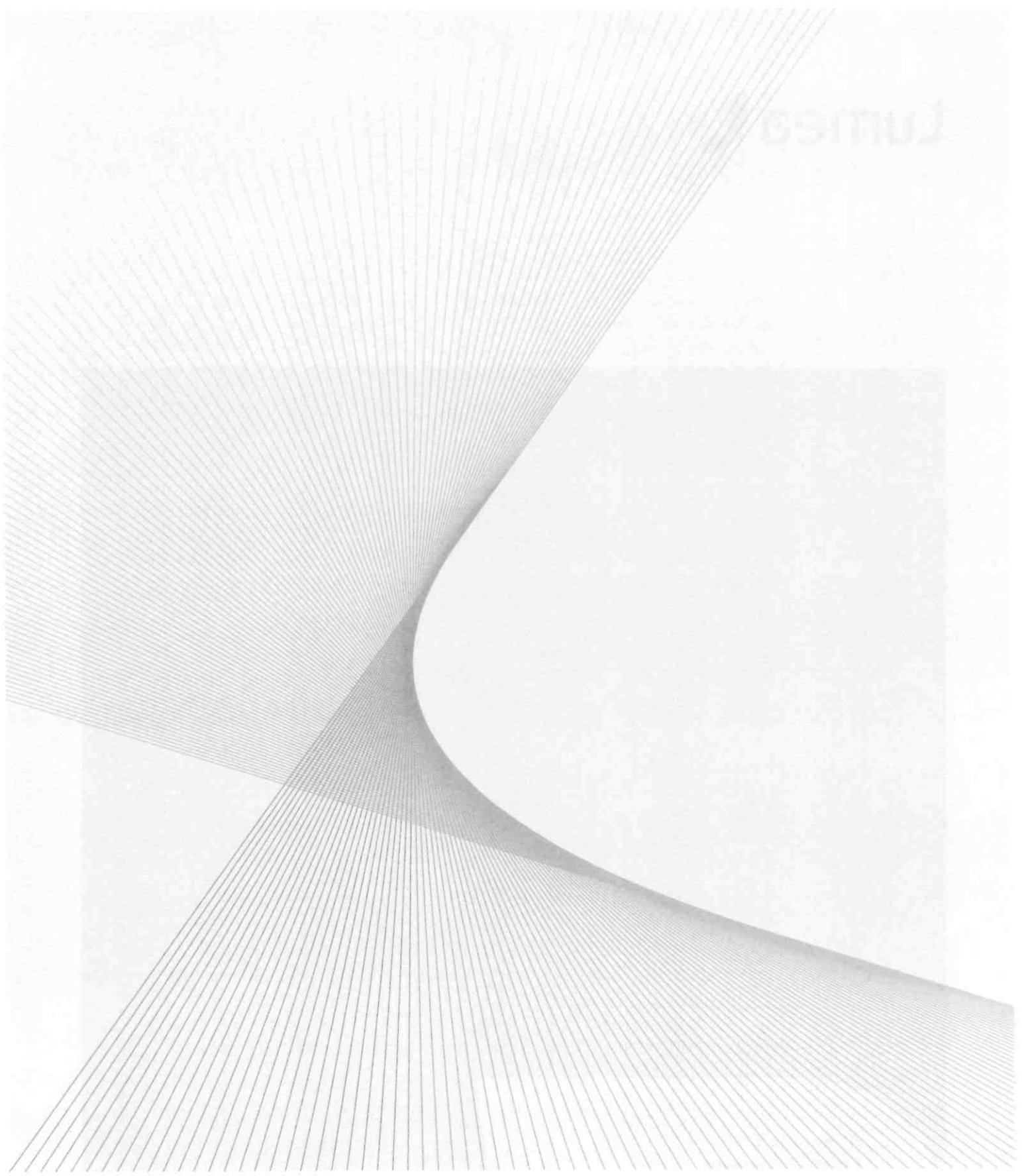


Appendix C
Utility licences



Transgrid 
People. Power. Possibilities.

Australian Capital Territory

Utilities (Variation of Licence) Notice 2021 (No 5)

Notifiable Instrument NI2021-114

made under the

***Utilities Act 2000*, section 38 (variation), section 52(1)(c) (Public notice of licence decisions), section 53 (Public access to licences etc).**

1 Name of instrument

This instrument is the *Utilities (Variation of Licence) Notice 2021 (No 5)*.

2 Commencement

This instrument commences on 1 March 2021.

3 Public notice of licence decision – variation

The electricity transmission and connection services utility licence held by NSW Electricity Networks Operations Pty Limited as Trustee for the NSW Electricity Networks Operations Trust (ABN 70 250 995 390) trading as 'TransGrid', has been varied under section 38 of the *Utilities Act 2000*.

The licence has been varied to reflect the current regulatory framework. The licence variation also includes some changes to wording to improve the clarity and readability of the licence.

Details of the variation are set out in schedule 2 of the licence.

4 Public access to licence

The licensee's utility services licence remains in force beginning 1 July 2001, with the variation to the licence taking effect on 1 March 2021.

Copies of the licence are available from the Commission's website at:
<https://www.icrc.act.gov.au/utilities-licensing/current-licences>

Joe Dimasi
Senior Commissioner
24 February 2021

**INDEPENDENT COMPETITION AND
REGULATORY COMMISSION**

**Licence to provide electricity transmission and
connection services under the
*Utilities Act 2000 (ACT)***

granted to

**NSW Electricity Networks Operations Pty
Limited as Trustee for the NSW Electricity
Networks Operations Trust
ABN 70 250 995 390**

trading as

‘TransGrid’

As varied on
1 March 2021



Australian Capital Territory

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Licence to provide **Utility Services** granted on 24 February 2015.

BY

The **Independent Competition and Regulatory Commission**, a body corporate established under the *Independent Competition and Regulatory Commission Act 1997* (ACT) (**ICRC**) pursuant to the *Utilities Act 2000* (ACT)

TO

The **Person** specified in **Item 1** of the **Reference Schedule** ('**Licensee**').

Subject to the terms and conditions set out in this licence, the **ICRC** has determined to grant a licence to the **Licensee**, under Part 3 of the **Act** to provide the utility services outlined in **Item 3** of the **Reference Schedule**.

1. Definitions and Interpretation

1.1. Interpretation

In this licence, unless the context requires otherwise:

- (1) the singular includes the plural and vice versa;
- (2) headings are used for convenience only and do not affect the interpretation of this licence;
- (3) a reference to a document includes the document as modified from time to time and any document replacing it;
- (4) the word 'person' includes a natural person and any body or entity whether incorporated or not.

1.2. Definitions

Terms shown in bold typeface are defined. Definitions are specified in the Dictionary at the end of this licence and are part of this licence.

2. Commencement and term

2.1. Commencement date

This licence commences on the date specified in **Item 2** of the **Reference Schedule**.

2.2. Licence term

This licence will remain in force until:

- (1) a variation is made to this clause, or
- (2) the licence is transferred under section 40 of the **Act**, or
- (3) the **Licensee** surrenders the licence under section 41 of the **Act**, or
- (4) the **ICRC** revokes the licence under section 42 of the **Act**.

3. Licence does not limit Licensee

This licence does not:

- (1) limit or prevent the **Licensee** from doing anything that it may lawfully do without the benefit of this licence; or
- (2) override or derogate from a requirement under any other **Law**.

4. Authorisation

4.1. Authorised Utility Services

This licence confers on the **Licensee** the right to provide the **Authorised Utility Services** referred to in **Item 3** of the **Reference Schedule**.

4.2. Area of operations

The **Licensee** may provide the **Authorised Utility Services** in any part of the **Territory**.

4.3. Non-exclusive rights

The rights granted by this licence on the **Licensee** are not exclusive.

5. Licensee to comply with obligations under this Licence

5.1. Licensee to comply with obligations

The **Licensee** must provide the **Authorised Utility Services** in accordance with the obligations imposed by this licence, including the obligations set out in the schedule.

5.2. Joint and several responsibility

Where the **Licensee** comprises two or more legal entities, each entity is jointly and severally liable for the **Licensee's** compliance with the terms of this licence.

6. Compliance with all applicable laws

6.1. Licensee to comply

The **Licensee** must comply with all **Laws** in force in the **Territory** during the licence term that are applicable to any services provided by the **Licensee** in the **Territory**.

6.2. Licensee to comply with the Act and Utilities Technical Regulation Act

Without limiting the generality of clause 6.1, in providing the **Authorised Utility Services** the **Licensee** must comply with:

- (1) any requirement of the **Act** and the **Utilities Technical Regulation Act**;
- (2) relevant **Industry Codes** including the service standards (if any) prescribed under those codes;
- (3) relevant **Technical Codes** including the performance standards (if any) prescribed under those codes;
- (4) any direction given to the **Licensee** by the **ICRC** or the **Technical Regulator** under the **Act**;
- (5) any direction given to the **Licensee** by the **Technical Regulator** under the **Utilities Technical Regulation Act**; and
- (6) any applicable ring fencing requirements.

6.3. Severance of any part of the licence does not affect continued operation of remainder of licence

If any part of this licence is prohibited, void, voidable, illegal or unenforceable, then that part is severed from the licence but without affecting the continued operation of the remainder of the licence.

7. Variation of Licence

The terms of this licence may be varied by the **ICRC** in accordance with section 38 of the **Act**.

8. Licence Compliance

8.1. Licensee to monitor compliance

The **Licensee** must monitor its compliance with this licence and any **Law**, **Industry Code**, **Technical Code**, or such other code of practice, direction or guideline applicable to the **Licensee** and the **Authorised Utility Services** provided by the **Licensee**.

8.2. Licensee to notify the ICRC of any material breaches

The **Licensee** must notify the **ICRC** if it becomes aware of a material breach of this licence, or any **Law, Industry Code, Technical Code** or direction that **Licensee** is required to comply with under clause 6.2 as soon as practicable and in accordance with any reporting guidelines published by the **ICRC** from time to time.

8.3. Licensee to provide statement on any non-compliance

- (1) If the **Licensee** has not complied with any of its obligations under clause 6.2, the **Licensee** must identify those obligations and provide a statement to the **ICRC** that explains the:
 - (a) circumstances of, and reasons for the non-compliance,
 - (b) consequences of the non-compliance (including any penalties imposed), and
 - (c) outlines measures that the **Licensee** will, or has, put in place to rectify the non-compliance.
- (2) The non-compliance statement must be provided in accordance with any reporting guidelines published by the **ICRC** from time to time, and in the absence of any such guideline, it must be included with the annual compliance report outlined in clause 8.4(1).

8.4. Licensee must report compliance annually

- (1) The **Licensee** must report to the **ICRC** on its obligations under clause 6.2, and any other reporting requirements the **Licensee** has under the **Act**, including information that the **ICRC** requires to be reported, by 1 October every year during the term of this Licence.
- (2) The **Licensee** must report to the **Technical Regulator** on its obligations under the **Utilities Technical Regulation Act, Technical Codes**, any technical requirements outlined in the schedule of this licence and any other associated technical information that the **Technical Regulator** reasonably requires to be reported, in a manner, timeframe and format required by the **Technical Regulator**.

