecureEnergy JV (the Contractor) via an Engineering, Procurement and Construct contract (EPC Deed) for the delivery of the project phase of EnergyConnect.

Estimated project value: TransGrid's Project Estimate is \$1.5 billion

Project location: High voltage transmission line from the South Australia / New South Wales border to a substation in Wagga Wagga, New South Wales with an added connection to Red Cliffs in Victoria.

This Australian Industry Participation plan relates to TransGrid's portion of the interconnector (i.e. excludes approximately 180 km of 330 kV transmission line from the new Bunday substation to the SA/NSW border which will be delivered by ElectraNet).

Link to project information: www.icn.org.au and www.transgrid.com.au

Project contact for procurement information: Meredith Butler, Meredith.butler@transgrid.com.au, 02 9284 3747

Other project proponents involved in the project: Not Applicable

2. Opportunities to supply Goods and Services

Key goods and services for the project	Opportunities for Australian Entities	Opportunities for non-Australian entities
Goods		
Shunt Capacitor Banks	Yes	Yes
Conductor / OPGW / GW Supply	Yes	Yes
Fuel and Oil Supply (Diesel, Petrol, Lubricants)	Yes	No
Insulator supply	No	Yes
Line Hardware supply	Yes	Yes
Minor Substation Equipment	Yes	Yes
Phase Shift Transformers	No	Yes
Power Transformers	Yes	Yes
Quarry Products	Yes	Yes
Shunt Reactors	Yes	Yes
Steel Supply	Yes	Yes
Synchronous Condensers	No	Yes
Transformers	Yes	Yes
Services		
Accommodation (non-camp)	Yes	Yes
Catering / Food Supplies	Yes	No
Camp facilities	Yes	No
Civil works	Yes	No
Clearing works / access track construction	Yes	No

Cleaning of facilities	Yes	No
Concrete placement	Yes	Yes
Cranes	Yes	Yes
Design and Engineering services	Yes	Yes
Fencing	Yes	Yes
Haulage	Yes	Yes
Insurance	Yes	Yes
Plant and Equipment Maintenance	Yes	No
Security Services	Yes	No
Steel Fabrication	Yes	Yes
Steel Galvanizing	Yes	Yes
Traffic Management	Yes	No
Trades/ Skilled Labour		
- General labour	Yes	Yes
- Concreting	Yes	Yes
- Steel fixing	Yes	Yes
- Steel assembly	Yes	Yes
- Rigging	Yes	Yes
- Lineworker - Transmission	Yes	Yes
- Electricians - Industrial	Yes	Yes
- Electrical and Mechanical Fitters	Yes	Yes
- Electrical Testing	Yes	Yes
Travel (domestic / regional)	Yes	No
Various specialist consultancy services including, environmental, Geotech, noise,	Yes	Yes
Vegetation Management	Yes	Yes

Waste Management (specialised)	Yes	No
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Disclaimer: The information provided in the table above is based on an initial assessment by the company. Any questions or issues should be raised with the project contact.

Explanation for item(s) in list above where it is indicated 'No Opportunities for Australian entities'

Based on recent investigations, Australian entities do not have the capability to produce the Large specialist equipment (LSE), Synchronous Condensers and Phase Shift Transformers, required for substations. These LSE items are complex and designed and built to order. As such, Synchronous Condensers and Phase Shift Transformers will need to be manufactured and supplied by a leading international provider. The Contractor will be responsible for procuring delivery of LSE.

Similar to LSE items, the supply of suitable insulators (identified as 'insulator supply' in the goods and services table) required for high voltage transmission are not currently manufactured and supplied by Australian entities, as demonstrated by recent investigations.

3. Standards to be used in the project

Australian and International Standards. TransGrid is the transmission network operator in NSW and is subject to strict licence conditions and regulations. EnergyConnect will form part of TransGrid's regulated asset base and is therefore subject to best practice Australian standards

4. AIP activities to be undertaken by the Project Proponent

TransGrid is actively seeking expressions of interest from domestic suppliers via the ICN Gateway. TransGrid will then contractually require the Contractor, via the EPC Deed, to comply with TransGrid's AIP plan.

At EPC Deed award, the Contractor will be required to develop a Local Industry Participation Plan (**LIPP**) for TransGrid approval, which includes a nominated procurement contact officer. The procurement contact officer's details will be promoted through both TransGrid's project website and the Contractor's website.

5. AIP activities to be undertaken by procurement entities

The Contractor is expected to:

Promote project opportunities through industry associations

- TransGrid will require the Contractor to utilise suitable industry associations including the Industry Capability Network (ICN), to actively and effectively promote project opportunities to identify those Australian companies able to supply goods or services commensurate with the quality, safety, environmental, reliability and delivery standards required.

Conduct supplier information briefings on project opportunities

- TransGrid will require the Contractor to facilitate briefings to Australian entities prior to construction start to provide them with adequate time to realise potential opportunities.

Issue media releases and/or ASX announcements on project developments and opportunities

- TransGrid will actively promote opportunities for Australian entities prior to construction start through its media channels and require the Contractor to develop and implement effective and timely media releases through a TransGrid approved Community & Stakeholder Engagement Plan.

Develop and distribute a supplier information guide for the project

- TransGrid requires the Contractor to maintain a project website where the Contractor's EnergyConnect Supply Information Guide will be publicly accessible

Other

- TransGrid will require the Contractor to develop and implement innovative promotional activities to raise Australian supplier awareness through a TransGrid approved Community & Stakeholder Engagement Plan prior to construction start.

Recommend suppliers undertake training and/or accreditation

- TransGrid's delivery requirements for EnergyConnect include the development of a Workforce Development Plan by the Contractor. This plan applies across the whole supply chain and requires details of future training and accreditation programs. TransGrid will require the Contractor to maintain a publicly accessible website with details of how Australian entities can improve capability and capacity for identified skill or capability shortages relevant to EnergyConnect.

Provide market intelligence to suppliers

- TransGrid will require the Contractor to maintain a publicly accessible website with details of upcoming supply opportunities. TransGrid will be receiving monthly reports and will be conducting auditing activities during the life of the Contract to ensure that opportunities are being shared with suppliers.

Encourage joint ventures and alliances between suppliers

- TransGrid requires the Contractor to spend at least 2.5% of the contract value on Aboriginal and Torres Strait Islander (ATSI) workforce participation and on ATSI suppliers. The Contractor will develop an Aboriginal Participation Plan for TransGrid approval which details how it will build capacity through encouraging joint ventures and alliances between ATSI suppliers to realise bid opportunities.