8.5. Availability of compliance report

The **Licensee** must ensure that its annual compliance report required under clause 8.4(1), or a summary of the annual compliance report, is made publicly available by publishing it on the **Licensee's** website.

8.6. Operation and compliance audits

- (1) The **Licensee** must undertake periodic audits of the services and operations authorised by this licence and of its compliance with its obligations under this licence and any **Law, Industry Code, Technical Code**, or direction that it is required to comply with under clause 6.2.
- (2) The audits must be conducted by an independent expert or auditor nominated by the **Licensee** and approved by the **ICRC**.

- (3) The audit results must be reported to the **ICRC** in a manner (including as to form and substance) approved by the **ICRC**.

9. Technical and prudential criteria

9.1. Requirement to continue to meet criteria

The **Licensee** must, throughout the term of this licence, continue to satisfy the same technical and prudential criteria that it was required to meet as a condition of the grant of the licence under the **Act**.

9.2. Licensee to advise the ICRC of financial and technical capacities

- (1) The **Licensee** must, from time to time as reasonably required by the **ICRC**, provide the **ICRC** with:
 - (a) details of the **Licensee's** financial, technical and other capacity (including the capacity of its major contracted providers) to continue to provide the services and to conduct the operations authorised by this licence; and
 - (b) such other information as the **ICRC** requires.
- (2) The **Licensee** must promptly notify the **ICRC** of any significant reduction in its financial capacity which has potential to impact upon the **Licensee's** ability to carry on the operations authorised by this licence.

10. Contracting out

10.1. Licensee may contract out

The **Licensee** may contract out the provision, construction, operation, management or maintenance of any of the systems or services that are the subject of this licence.

10.2. Licensee bound by obligations under licence

Contracting out does not relieve the **Licensee** of its responsibility to comply with its obligations under this licence.

11. Securities, assignment and changes to shareholdings

11.1. Security Interest

The **Licensee** must not grant a **security interest** in this licence without the prior written consent of the **ICRC**.

11.2. Assignment

The **Licensee** must not **assign** its interest under this Licence without the prior written consent of the **ICRC**.

11.3. Assignment generally

An application by a **Licensee** to the **ICRC** for consent to an assignment must demonstrate, to the reasonable satisfaction of the **ICRC**, that the proposed assignee is a respectable, responsible, and solvent **Person** who is capable of performing all obligations in this licence on the part of the **Licensee**.

11.4. Deemed assignment - changes in Licensee's shareholdings

A change in the shareholding in the **Licensee**, at any one time, resulting in the transfer of more than 50 percent of the shares in the **Licensee** to a third party will be deemed to be an assignment for the purposes of clause 11.2. The **ICRC**'s consent to assignment in these circumstances will not be unreasonably withheld.

11.5. Changes in ownership

The **Licensee** must keep the **ICRC** informed of all substantial holding changes of the **Licensee**.

12. Risk Management

12.1. The ICRC may request information

The **ICRC** may, from time to time, request details of the **Licensee**'s risk management strategy.

12.2. Information that may be requested

Without limiting the generality of clause 12.1, the information requested by the **ICRC** may include information about the **Licensee**'s levels of insurance cover for the protection of:

- (1) persons affected by the activities or operations of the **Licensee** (including customers, owners or occupiers of land and members of the general public) from injury or harm; and
- (2) the property of those persons against damage or loss.

12.3. Licensee must provide information

The **Licensee** must provide the details requested under clause 12.1 within a reasonable time period specified by the **ICRC**.

12.4. Licensee to indemnify the ICRC

The **Licensee** will indemnify the **ICRC**, the **Territory** and their respective employees and agents ('those indemnified') against liability in respect of all claims and for all loss, damage or injury to persons or property caused by the **Licensee**, its employees, agents or contractors in connection with services it provides pursuant to this licence (and those it purports to deliver under this licence). The amount of all claims, damage, costs and expenses which may be paid, suffered or incurred by those indemnified in respect of any

such claim, loss, damage or injury will be made good at the **Licensee's** expense, except to the extent that the **ICRC** or the **Territory** caused the relevant loss, damage or injury.

13. Other restrictions on Licensee

13.1. Restrictions on Licensee

A **Licensee** must first consult with the **ICRC** if the **Licensee**:

- (1) intends to dispose of any major asset;
- (2) intends to enter into any major transaction;
- (3) is granted a **security interest** or a lien over the **Licensee's network facilities**; or
- (4) intends to engage in any other business activity;

that is likely to materially adversely affect the **Licensee's** ability to:

- (5) provide the **Authorised Utility Services**;
- (6) continue to meet the technical and prudential criteria specified in clause 9.1; or
- (7) comply with its obligations under:
 - (a) the **Act**,
 - (b) any **Law**,
 - (c) this licence, or
 - (d) the **customer contract**.

14. Maintenance and inspection of records

14.1. Licensee to keep records

- (1) The **Licensee** must keep, or cause to be kept, comprehensive records in accordance with the requirements under the **Act**.
- (2) The **Licensee** must keep all records and documents necessary to enable it to meet any reporting requirement under this licence, the **Act**, the **Utilities Technical Regulation Act**, and any relevant **Industry Code** or **Technical Code**.

14.2. Consents and authorisation

The **Licensee** must obtain and keep current all licences, permits, authorities or consents issued or given by an agency or a Minister necessary for it to lawfully provide the **Authorised Utility Services**.

14.3. Licensee to provide copies of records

The ICRC's officers and agents may request the Licensee to provide copies of records and documents referred to in clause 14.1 and 14.2.

14.4. Licensee to comply with all requests

The Licensee must comply with all reasonable requests by the ICRC for copies of the records.

15. Annual Licence fee

The Licensee must pay to the ICRC an annual licence fee determined in accordance with the Act. The payment of the fee is to be made in accordance with the ICRC's determination.

16. Review of Licensee's obligations

The ICRC may review this licence at any time in accordance with section 46 of the Act.

17. Transfer, surrender, revocation or suspension of Licence

This licence may only be transferred, surrendered or revoked in accordance with section 40, section 41 or section 42 of the Act.

17.1. Suspension of licence

- (1) If the Licensee breaches or is likely to breach a licence condition in circumstances where the ICRC determines that the breach is remediable by the Licensee in a timely manner, the ICRC may suspend this licence, or suspend the Licensee's conduct of specified services or operations under this licence, until the breach is remedied.
- (2) The ICRC may only suspend a licence, or the Licensee's conduct under clause 17.1, where it has issued a direction to the Licensee in accordance with section 48 of the Act and
 - (a) the Licensee has failed to comply within the timeframe specified in the direction, or
 - (b) there is a safety risk with continuing to provide the services prior to compliance with the direction.

17.2. Licensee to comply with requirements of suspension notice

In the event of the ICRC notifying the Licensee that this licence is suspended, or that the Licensee's provision of any specified services or operations under this licence are suspended, the Licensee must comply with any requirements under the suspension notice for the purpose of remedying a specified breach of this licence in the timeframe specified by the ICRC.

18. Notices

18.1. Notice to be in writing

Any notice or other communication given under this licence must be in writing addressed to the intended recipient; and:

- (1) delivered by hand at the address for service of the addressee; or
- (2) sent by post to the address for service of the addressee; or
- (3) sent by email to the primary contact email of the addressee.

18.2. Address for service

A notice under this licence is only effective if given by the **Licensee** to the **ICRC** or by the **ICRC** to the **Licensee** on the specified service address for the recipient. The **Licensee's** service address and the **ICRC's** service address are the relevant addresses referred to in **Item 4** of the **Reference Schedule** or another address subsequently notified to the **ICRC** by the **Licensee** or to the **Licensee** by the **ICRC**.

18.3. The ICRC to be advised of contact details

The **Licensee** must notify the **ICRC** of a change of address in **Item 4** of the **Reference Schedule** and any other contact details within 10 **business days** of the change.

18.4. Deemed delivery

Where a notice or other communication to be given under this licence is delivered or sent, it is deemed given to, and received by, the addressee:

- (1) if hand delivered, upon delivery;
- (2) if mailed to an address, four **business days** after the date of posting;
- (3) if sent by email before 4:00 pm on a **business day** at the place of receipt, on the day it is sent, otherwise on the next **business day** at the place of receipt.

19. Waiver

19.1. Non exercise of power or right

A failure or delay to exercise a power or right arising under this licence by the **ICRC** or the **Licensee** does not waive that power or right.

19.2. Exercise of power or right

The exercise of a power or right arising under this Licence does not preclude either its exercise in the future or the exercise of any other power or right.

19.3. Waiver must be in writing

A waiver by the **Licensee** or the **ICRC** of a power or right arising under this licence is not effective unless it is in writing.

19.4. Limit on application

A waiver of a power or right arising under this licence is effective only with respect to the specific instance to which it relates and for the specific purpose for which it is given.

REFERENCE SCHEDULE

Item 1

Licensee

NSW Electricity Networks Operations Pty Limited as Trustee for the NSW Electricity Networks Operations Trust (ABN: 70 250 995 390). Trading as “TransGrid”.

Item 2

Commencement date

Licence commencement date: 24 February 2015
 Transfer of licence date of effect: 16 December 2015
 Variation effective from: 1 March 2021

Item 3

Authorised Utility Services

Electricity transmission services under section 6(d) of the *Utilities Act 2000*.

Item 4

Address for Service

	Licensee	The ICRC
Electronic		icrc@act.gov.au
Postal	PO Box A1000 Sydney South NSW 1235	PO Box 161 Civic Square ACT 2608
Physical	180 Thomas Street Sydney NSW 2000	

SCHEDULE 1: CONDITIONS RELATING TO TECHNICAL REGULATION

1. Maintenance of certified management systems

1.1. The Licensee must have and maintain:

- (a) an asset management system that is consistent with the International Standard ISO 55001 Asset Management - Management systems — Requirements; and
- (b) an environmental management system that is consistent with International Standard ISO 14001 Environmental Management systems.

1.2. The Licensee must ensure that:

- (a) its asset management system is certified by an appropriately qualified person to be consistent with International Standard ISO 55001 Asset Management – management systems — Requirements; and
- (b) its environmental management system is certified by an appropriately qualified person to be consistent with International Standard ISO 14001 Environmental Management systems; and
- (c) once its asset management system and environmental management systems are each certified, that certification is maintained for the duration of the Licence.

1.3. The Licensee must notify the Technical Regulator of any significant changes

The **Licensee** must notify the **Technical Regulator** as soon as practicable of any significant changes it proposes to make to its asset management system or environmental management system.

2. Implementation of management systems

The **Licensee** must ensure that its asset management system and environmental management system are fully implemented and all relevant activities undertaken by it or any other network operator of its transmission system are carried out in accordance with the relevant management system.

SCHEDULE 2: COMPLIANCE WITH OPERATIONS TRUST DEED POLL – THE ICRC

1. Compliance with deed poll

For the duration that this utility services licence is issued to the **Licensee**, the Licensee must comply with the Operations Trust Deed Poll as executed on 14 December 2015.

SCHEDULE 3: VARIATIONS TO THE LICENCE

Variation Number	Effective Date	Clause	Reason for variation
1	24 February 2015	N/A	Licence granted to TransGrid (ABN: 19 622 755 774). See NI2015-87.
2	16 December 2015	N/A	Licence transferred from TransGrid (ABN: 19 622 755 774) to NSW Electricity Networks Operations Pty Limited as Trustee for the NSW Electricity Networks Operations Trust (ABN: 70 250 995 390).
		Title page	Removed 'TransGrid (ABN: 19 622 755 774) and inserted NSW Electricity Networks Operations Pty Limited as Trustee for the NSW Electricity Networks Operations Trust (ABN: 70 250 995 390) Trading as "TransGrid".
		Title page	Updated date to most recent licence issuance date.
		Clause 1.2 and Item 3 of the Reference schedule	Added to make clear the date of effect of the transfer of licence.
		Item 1 of the Reference schedule	Updated "Item 1 Licensee" to NSW Electricity Networks Operations Pty Limited as Trustee for the NSW Electricity Networks Operations Trust (ABN: 70 250 995 390). Trading as "TransGrid".
		Item 4 of the Reference schedule	Updated legislative reference for the licensed utility service due to changes to the Utilities Act 2000 (A2014-60).
		Schedule 1	Removed the previous "Schedule 1" (Additional Utility Service Licence Requirements) which had expired on 31 August 2015 under clause 2 of that schedule. Inserted new schedule 1: Conditions Relating to Technical Regulation.
		Schedule 2 and Dictionary	Inserted new schedule 2: Compliance with Operations Trust Deed Poll – ICRC. Updated dictionary to include definition for "Operations Trust Deed Poll".
		Schedule 3	Inserted new schedule 3: Licence and amendment history.

Variation Number	Effective Date	Clause	Reason for variation
		Dictionary and clause 6.2(4)	Updated clause 6.2(4) and dictionary reference to “technical regulator” (from “director-general under the Act”) to take account of changes to the Utilities Act 2000 (section 25(2)(a)(vi)) and the implementation of the Utilities (Technical Regulation) Act 2014.
		Dictionary	Updated reference to “Technical Code” and “Electricity transmission network” to take account of changes to the Utilities Act 2000 and the implementation of the Utilities (Technical Regulation) Act 2014.
3	1 March 2021	Lead in (p1)	Wording has been simplified and updated to reflect that utility services are outlined in the reference schedule.
		1	<p><u>Definition and interpretation</u></p> <p>This clause has been moved up (from clause 2) and renamed (from ‘dictionary’) to improve clarity in interpreting the licence. Interpretation guidance added.</p>
		1.2	Statement added explaining that bold typeface indicates a defined term.
		2.1	<p><u>Commencement date</u></p> <p>The commencement date moved to the reference schedule.</p>
		2.2	<p><u>Licence term</u></p> <p>Drafting updates to clarify source of powers and who has the right to exercise them.</p>
		3	<p><u>Limitations</u></p> <p>Removal of ‘and is not to be taken to’ to modernised wording.</p>
		4.2	<p><u>Area of operations</u></p> <p>Wording updated to refer specifically to the Authorised Utility Service.</p>
		5.1	<p><u>Obligations</u></p> <p>Wording updated and modernised.</p>
		6.1	<p><u>Compliance with laws</u></p> <p>Modernised wording.</p>

Variation Number	Effective Date	Clause	Reason for variation
		6.2	<u>Compliance with Act</u> 6.2(5): Added to require Licensee must comply with directions given by the UTR under the Utilities Technical Regulation Act.
		7	<u>Licence variation</u> Previously clause 18, this clause has been moved to improve flow.
		8.1	<u>Compliance monitoring</u> Wording updated to reflect the requirement relates to the Authorised Utility Services.
		8.2	<u>Material breaches</u> Wording updated to reflect the requirement relates to the Authorised Utility Services.
		8.3	<u>Non-compliance</u> 8.3(1): requirements for statement have been split into (a. b. c) to reflect modern drafting style and clearly identify requirements. 8.3(2): added requirement to provide non-compliance statement in accordance with ICRC reporting guidelines.
		8.4	<u>Annual compliance reporting</u> 8.4(2): added requirement to report annually to the Technical Regulator.
		8.5	<u>Publication of compliance report</u> Added requirement for publication on the licensee's website. The clause allows the licensee to choose whether to publish its full compliance report or a summary.
		8.6.1	<u>Audit</u> Updated clause to reflect compliance with matters outlined in clause 6.2. The clause has also been varied to clarify that audits are required periodically.
		9.2	<u>Financial capacity</u> 9.2(2): added to require a utility to proactively notify the Commission if there is a significant change in financial capability that could affect service provision.
		11.1	<u>Security interest</u> Removed the 'charge' in the clause. The definition of 'security interest' already included 'charge'. This change improves readability and clarity.

Variation Number	Effective Date	Clause	Reason for variation
		11.5	<u>Changes in major shareholders and office bearers</u> Terminology has been updated to 'substantial holding' and reflects the terminology used in the Corporations Act 2001 (Cwlth).
		12.2	<u>Information that may be requested</u> Added a statement that the clause is not limiting. This clarifies that the information listed is not the only information the Commission can request.
		12.3	<u>Provision of information</u> Added requirement to provide information in the time specified by the ICRC.
		13.1	<u>Restrictions on licensee</u> 13.1(6): requires consultation on activities that will materially affect ability to meet technical and prudential criteria.
		14.1	<u>Licensee to keep records</u> 14.1(2): added to clarify that licensed utility must also keep records for reporting requirements.
		14.2	<u>Consents and authorisations</u> <u>Wording improved to provide clarity.</u>
		14.3	<u>Provide copies of records</u> Included requirement to provide copies of documents under 14.1 (licences, permits, consents etc) if requested. This links the requirement with any documents that must be kept under 14.1.
		17.1	<u>Suspension of licence</u> This clause has been moved (previously 12.2 and 12.3). Minor redrafting to remove 'not serious' in 17.1(1). Addition of 17.1(2) to link a suspension only to a circumstance where the licensee has failed to comply with a direction.
		17.2	<u>Timeframe to comply with suspension notice</u> Clarifies that the timeframe will be specified by the ICRC in the notice.
		18.1	<u>Notices</u> Updated to reflect modern drafting and modern communication methods. Extended time for postal service delivery, reflecting current Australia Post guaranteed delivery times. Facsimile has been removed as an option.
		18.2	
		18.3	
		18.4	
		Schedule 1 Clause 1	<u>Management systems</u> Minor updates to reflect correct name of international standard and to reflect notification is to be made to the Utilities Technical Regulator, rather than the ICRC

SIGNED for and on behalf of)
THE INDEPENDENT COMPETITION AND)
REGULATORY COMMISSION by)
SENIOR COMMISSIONER)
Joe Dimasi in the presence of:)

.....

.....
Signature of Witness

.....
Name of Witness (BLOCK LETTERS)

DICTIONARY

In this licence, unless the contrary intention appears:

- (1) **'Act'** means the *Utilities Act 2000* (ACT);
- (2) **'assign'** includes assign, transfer, mortgage or otherwise deal with an interest but does not include the granting of a charge over an interest;
- (3) **'Authorised Utility Services'** means the **Utility Services** referred to in the **Reference Schedule** that the **Licensee** is authorised to provide under clause 4.1;
- (4) **'business day'** means a day, other than a Saturday, Sunday or public holiday in the **Territory**;
- (5) **'customer'** has the same meaning as in the **Act**;
- (6) **'customer class'** means all domestic, commercial and industrial customers;
- (7) **'customer contract'** has the same meaning as the **Act**;
- (8) **'electricity distribution network'** has the same meaning as in the **Act**;
- (9) **'electricity transmission network'** has the same meaning as in the **Act**;
- (10) **'gas distribution network'** has the same meaning as in the **Act**;
- (11) **'gas transmission network'** has the same meaning as in the **Act**;
- (12) **'ICRC'** means the Independent Competition and Regulatory Commission established under section 5 of the *Independent Competition and Regulatory Commission Act 1997* (ACT);
- (13) **'Industry Code'** means a code approved or determined by the **ICRC** under Part 4 of the **Act**;
- (14) **'Item'** means the relevant Item in the **Reference Schedule**;
- (15) **'Law'** means any statute, regulation, rule, proclamation, order, ordinance or by-law whether present or future and whether Commonwealth, **Territory** or otherwise (in this subclause referred to as 'statutory provision') and includes:
 - (a) any such statutory provision as amended or re-enacted from time to time; and
 - (b) any statute, regulation, rule, proclamation, order, ordinance or by-law enacted in replacement of any statutory provision;
- (16) **'Licensee'** means the **Person** referred to in **Item 1** of the **Reference Schedule**;
- (17) **'network facilities'** means:
 - (a) any part of the infrastructure of a **utility network**; or
 - (b) any powerline, pole or wire, any water, sewerage or gas main or pipe, or any equipment, apparatus, structure or other thing used or for use, in connection with the provision of a **utility service**;

- (18) **'Operations Trust Deed Poll'** is the deed poll made on 14 December 2015 by NSW Electricity Networks Operations Pty Limited as Trustee for the NSW Electricity Networks Operations Trust (ABN: 70 250 995 390) in favour of the ICRC.
- (19) **'Person'** includes a natural person, a firm, an unincorporated association, a **Territory** agency, a corporation or any other body corporate;
- (20) **'Reference Schedule'** means the **Reference Schedule** to this licence;
- (21) **'security interest'** means:
- (a) a mortgage, pledge, lien, charge, assignment, hypothecation, secured interest, title retention arrangement, preferential right, trust arrangement or other arrangement (including any set off or 'flawed asset' arrangement) having the same or equivalent or commercial effect as a grant of security; or
 - (b) an agreement to create or give any arrangement referred to above;
- (22) **'sewerage network'** has the same meaning as in the **Act**;
- (23) **'substantial holding'** has the same meaning as in the *Corporations Act 2001* (Cth);
- (24) **'Technical Code'** means a code approved or determined by the Minister under Part 3 of the *Utilities (Technical Regulation) Act 2014* (ACT);
- (25) **'Technical Regulator'** means the Technical Regulator as defined in the *Utilities (Technical Regulation) Act 2014* (ACT);
- (26) **'Territory'** means:
- (a) when used in a geographical sense, the Australian Capital Territory; and
 - (b) when used in any other sense, the body politic established by section 7 of the *Australian Capital Territory (Self-Government) Act 1988* (Cth);
- (27) **'Utilities Technical Regulation Act'** means the *Utilities (Technical Regulation) Act 2014*;
- (28) **'utility network'** means:
- (a) an **electricity distribution network**
 - (b) an **electricity transmission network**
 - (c) **gas transmission network**
 - (d) a **gas distribution network**
 - (e) a **sewerage network** or
 - (f) a **water network**;
- (29) **'utility services'** has the same meaning as in the **Act**;
- (30) **'water network'** has the same meaning as in the **Act**;
- (31) **'year'** means each period of twelve calendar months commencing on 1 July.



ICRC

independent competition and regulatory commission

www.icrc.act.gov.au

MINISTER FOR INDUSTRY, RESOURCES AND ENERGY

TRANSMISSION OPERATOR'S LICENCE UNDER THE *ELECTRICITY SUPPLY ACT 1995 (NSW)*

granted to

NSW Electricity Networks Operations Pty Limited (ACN 609 169 959) as trustee for the NSW Electricity Networks Operations Trust

Dated: 7 DEC 2015

Licence to operate a transmission system that is a transacted transmission system under the *Electricity Network Assets (Authorised Transactions) Act 2015* effective on completion (which is as designated by the Completion Order made by the Treasurer of the State of New South Wales under the *Electricity Network Assets (Authorised Transactions) Act 2015*).

*Note: the date of completion was designated to be: 16 DEC 2015

BY

The Hon. Anthony Roberts, Minister for Industry, Resources and Energy ("The Minister")

TO

NSW Electricity Networks Operations Pty Limited (ACN 609 69 959) as trustee for the NSW Electricity Networks Operations Trust ("Licence Holder")

The Minister has determined to grant a transmission operator's licence under section 93A of the *Electricity Supply Act 1995 (NSW)* in respect of the transacted transmission system operated by the Licence Holder on the conditions set out in the schedule to this licence and any conditions imposed by the *Electricity Supply Act (NSW)* and any regulations under that Act.

SIGNED by:



THE HON. ANTHONY ROBERTS

Minister for Industry, Resources and Energy

SCHEDULE OF MINISTERIALLY IMPOSED LICENCE CONDITIONS FOR THE OPERATOR OF A TRANSACTED TRANSMISSION SYSTEM

This schedule provides a list of conditions which the *Minister* has determined to impose pursuant to clause 6(1)(b) of Schedule 2 of the *Electricity Supply Act 1995* (the **Act**) on the operator of a *transacted transmission system* under the *Electricity Network Assets (Authorised Transactions) Act 2015*.

In addition to ministerially-imposed conditions, licensees are subject to obligations imposed by the *Act*, *Regulations* and associated regulatory instruments which include (without limitation) an obligation to comply with requirements imposed by or under regulations made pursuant to section 111A of the *Environmental Planning and Assessment Act 1979*.

GENERAL CONDITIONS

1 National Electricity Market registration

At all times this *Licence* is in force, the *Licence Holder* must ensure that it and all other network operators of its *transmission system*:

- (a) are registered or exempt from the requirement to be registered as a Network Service Provider under the National Electricity Rules; or
- (b) hold any equivalent authorisation or right of participation in any national electricity market, granted by the person responsible for the granting of such an authorisation or right of participation under any legislation enacted for the purpose of introducing such a market.

2 Technical and prudential criteria

The *Licence Holder* must, for the duration of this *Licence*, ensure that it and all other network operators of its *transmission system* satisfy the technical and prudential criteria that each entity is required to meet as a condition of its registration or exemption, or equivalent authorisation or right of participation in any national electricity market, referred to in condition 1.

3 Reliability and performance standards

The *Licence Holder* must ensure that it and all other network operators of its *transmission system* comply with the *Reliability and Performance Standard*.

4 Annual Demand Forecasts

- (a) The *Licence Holder* must submit its *Annual Demand Forecasts* to AEMO in sufficient time to enable AEMO to consider and provide comments in relation to the forecasts and for the *Licence Holder* to consider those comments prior to finalisation of the *Annual Demand Forecast*.
- (b) In this condition, the **Annual Demand Forecast** means the annual demand forecast prepared as part of the Annual Transmission Planning Review, required under clause 5.12 of the National Electricity Rules or any equivalent or replacement requirements.

5 Business continuity and disruptions

- 5.1 The *Licence Holder* must have a documented system to ensure that it has adequate arrangements in place to identify, assess and manage business continuity risks and manage business disruptions relating to the operation of its *transmission system* (a **Business Continuity Plan**).
- 5.2 The *Licence Holder* must ensure that it and any other network operator of its *transmission system* implements and complies with the *Business Continuity Plan*.

CRITICAL INFRASTRUCTURE LICENCE CONDITIONS

For the purposes of conditions 6, 7 and 8 of this Licence, it is acknowledged that the assets which the Licence Holder operates may constitute "critical infrastructure" being those physical facilities, supply chains, information technologies and communication networks which, if destroyed, degraded or rendered unavailable for an extended period, would significantly impact on the security, social or economic wellbeing of the State of New South Wales and other States and Territories which are from time to time electrically interconnected with New South Wales and other States and Territories. These licence conditions will be reviewed by the Minister from time to time (and where necessary) in consultation with responsible Ministers of the Commonwealth and relevant States and Territories. According to its own legislation and policy, the Commonwealth may require a Licence Holder to agree to certain arrangements. The Licence Holder should also establish procedures for national security threat sharing with the Critical Infrastructure Centre and action received information on a good-faith basis.

6 Substantial presence in Australia

- 6.1 Except to the extent allowed for under the *Protocol* agreed with the *Commonwealth Representative*, the *Licence Holder* must take all practical and reasonable steps to ensure:
 - a) the maintenance of its *transmission system* is undertaken solely from within Australia, except where maintenance requires either physical servicing of components offshore or the acquisition of replacement components from outside Australia. In such an instance, it is the responsibility of the senior officer responsible for network operations to ensure this maintenance does not impact condition 6.2; and
 - b) that any third party or non-*Licence Holder* employee, including individuals/entities from outside Australia, undertaking maintenance of the *transmission system* is subject to the approval of the senior officer responsible for network operations.
- 6.2 Except to the extent that the *Licence Holder* is undertaking steps in accordance with, and for the duration of, a *Transition Plan* and/or a *Protocol* agreed with the *Commonwealth Representative*, the *Licence Holder*.
 - (a) must, by using best industry practice for electricity network control systems, ensure that operation and control of its *transmission system*, including all associated ICT infrastructure,

can be accessed, operated and controlled only from within Australia, and that its *transmission system* is not connected to any other infrastructure or network which could enable it to be controlled or operated by persons outside Australia;

- (b) must notify the *Commonwealth Representative* in advance of any engagement with the market to procure a contract under which it outsources the operation and control of its *transmission system*, including any ICT infrastructure associated with the operation and control of its *transmission system*.

Note: For the purposes of Licence condition 6.2 (a);

Best industry practice includes access required by relevant Australian regulators and market and system operators to meet the Licence Holder's obligations under Australian law.

6.3 The Licence Holder must:

- a) have at least two directors who are Australian citizens; and
- b) have senior officers responsible for (notwithstanding their title):
- (i) operational technology;
 - (ii) network operations; and
 - (iii) security operations
- in relation to its *transmission system*,

who are persons residing in Australia and hold an appropriate national security clearance, being a clearance of not less than Negative Vetting Level 1 (or equivalent) issued by the NSW Government on advice from the Australian Government Security Vetting Agency (AGSVA).

Note: For the purposes of Licence condition 6.3 (b):

The senior officer responsible for operational technology is the officer whose responsibilities include:

- *Delivering the Supervisory Control and Data Acquisition (SCADA) capability required to safely and reliably operate the NSW transmission system;*
- *Developing and implementing strategies to manage cyber security and other threats affecting the network operational technology environment; and*
- *Developing systems for effectively managing assets remotely, including but not limited to network switches, condition monitoring and remote interrogation or operation of protection systems and relays; and*

The senior officer responsible for network operations, is the officer whose responsibilities include:

- *The day to day operation, monitoring and maintenance of the transmission system; and*
- *Directing the operational planning, management, control and security of the transmission system.*

The senior officer responsible for security operations, is the officer whose responsibilities include:

- *Approval for the Licence Holder's personnel or other nominated personnel to access the Licence Holder's information systems or physical access to the Licence Holder's premises and associated infrastructure;*
- *Personnel security; and*
- *Managing relationships with Commonwealth and state government agencies.*

Note: The above responsibilities may be held by a single officer or shared between more than one officer. Where the responsibilities are shared between more than one officer, the relevant senior officer responsibility contemplated in condition 6.1(a) is the joint responsibility of the multiple officers and the approval contemplated in condition 6.1(b) must be obtained from each of those officers.

6.4 The *Licence Holder* is not in breach of its obligations under:

- a) condition 6.3(a) if, in the case of a casual vacancy on the board of directors, the vacancy is filled within two months of the casual vacancy first occurring;
- b) condition 6.3 if:
 - (i) following the first issue of these conditions to the *Licence Holder*; or
 - (ii) any position identified in condition 6.3 being vacated or the relevant person ceasing to satisfy the qualifications set out there for any reason, the *Licence Holder*:
 - (iii) procures the appointment of a person to the relevant position that the *Licence Holder* bona fide believes will be able to obtain the required security clearance; and
 - (iv) has procured that the person apply for the required security clearance.

6.5 The exception in condition 6.4(b) ceases to apply to the *Licence Holder* if:

- a) an appointment and application for national security clearance for the person is not made within 4 months of (as relevant) the first issue of these conditions or the relevant vacancy or disqualification occurring; or
- b) if the application referred to in condition 6.5(a) is made and is rejected or withdrawn, the *Licence Holder* does not procure a replacement application being made within 4 months of that rejection or withdrawal; or
- c) the *Licence Holder* does not procure compliance with condition 6.3(b) in any event with respect to any position within 8 months (or such longer period as approved in writing by the *Minister*) of (as relevant) the first issue of these conditions or the relevant vacancy occurring.

7 Data security

7.1 The *Licence Holder* must ensure that:

- (a) all of its information (being design specifications, operating manuals and the like) as to the operational technology (such as the SCADA system) and associated ICT infrastructure of the operational network is held solely within Australia, and that such information is accessible only by a *Relevant Person* who has been authorised by the *Licence Holder* and only from within Australia;
- (b) all:
 - (i) *Load Data*; and
 - (ii) *Bulk Personal Data Records*,relating to or obtained in connection with the operation of the *transmission system* by a *Relevant Person* is held solely within Australia, and is accessible only by a *Relevant Person* or a person who has been authorised by the *Licence Holder*; and
- (c) it does not export, and has appropriate security controls in place to prevent the export, of *Bulk Personal Data Records* relating to or obtained in connection with the operation of the *transmission system* by a *Relevant Person*, outside of Australia.

- 7.2 The *Licence Holder* is not in breach of its obligations under conditions 7.1(a), 7.1(b)(i) or 6.5(c) if the *Licence Holder* discloses, holds, uses or accesses any information or data referred to in those conditions, or the *Licence Holder* allows a *Relevant Person* approved by the senior officer referred to in condition 6.3(b)(i) to disclose, hold, use or access any information or data referred to in those conditions for the purposes of:
- a) disclosure to a recognised stock exchange so that such information is made available publicly in compliance with a binding obligation on the part of the *Licence Holder* or an *Associate* to do so;
 - b) complying with any law of the Commonwealth of Australia, or of any of its States and Territories;
 - c) disclosure to the financial, accounting, insurance, legal, regulatory and other advisers, auditors, insurers, security trustees and financiers (and each of their advisers) of the *Licence Holder*, any *Associate*, and any bona fide prospective purchaser of any interest in, or of any interest in the main undertaking of, the *Licence Holder* or any *Associate*, but in each case only to the extent necessary in order for those persons to provide the advisory or other services bona fide required of them;
 - d) disclosure to participants, regulators and service providers in the electricity sector, provided it is in the ordinary course of business and in accordance with good electricity industry practice, and such information is required by those persons to provide the services or to perform the functions bona fide required of them;
 - e) providing aggregated data which does not permit identification of any particular customer or customer's connection points or their demand characteristics;
 - f) allowing a service provider or contractor to hold, use or access information where that arrangement is approved by the Minister, in the case of arrangements approved as of the first issue of this *Licence*, and otherwise where the *Licence Holder* has provided the *Commonwealth Representative* with a submission demonstrating that:
 - (i) the service provider or contractor is reputable; and
 - (ii) the service provider or contractor has data security systems in place to ensure information security is maintained;and has obtained the written agreement of the *Commonwealth Representative* for the arrangement.
 - g) allowing a service provider or contractor who is a provider to the *Licence Holder* at the date of this *Licence* to hold, use or access information where the *Licence Holder* is at the relevant time undertaking the steps that are required to be undertaken as set out in an *Approved Plan* (and for the duration of the period set out in that *Plan*) related to that service provider or contractor, provided that the *Licence Holder* has provided the *Approved Plan* to the *Tribunal*,
 - h) such other circumstances as approved by the *Tribunal* in writing. Prior to seeking approval from the *Tribunal*, the *Licence Holder* must provide the *Commonwealth Representative* with a reasonable opportunity within a period not ending less than 60 calendar days, to confirm in writing to the *Tribunal* that the Commonwealth does not intend to make any further requests or submissions in relation to the matter.
- 7.3 The *Licence Holder* is not in breach of its obligations under condition 7.1(b)(ii) if a *Relevant Person* or a person authorised to access the information by the *Licence Holder* discloses, holds, uses or accesses personal information in accordance with the *Privacy Act 1988* (Cth).

8 Compliance with critical infrastructure provisions

- 8.1 By 30 September each year the *Licence Holder* must furnish a report to the *Tribunal* and the *Commonwealth Representative* detailing whether the *Licence Holder* has complied with conditions 6 and 7 over the preceding financial year to 30 June.
- 8.2 The report required under condition 8.1 must be audited by an *Approved Critical Infrastructure Auditor* by a date specified by the *Tribunal*. The audit required by this condition 8.2 must be a comprehensive audit and must meet any requirements specified by the *Tribunal*. The *Licence Holder* must provide the audited report to the *Commonwealth Representative* at the same time that the report is provided to the *Tribunal*.
- 8.3 The *Tribunal* may provide guidance to the *Approved Critical Infrastructure Auditor* as to the *Licence Holder's* practices that have satisfied or will satisfy conditions 6 and 7
- 8.4 The report required under condition 8.1 must be accompanied by a certification in writing supported by a resolution of the Board of the *Licence Holder* that, with respect to the relevant period:
- a) the *Licence Holder* has complied with conditions 6 and 7; or
 - b) the *Licence Holder* has not complied with conditions 6 and 7, and certifying the nature and extent of each non-compliance and the steps taken by the *Licence Holder* to ensure compliance (and to preclude further non-compliance) and the timeframe within which it expects to achieve compliance.

CONDITIONS RELATING TO MANAGEMENT SYSTEMS

9 Maintenance of certified management systems

- 9.1 The *Licence Holder* must have and maintain:
- (a) an asset management system that is consistent with the International Standard ISO 55001 Asset Management System – Requirements; and
 - (b) an environmental management system that is consistent with International Standard ISO 14001 Environmental Management.
- 9.2 The *Licence Holder* must ensure that:
- (a) its asset management system is certified by an appropriately qualified person to be consistent with International Standard ISO 55001 Asset Management System – Requirements; and
 - (b) its environmental management system is certified by an appropriately qualified person to be consistent with International Standard ISO 14001 Environmental Management; and
 - (c) once its asset management system and environmental management systems are each certified, that certification is maintained for the duration of the *Licence*.
- 9.3 The *Licence Holder* must notify the *Tribunal*, in accordance with the *Reporting Manual*, of any significant changes it proposes to make to its asset management system or environmental management system.

10 Implementation of management systems

The *Licence Holder* must ensure that its asset management system and environmental management system are fully implemented and all relevant activities undertaken by it or any other network operator of its *transmission system* are carried out in accordance with the relevant management system.

CONDITIONS RELATING TO COMPLIANCE, REPORTING AND FEES

11 Reporting in accordance with Reporting Manuals

The *Licence Holder* must prepare and submit reports in accordance with any *Reporting Manuals* issued by the *Tribunal*.

12 Complying with Audit Guidelines issued by the Tribunal

The *Licence Holder* must comply with any *Audit Guidelines* issued by the *Tribunal*.

13 Compliance management systems

The *Licence Holder* must ensure internal systems are developed and maintained that are capable of effectively managing compliance with its *Licence*.

14 Compliance with statistical operating obligations

The *Licence Holder* must provide to the *Tribunal* such operating and statistics and performance indicators as may be required from time to time by the *Tribunal*. The *Tribunal* will provide the *Licence Holder* with reasons for its request when the initial request is made and after that when a request relates to operating statistics and performance indicators that are of materially different type or category to that provided under the initial or subsequent request.

15 Information about compliance with Licence Conditions

The *Licence Holder* must furnish to the *Tribunal* (at such times and in respect of such periods as the *Tribunal* may determine and in the manner and form specified by the *Tribunal*) such information as the *Tribunal* may determine, to enable the *Tribunal* to ascertain whether or not the *Licence Holder* is complying with these *Licence* conditions, the *Act* or the *Regulations*.

16 Information about compliance with Employment Guarantees

The *Licence Holder* must furnish to the *Tribunal* (at such times and in respect of such periods as the *Tribunal* may determine and in the manner and form specified by the *Tribunal*) such information as the *Tribunal* may determine, to enable the *Tribunal* to ascertain whether or not the *Licence Holder* is complying with the 'Employment Guarantees' set out in Schedule 4 to the *Electricity Network Assets (Authorised Transactions) Act 2015*.

17 Licence fees

- 17.1 It is a condition of this *Licence* that the *Licence Holder* pay such fees (annual or otherwise) in connection with the holding of the *Licence* as may be determined by the *Minister* from time to time.
- 17.2 The *Licence Holder* must pay the fees referred to in condition 17.1 in the manner and within the period specified by the *Tribunal*.

INTERPRETATION AND DEFINITIONS

Interpretation

In these *Licence* conditions, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) headings are used for convenience only and do not affect the interpretation of these *Licence* conditions;
- (c) a reference to a document includes the document as modified from time to time and any document replacing it;
- (d) the word "person" includes a natural person and any body or entity whether incorporated or not;
- (e) references to conditions are references to conditions in these *Licence* conditions.

Definitions

Expressions used in these *Licence* conditions that are defined in the *Act* or the *Regulations* have the meanings set out in the *Act* or the *Regulations*.

In these *Licence* conditions:

AEMO	means the Australian Energy Market Operator
Act	means the <i>Electricity Supply Act 1995</i> .
Approved Auditor	means a person chosen from a panel of auditors approved by the <i>Tribunal</i> or an auditor otherwise approved by the <i>Tribunal</i> as being of reputable standing, suitability qualified and who is independent of the <i>Licence Holder</i> .
Approved Plan	means a plan of the type described under condition 7.2(g), that is required by the Commonwealth, and which provides approval for a service provider or contractor to the <i>Licence Holder</i> in respect of holding, accessing or using specified information. Such a plan is to be agreed to in writing by the <i>Commonwealth Representative</i> .
Approved Critical Infrastructure Auditor	means an <i>Approved Auditor</i> who has been further approved by the <i>Tribunal</i> as having the necessary experience and expertise in system security or has otherwise demonstrated to the <i>Tribunal's</i> satisfaction the capability to audit compliance with the critical infrastructure licence conditions (being conditions 6, 7 and 8).
Associate	has the meaning given to that term in the <i>Corporations Act 2001</i> (Cth).

Audit Guidelines	means any document setting out audit requirements for <i>Licence Holders</i> which is prepared by the <i>Tribunal</i> and is available on its website at www.ipart.nsw.gov.au as amended from time to time.
Bulk Personal Data Records	means any holdings or files of personal information (within the meaning of the <i>Privacy Act 1988</i> (Cth)) about multiple individuals which contain fields or categories.
Business Continuity Plan	has the meaning given to it condition 5.1.
Commonwealth Representative	means the First Assistant Secretary, with responsibility for Critical Infrastructure Security within the Commonwealth or equivalent level in a subsequent agency with responsibility for Critical Infrastructure Security. <i>Note: At the time of varying this licence, the Commonwealth Representative is the First Assistant Secretary responsible for the Critical Infrastructure Centre within the Commonwealth Attorney-General's Department.</i>
First issue of conditions or first issue of this Licence	Refers to the date of the first issue of this <i>Licence</i> being 16 December 2015.
Foreign Person	has the meaning given to that term in the <i>Foreign Acquisitions and Takeovers Act 1975</i> (C'th)
Licence	means the transmission operator's licence authorising the <i>Licence Holder</i> to operate its <i>transmission system</i> .
Licence Holder	means a person who is the holder of a <i>Licence</i> .
Load Data	means data as to the quantum of electricity delivered (both historical and current load demand from or to any one or more sites (or their connection points) which satisfies each of the following criteria: <ul style="list-style-type: none"> i. it is not historical load data older than 30 days; ii. it is not fault data; iii. it describes a location that allows a customer(s) or connection point(s) to be identified; iv. it describes the date and time of the data record; v. it describes a magnitude which comprises a voltage of at least 330 kV and power of at least one Terawatt hour; and vi. it describes a duration – a length of time that allows for a quantum to exist.
Minister	means the <i>Minister</i> responsible for administering the <i>Act</i> .
Protocol	means a document of the type referred to in conditions 6.1 and 6.2, that is required by the Commonwealth and which must be agreed to between the <i>Commonwealth Representative</i> and the <i>Licence Holder</i> , the document may set out (among other things) the: <ul style="list-style-type: none"> i. specified purposes for which maintenance of transmission system equipment may be conducted offshore and the circumstances in which it may be conducted offshore; ii. methodology and activities to be undertaken to allow for maintenance and repairs of transmission system equipment to be carried out involving remote access from offshore; iii. the exceptional circumstances in which the <i>Protocol</i> applies; and iv. activities and processes which achieve requisite levels of cyber-security.
Regulations	means regulations made under the <i>Act</i> .

Relevant Person	means the <i>Licence Holder</i> , any other network operator of the <i>transmission system</i> and any person who is contracted or subcontracted by the <i>Licence Holder</i> to work on the <i>transmission system</i> .
Reliability and Performance Standard	In condition 3, means the <i>NSW Electricity Transmission Reliability and Performance Standard 2017</i> , signed by the Minister on 1 June 2017, as amended or replaced from time to time.
Reporting Manual	means any document setting out reporting requirements for <i>Licence Holders</i> which is prepared by the <i>Tribunal</i> and is available on its website at www.ipart.nsw.gov.au as amended from time to time.
transacted transmission system	means a transacted transmission system under the <i>Electricity Network Assets (Authorised Transactions) Act 2015</i> .
Transition Plan	means a plan of the type described under condition 6.2, that is required by the Commonwealth, and which describes the existing practices of the <i>Licence Holder</i> which do not comply with condition 6.2 and the planned actions and timeframes to move to compliance. Such a plan is to be agreed to in writing by the <i>Commonwealth Representative</i> .
transmission system	means the transmission system of which the <i>Licence Holder</i> is a network operator.
Tribunal	means the Independent Pricing and Regulatory Tribunal of New South Wales established under the <i>Independent Pricing and Regulatory Tribunal Act 1992</i> .



ESSENTIAL SERVICES COMMISSION

ELECTRICITY TRANSMISSION LICENCE

**Transmission Operations
(Australia) Pty Ltd
(ABN 21 159 526 520)**

**Varied on
9 November 2018**

C/18/26323
ET01-2013

ELECTRICITY TRANSMISSION LICENCE

This Licence is issued pursuant to section 19 of the *Electricity Industry Act 2000* (Vic) and is subject to the terms set out in this Licence.

Date

This Licence is issued on 4 September 2013.

Licensee

This Licence is issued to:

Transmission Operations (Australia) Pty Ltd (ABN 21 159 526 520) (the Licensee)
Level 8
40 Market Street
Melbourne VIC 3000

**THE COMMON SEAL of the
ESSENTIAL SERVICES COMMISSION**
was affixed pursuant to the authority
of the Commission

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A handwritten signature in black ink, appearing to read "Ron Ben-David".

Dr Ron Ben-David

CHAIRPERSON

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Part A - Interpretation**1. Definitions**

1.1. Unless the contrary intention appears, a term has the meaning shown opposite it :

Act	the <i>Electricity Industry Act 2000</i> (Vic)
administrator	an administrator appointed by the Commission under section 34 of the Act in respect of the Licensee's transmission business
AEMO	the Australian Energy Market Operator Limited
AER	the Australian Energy Regulator
approved statement	a statement of the kind referred to in clause 10 that is submitted to and approved, by notice in writing to the Licensee, by the Commission
augmentation	in relation to an electricity transmission system, the process of maintaining or upgrading the operating capability of the electricity transmission system by replacing or enhancing existing plant and equipment or by adding plant and equipment
Business Day	a day other than a Saturday, Sunday or a public holiday in Melbourne, Victoria
change of control	<p>a change of control occurs if a shareholder of an entity, at the time it becomes a shareholder:</p> <p>(a) does not have the capacity to control the composition of the board of directors of the entity or a holding company of that entity;</p> <p>(b) is not in a position to cast or control the casting of more than 50% of the maximum number of votes that might be cast at a general meeting of that entity or a holding company of that entity; or</p> <p>(c) does not beneficially hold more than 50% of the issued share capital of the entity or a holding company of that entity,</p> <p>subsequently has the ability to do so, or does so, provided that no change of control will be deemed to have occurred where:</p> <p>(d) the ultimate holding company of that entity remains the same as its ultimate holding company (if any) on the date upon which the shareholder first became a shareholder; or</p>

	(e) the change of control results from the acquisition or cancellation of, or dealing in, securities which are traded on a recognised financial market
Commission	the Essential Services Commission established under the ESC Act
connection	the contact between the electrical systems of two persons such as will allow the supply of electricity between those systems
connection agreement	an agreement relating to the provision of connection services
connection services	the services of establishing and maintaining connection between an electricity transmission system and another electrical system or electrical installation
control	in respect of an entity has the same meaning given in section 50AA of the Corporations Act
Corporations Act	means the <i>Corporations Act 2001</i> (Cth)
customer	a person who buys or wishes to buy electricity directly through the NEM or from a retailer
declared transmission system	Has the same meaning as in the National Electricity (Victoria) Act 2005
distribute	In relation to electricity, means to distribute electricity using a distribution system
distribution licence	a licence to distribute or supply electricity granted under the Act
distribution services	the transportation and delivery of electricity through a distribution system and any other services which a distributor includes in its network tariff
distribution system	in relation to a distributor, a system of electric lines (generally at nominal voltage levels of 66kV or below) which the distributor uses to distribute or supply electricity
distributor	a person who holds, or is exempt from holding, a distribution licence
Electricity Transmission System	a transmission system in Victoria (generally at nominal voltage levels of 66kV or above) which the holder of a transmission licence may use to transmit electricity
Electricity System Code	the code of that name certified by the Commission

Enforcement Order	a provisional enforcement order or a final enforcement order made and served by the Commission under section 53 of the ESC Act
ESC Act	the <i>Essential Services Commission Act 2001</i> (Vic)
final enforcement order	a final order made and served by the Commission under section 53 of the ESC Act
generation licence	A licence to generate electricity for supply or sale under the Act
generator	a person who holds, or is exempt from holding, a generation licence
guideline	a guideline published by the Commission
Licensee	Transmission Operations (Australia) Pty Ltd (ABN 21 159 526 520)
Market network services	has the same meaning as in the National Electricity Rules
Minister	the person who is, from time to time, the Minister for the purposes of the relevant section of the Act
National Electricity Law	the National Electricity (Victoria) Law which applies in Victoria as a result of the operation of section 6 of the National Electricity (Victoria) Act 2005
National Electricity Rules	the rules of that name made under the National Electricity Law
NEM	The National Electricity Market operated by AEMO for wholesale trading in electricity
network agreement	has the same meaning as in the National Electricity Rules
network services	<p>services relating to the use of an electricity transmission system, including, without limitation, any of:</p> <p>(a) network transmission services including:</p> <ol style="list-style-type: none"> (1) power transfer capability between nodes; (2) configuration switching capability at nodes; (3) system security and stabilisation capability services; and (4) voltage and reactive control capability at nodes; <p>(b) network operation systems including:</p> <ol style="list-style-type: none"> (1) remote operation services (including provision of appropriate personnel of the Licensee to perform operational tasks at the direction of Victorian Power Exchange)

	<ul style="list-style-type: none"> (2) voice and data communications services; (2A) system performance monitoring services; (3) real time operational information and control capability; and (4) operational information (including plant characteristics); and
	<ul style="list-style-type: none"> (c) technical support including: <ul style="list-style-type: none"> (1) special incident investigations (including, where relevant, a 24 hour service); and (2) design investigations and cost estimates.
objectives	the objectives of the Commission under the Act and the ESC Act
order	an Order in Council made or in force under the Act
provisional enforcement order	a provisional order made and served by the Commission under section 53 of the ESC Act
regulated transmission service	a service that is subject to regulation under Chapter 6A of the National Electricity Rules
retail licence	a licence granted under the Act to sell electricity otherwise than through the NEM
retailer	a person who holds, or is exempt from holding, a retail licence
supply	in relation to electricity means the delivery of electricity
trader licence	a licence to sell electricity designated as a trader licence by the Commission
transmission assets	the assets connecting the Mt Mercer Wind Farm, the Moorabool Wind Farm and the Elaine Wind Farm to the declared transmission system.
transmission licence	a licence to transmit electricity granted under section 19 of the Act
transmission service	has the same meaning as in the National Electricity Rules
transmit	In relation to electricity means to transfer electricity in bulk
Ultimate Holding Company	means, in relation to an entity, an entity that: <ul style="list-style-type: none"> (a) is a holding company of the first-mentioned entity; and (b) is itself a subsidiary of no entity
undertaking	an undertaking given by the Licensee under section 53(5)(a) of the ESC Act

use of system agreement	an agreement between a retailer (or other person who has made an application for a retail licence) and a distributor which is necessary to ensure that, subject to the Act, electricity is distributed or supplied by means of the distributor's distribution system to the extent necessary to enable the retailer (or other person) to sell electricity to its customers
writing	any mode of representing or reproducing words, figures, drawings or symbols in a visible form

- 1.2. In this Licence, unless the context otherwise requires:
- (a) headings and footnotes are each for convenience only and do not affect the interpretation of this Licence;
 - (b) words importing the singular include the plural and vice versa;
 - (c) words importing a gender include any gender;
 - (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
 - (e) a reference to a condition, clause, or part is to a condition, clause, or part of this Licence;
 - (f) a reference to any statute including the Act and regulation, proclamation, Order in Council, ordinance, code, guideline, procedure or by-law includes all statutes, regulations, proclamations, Orders in Council, ordinances, codes, guidelines, procedures or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, Orders in Council, ordinances, by-laws and determinations issued under that statute;
 - (g) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
 - (h) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
 - (i) other parts of speech and grammatical forms of a word or phrase defined in this licence have a corresponding meaning;
 - (j) a period of time:
 - (1) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or

- (2) which commences on a given day or the day of an act or event is to be calculated inclusive of that day;
- (k) an event which is required under this Licence to occur on or by a stipulated day which is not a business day may occur on or by the next business day.

2. Notices

2.1. A notice under this Licence is only effective if it is in writing, and dealt with as follows:

- (a) if given by the Licensee to the Commission – addressed to the Chairperson at the address specified below or as otherwise notified by the Commission:

Essential Services Commission,
Level 37, 2 Lonsdale Street,
Melbourne, VIC 3000; or

- (b) if given by the Commission to the Licensee – given by Chairperson and addressed (and marked for attention of) the Chief Executive Officer at the address specified below or as otherwise notified by the Licensee:

Transmission Operations (Australia) Pty Ltd (ABN 21 159 526 520)
Level 8
40 Market Street
Melbourne VIC 3000

A notice is to be:

- (c) signed by or on behalf of the person giving the notice and delivered by hand; or
- (d) signed by or on behalf of the person giving the notice and sent by pre-paid post; or
- (e) transmitted electronically by or on behalf of the person giving the notice by electronic mail or facsimile transmission.

2.2. A notice is deemed to be effected:

- (a) if delivered by hand – upon delivery to the relevant address;
- (b) if sent by post – upon delivery to the relevant address;
- (c) if transmitted electronically – in accordance with the method set out in the *Electronic Transactions (Victoria) Act 2000 (Vic)* for determining the time of receipt.

2.3. A notice received after 5.00 pm, or on a day that is not a business day, is deemed to be effected on the next business day.

Part B - Licence

3. Grant of the Licence

- 3.1. In exercise of its powers under section 19 of the Act, the Commission grants the Licensee, as owner of the transmission assets, a licence to transmit electricity via the transmission assets, and on the terms and conditions set out in this Licence.

Part C - Conditions of the Licence

4. Status of the requirements in this Part

- 4.1. A breach of any of the requirements set out in this Part C:
- (a) is a breach of a condition for the purposes of Part 7 of the ESC Act; and
 - (b) is a breach of a condition for the purposes of clause 18 of this Licence.
- 4.2. The Licensee acknowledges that any condition deemed by the Act to be included in a licence to transmit electricity forms part of this Licence and that a breach of any such condition constitutes a breach of a condition for the purposes of clause 18 of this Licence.

5. Payment of fees

- 5.1. The Licensee must pay a licence fee as determined by the Minister in accordance with the provisions of section 22 of the Act.

6. On going technical capacity

- 6.1. The Licensee must at all times maintain:
- (a) such technical capacity as is:
 - (1) required to meet its obligations under this licence; and
 - (2) reasonably required to undertake the activities authorised by this licence.
- 6.2. In this clause 6 activities undertaken pursuant to this Licence includes any activities of that type undertaken by a contractor, subcontractor, agent or other third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence.
- 6.3. The Licensee must ensure that any contract, entered into with any third parties for the performance of licensable functions, contains such provisions as are necessary to ensure the third party provides its services in a way that enables the Licensee to comply with the requirements of its licence and this clause 6.

7. Compliance with regulatory instruments

- 7.1. Subject to clause 7.2, the Licensee must comply with:
- (a) the Electricity System Code;
 - (b) relevant industry standards; and
 - (c) any other code, procedure or guideline issued by the Commission from time to time that is expressed as being one with which the Licensee must comply,
- to the extent they are applicable to activities undertaken by the Licensee pursuant to this Licence.
- 7.2. The Commission may, from time to time, by written notice grant an exemption in relation to or otherwise modify the application of some of the requirements of the instruments referred to in clause 7.1.
- 7.3. The Licensee must have in place a system for monitoring its compliance with this Licence and the instruments referred to in clause 7.1.
- 7.4. The Licensee must comply with the requirements of the *Electricity Safety Act 1998* and any regulations made under that Act.
- 7.5. The Licensee must comply with the National Electricity Rules and the National Electricity Law.
- 7.6. The Licensee must notify the Commission of any breach by it of the conditions of this Licence, including breach of any of the instruments referred to in clause 7.1, as soon as reasonably practicable after it becomes aware of the breach.

8. Obligation to connect to electricity transmission system

- 8.1. The following persons may make a request under clause 8.2:
- (a) a person which holds or has made application for or intends to make application for one or more of the following kinds of licence:
 - (1) a generation licence;
 - (2) a distribution licence;
 - (3) a trader licence; or
 - (4) a transmission licence; or
 - (b) a person registered with AEMO under the National Electricity Rules;
 - (c) a person which is exempted from the requirement to obtain a licence; or
 - (d) a person which:
 - (1) is or intends to become a customer taking supply directly from the Licensee's electricity transmission system; or

- (2) holds or has made application to or intends to make application for a retail licence and wishes to sell electricity to a person which is or intends to become a customer taking supply directly from the Licensee's electricity transmission system.
- 8.2. If a person referred to in clause 8.1 requests the Licensee to offer to provide connection to the Licensee's electricity transmission system or to increase the performance of an existing connection to the Licensee's electricity transmission system, and includes in the request all information the Licensee reasonably requires in order to make such an offer, then the Licensee must offer to provide connection or connection at the requested higher performance level within the time specified in clause 8.3.
- 8.3. The Licensee must make an offer under clause 8.2 within:
 - (a) 65 business days; or
 - (b) such other period as the Commission decides to be reasonable,after receiving the request or all information which the Licensee reasonably requires in order to make such an offer (whichever is the later) and must otherwise deal with a request under clause 8.2 in accordance with any applicable guidelines published by the Commission.
- 8.4. An offer made by the Licensee under this clause 8 must not be inconsistent in the opinion of the Commission with:
 - (a) any guidelines published by the Commission which, in the opinion of the Commission, are applicable to the offer except to the extent the offer is consistent in the opinion of the Commission with an approved statement; and
 - (b) any approved statement which, in the opinion of the Commission, is applicable to the offer.
- 8.5. An offer under clause 8.2 must be fair and reasonable. Any question as to the fairness and reasonableness of a term of an offer shall be decided by the Commission on the basis of the Commission's opinion of the fairness and reasonableness of the term.
- 8.6. The Licensee must not refuse to make an offer to provide connection, or to provide connection at a higher performance level as contemplated by this clause 8, unless:
 - (a) the Licensee has made an offer to provide those services in accordance with this clause 8 but the offer has not been accepted; or
 - (b) the Licensee is permitted or required to do so by any of the codes with which the Licensee must comply pursuant to clause 7.1.

- 8.7. A question as to the reasonableness of a requirement by the Licensee for information as contemplated by clause 8.2, or as to the reasonableness of a period under clause 8.3(b), shall be decided by the Commission on the basis of the Commission's opinion of the reasonableness of the requirement or the period.
- 8.8 A question as to the applicability of guidelines for the purpose of clause 8.3 or 8.4 shall be decided by the Commission on the basis of the Commission's opinion of their applicability.

9. Provision of other services

- 9.1. In undertaking the activities authorised by this Licence, the terms on which the Licensee provides services which are regulated transmission services, but not connection or network services, must be fair and reasonable.
- 9.2. Any question as to the fairness and reasonableness of such terms shall be decided by the Commission on the basis of the Commission's opinion of the fairness and reasonableness of the terms.

10. Approved Statements

- 10.1. The Licensee may submit to the Commission for its approval, and must do so within 20 business days of being required by the Commission by notice in writing to do so, a statement setting out any or all of:
- (a) the charges it proposes to make for providing any services of the kind referred to in clauses 8, 9 and 11;
 - (b) the maximum charges for such services;
 - (c) the principles for setting such charges; and
 - (d) a methodology for setting such charges.
- 10.2. The Licensee may submit to the Commission for approval amendments to an approved statement and must do so within 20 business days of being required by the Commission by notice in writing to do so.

11. Obligation to enter into a network agreement

- 11.1. Within 20 business days after a request by AEMO, the Licensee must offer to enter into a network agreement on terms which are not inconsistent in the opinion of the Commission with:
- (a) any guidelines published by the Commission which, in the opinion of the Commission, are applicable to the offer except to the extent the offer is consistent in the opinion of the Commission with an approved statement; and
 - (b) any approved statement which, in the opinion of the Commission, is applicable to the offer.

- 11.2. An offer under clause 11.1 must be fair and reasonable. Any question as to the fairness and reasonableness of a term of an offer shall be decided by the Commission on the basis of the Commission's opinion of the fairness and reasonableness of the term.

12. Augmentation

- 12.1. The Licensee must not augment an electricity transmission system except pursuant to a network agreement with AEMO or a connection agreement with a distributor, generator or customer.

13. Separate accounts

- 13.1. If the Licensee holds more than one category of licence under Part 2 of the Act, the Licensee must prepare separate accounts for each part of its business in respect of which it has been granted a separate licence.

14. Standards and Procedures

- 14.1. At the written request of the Commission, the Licensee must participate to the extent specified by the Commission in the development, issue and review of any standards and procedures specified by the Commission.

- 14.2. The Licensee must in accordance with guidelines published for this purpose, or as directed by the Commission, report to the Commission on its performance against applicable standards and procedures.

- 14.3. If the Commission considers that:

- (a) the Licensee has failed to comply with clause 14.1; or
- (b) standards and procedures applicable to the Licensee have been shown to be insufficient to prevent abuses by the Licensee of any market power it enjoys,

the Commission may issue standards and procedures applicable to the Licensee and with which the Licensee must comply.

15. Provision of information to AEMO and Commission

- 15.1. The Licensee must maintain comprehensive records regarding any activities undertaken pursuant to this Licence for a period of at least 7 years.

- 15.2. The Licensee must as soon as reasonably practicable provide AEMO with such information relating to any activities undertaken pursuant to this Licence as AEMO may properly request in connection with the performance of its functions or the exercise of its powers under the Act in the manner and form specified by AEMO.

- 15.3. The Licensee must, as soon as reasonably practicable, provide the Commission with such information relating to any activities undertaken pursuant to this Licence as the Commission may properly request in

connection with the performance of its functions or the exercise of its powers under the Act and in a manner and form specified by the Commission.

15.4. The Licensee must, as soon as reasonably practicable, provide the Commission with information on its ongoing technical capacity or financial viability to undertake the activities authorised by this Licence as the Commission may properly request in connection with the performance of its functions or the exercise of its powers under the Act and in a manner and form specified by the Commission.

15.5. In this clause 15:

- (a) activities undertaken pursuant to this Licence includes any activities of that type undertaken by a contractor, subcontractor, agent or other third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence; and
- (b) information includes information in the possession, custody or control of any third party.

15.6 The Licensee must ensure that any contract entered into with any such third parties contains such provisions as are necessary to enable the Licensee to comply with the requirements of this clause 15.

15.7 ***Change of control***

- (a) the Licensee must give the Commission a notice if any event occurs, any decision by the Licensee is made, or any other circumstances exists that will effect a change of control of the Licensee.
- (b) the notice required under condition 15.7(a) must set out particulars of the relevant event, decision or circumstance as soon as practicable, and in any case not later than 3 Business Days after the Licensee becomes aware of the event or circumstance or makes the decision.

16. **Audit**

16.1. Upon request by the Commission, the Licensee must appoint an auditor to be approved by the Commission to conduct audits of:

- (a) the Licensee's compliance with its obligations under the Act or this Licence, including but not limited to the codes and guidelines referred to in clause 7.1; and
- (b) the reliability and quality of information reported by the Licensee to the Commission and the consistency of that information with the Commission's specifications; and
- (c) any other matter as directed by the Commission.

- 16.2. The Licensee must ensure that the Commission is promptly provided with a copy of any reports produced by the auditor pursuant to this clause. The Licensee must comply, and must require the auditor to comply, with any guidelines issued by the Commission dealing with audits under this clause. The Licensee must also provide draft reports if requested by the Commission.

17. Compliance with laws

- 17.1. The Licensee must comply with all applicable laws.

18. Revocation

- 18.1. The Commission may revoke this Licence:
- (a) at any time at the request of or with the consent of the Licensee; or
 - (b) in accordance with the Act.
- 18.2. Consistent with its objectives under the Act and the ESC Act, the Commission may revoke this Licence if:
- (a) the Licensee fails to comply with an undertaking or a final enforcement order;
 - (b) the Licensee breaches any condition of this Licence, including any condition deemed to apply by the Act or any other legislation;
 - (c) any information provided by the Licensee pursuant to this Licence or in its application for the Licence is found to be false or misleading;
 - (d) the Licensee's technical capacity or financial viability is such that the Commission considers that the Licensee would be unable to satisfactorily meet its obligations under this Licence;
 - (e) the Licensee fails to comply with a decision, direction, determination or arrangement (including any arrangement concerning load shedding) (as the case may be) made by or agreed with the Commission, AEMO or the Minister;
 - (f) following any one of the following events:
 - (1) a petition or other application being presented or resolution being passed for the winding up, liquidation or dissolution of the Licensee or notice of intention to propose such a resolution being given or the entry of the Licensee into a scheme of arrangement or compromise or deed of company arrangement with any of its creditors;
 - (2) the appointment of an administrator, a receiver or receiver and manager or official manager or agent of a secured creditor to any of the Licensee's property;

- (3) the Licensee ceasing to carry on business or stopping or wrongfully suspending payment to any of its creditors or stating its intention to do so;

the Commission determines that the event, or actions arising from an event, would, or would be likely to, result in the inability of the Licensee to meet its obligations under this licence.

or

- (g) it is in the long term interests of Victorian consumers to do so.

18.3. Where the Commission decides to revoke this Licence, the Commission will issue a notice to the Licensee, specifying:

- (a) the basis upon which the Commission is revoking this Licence; and
- (b) the date upon which the revocation will take effect, such date to be:
 - (1) where clause 18.2(a) applies or where in the Commission's opinion it is appropriate that the Licence be revoked in a shorter time frame having regard to its objectives and the events or circumstances that gave rise to the notice being issued, no less than 5 business days after the date upon which the notice is issued; and
 - (2) in all other cases, no less than 20 business days after the date upon which the notice is issued,

and, subject to clause 18.4, this Licence will be revoked on the date specified in the notice.

18.4. The Commission may, at its discretion and by written notice to the Licensee, withdraw a notice issued under clause 18.3 at any time prior to the revocation date specified in the notice if the Commission is satisfied that the Licensee has complied with the relevant enforcement order or undertaking, rectified the breach or complied with the relevant decision, direction, determination or arrangement (as the case may be) or if the Commission considers that it is otherwise appropriate to withdraw the notice.

19. **Variation**

19.1. For the purposes of section 29(1)(a) of the Act, the Commission may vary this Licence in accordance with the procedures set out in this clause 19.

19.2. Where the Commission:

- (a) wishes to amend the list of instruments referred to in clause 7.1; or
- (b) is of the opinion that a proposed variation to the Licence is consistent with its objectives and is:
 - (1) of an administrative or trivial nature; or

- (2) required urgently, such that it would not be appropriate to issue a notice under section 29(1)(c) of the Act,

the Commission may issue a notice to the Licensee varying this licence accordingly.

19.3. A notice issued under clause 19.2 will include:

- (a) the terms of the variation;
- (b) the purpose of the variation;
- (c) where clause 19.2(b) applies, confirmation that the Commission is of that opinion; and
- (d) the date upon which the variation will take effect.

20. Transfer

This Licence may be transferred in accordance with section 31 of the Act.

21. Administrator

21.1. Subject to clause 18, if an administrator is appointed to the Licensee's business under section 34 of the Act, the administrator must exercise its functions and powers in such a manner as may be specified by the Commission in the instrument of appointment.

21.2. The Licensee is responsible for the acts and defaults of the administrator.

22. Insurance

22.1. The Licensee must maintain at all times adequate general public liability insurance covering liability arising out of the activities authorised by this Licence.

22.2. The Commission will assess the adequacy of the Licensee's general public liability insurance having regard to the nature and level of risk and the cost of the insurance.

22.3. The Licensee must at all times comply with the terms and conditions of its general public liability insurance policy, and maintain the financial capacity to meet any uninsured amount forming part of the maximum cover provided under the policy.

22.4. For the avoidance of doubt, the uninsured amount is the deductible and/or excess as per the policy taken out under clause 22.1.

Schedule 1 – Variations to the Licence

Date	Variation
4 September 2013	Licence issued to Transmission Operations (Australia) Pty Ltd (ABN 21 159 526 520)
9 November 2018	Varied to authorise transmission via the assets connecting the Moorabool wind farm and the Elaine wind farm to the declared transmission system and to include new condition 15.7 requiring the licensee to notify the Commission of any change of control.



TRANSMISSION LICENCE

**TransGrid Services Pty Limited (ACN 626 136
865) as trustee for TransGrid Services Trust (ABN
70 250 995 390)**

Issued on
1 July 2020

TRANSMISSION LICENCE

This Licence is issued pursuant to section 19 of the *Electricity Industry Act 2000* (Vic) and is subject to the terms set out in this Licence.

Date

This Licence is issued on **1 July 2020**

Licensee

This Licence is issued to:

TransGrid Services Pty Ltd (ACN 626 136 865)

as trustee for TransGrid Services Trust (ABN 70 250 995 390)

THE COMMON SEAL of the)
ESSENTIAL SERVICES COMMISSION)
was affixed pursuant to the authority)
of the Commission on 14 July 2020)



Kate Symons
Chairperson



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Part A – Definitions and Interpretation

1. Definitions

1.1. Unless the contrary intention appears a term in bold type has the meaning shown opposite it:

Act	the <i>Electricity Industry Act 2000</i> (Vic)
administrator	an administrator appointed by the Commission under section 34 of the Act
AEMO	Australian Energy Market Operator (ACN 072 010 327)
AER	the Australian Energy Regulator
approved statement	a statement of the kind referred to in clause 10 that is submitted to and approved, by notice in writing to the Licensee, by the Commission
augmentation	in relation to an electricity transmission system, the process of maintaining or upgrading the operating capability of the electricity transmission system by replacing or enhancing existing plant and equipment or by adding plant and equipment
business day	a day other than a Saturday, Sunday or a public holiday in Victoria
change of control	<p>a change of control occurs if a shareholder of an entity, at the time it becomes a shareholder:</p> <ul style="list-style-type: none">(a) does not have the capacity to control the composition of the board of directors of the entity or a holding company of that entity;(b) is not in a position to cast or control the casting of more than 50% of the maximum number of votes that might be cast at a general meeting of that entity or a holding company of that entity; or(c) does not beneficially hold more than 50% of the issued share capital of the entity or a holding company of that entity, <p>subsequently has the ability to do so, or does so, provided that no change of control will be deemed to have occurred where:</p> <ul style="list-style-type: none">(d) the ultimate holding company of that entity remains the same as its ultimate holding company (if any) on the date upon which the shareholder first became a shareholder; or(e) the change of control results from the acquisition or cancellation of, or dealing in, securities which are traded on a recognised financial market

Commencement Date 1 July 2020

Commission	the Essential Services Commission established under the ESC Act
connection	the contact between the electrical systems of two persons such as will allow the supply of electricity between those systems
connection agreement	an agreement relating to the provision of connection services
connection services	the services of establishing and maintaining connection between an electricity transmission system and another electrical system or electrical installation
control	in respect of an entity has the same meaning given in section 50AA of the Corporations Act
Corporations Act	means the <i>Corporations Act 2001</i> (Cth)
customer	a person who buys or wishes to buy electricity directly through the NEM or from a retailer
declared transmission system	has the same meaning as in the National Electricity (Victoria) Act 2005
distribute	in relation to electricity, means to distribute electricity using a distribution system
distribution licence	a licence to distribute or supply electricity granted under the Act
distribution services	the transportation and delivery of electricity through a distribution system and any other services which a distributor includes in its network tariff
distribution system	in relation to a distributor, a system of electric lines (generally at nominal voltage levels of 66kV or below) which the distributor uses to distribute or supply electricity
distributor	a person who holds, or is exempt from holding, a distribution licence
Electricity Distribution Code	the code of that name certified by the Commission
Electricity System Code	the code of that name certified by the Commission
Electricity Transmission Code	a transmission system in Victoria (generally at nominal voltage levels of 66kV or above) which the holder of a transmission licence may use to transmit electricity
enforcement order	a provisional enforcement order or a final enforcement order made and served by the Commission under section 53 of the ESC Act
ESC Act	the <i>Essential Services Commission Act 2001</i> (Vic)

final enforcement order	a final order made under section 53 of the ESC Act
generation licence	a licence to generate electricity for supply or sale under the Act
generator	A person who holds, or is exempt from holding, a generation licence
guideline	a guideline published by the Commission
Holding Company	means, in relation to an entity, an entity of which the first entity is a subsidiary
Licensee	TransGrid Services Pty Limited (ACN 626 136 865) as trustee for TransGrid Services Trust (ABN 70 250 995 390)
Market network services	has the same meaning as in the National Electricity Rules
Minister	the person who is, from time to time, the Minister for the purposes of the relevant section of the Act
National Electricity Law	the National Electricity (Victoria) Law which applies in Victoria as a result of the operation of section 6 of the <i>National Electricity (Victoria) Act 2005 (Vic)</i>
National Electricity Rules	the rules of that name made under the National Electricity Law
NEM	the National Electricity Market operated by AEMO for wholesale trading in electricity
network agreement	has the same meaning as in the National Electricity Rules
network services	services relating to the use of an electricity transmission system, including, without limitation, any of: (a) network transmission services including: (1) power transfer capability between nodes; (2) configuration switching capability at nodes; (3) system security and stabilisation capability services; and (4) voltage and reactive control capability nodes; (b) network operations systems including: (1) remote operation services (including provision of appropriate personnel of the Licensee to perform operational tasks at the direction of Victorian Power Exchange); (2) voice and data communications services (2A) system performance monitoring services; (3) real time operational information and control capability; and

	(4) operational information (including plant characteristics); and
	(c) technical support including:
	(1) special incident investigations (including, where relevant, a 24 hour service); and
	(2) design investigations and costs estimates
objectives	the objectives of the Commission under the Act and the ESC Act
order	an Order in Council made or in force under the Act
provisional enforcement order	a provisional order made and served by the Commission under section 53 of the ESC Act
regulated transmission service	a service that is subject to regulation under Chapter 6A of the National Electricity Rules
retail licence	a licence granted under the Act to sell electricity otherwise than through the NEM
retailer	a person who holds, or is exempt from holding, a retail licence
subsidiary	has the meaning given in the Corporations Act
supply	in relation to electricity means the delivery of electricity
trader licence	a licence to sell electricity designated as a trader licence by the Commission
transmission asset	the connection and extension assets associated with the Berrybank Wind Farm and Berrybank Terminal Station, located approximately 14km east of Lismore and 16km west of Cressy in south-western Victoria
transmission licence	a licence to transmit electricity granted under section 19 of the Act
transmission service	has the same meaning as in the National Electricity Rules
transmit	in relation to electricity means to transfer electricity in bulk
Ultimate Holding Company	means, in relation to an entity, an entity that: (a) is a holding company of the first-mentioned entity; and (b) is itself a subsidiary of no entity
Undertaking	an undertaking given by the Licensee under section 53(5)(a) of the ESC Act

use of system agreement	an agreement between a retailer (or other person who has made an application for a retail licence) and a distributor which is necessary to ensure that, subject to the Act, electricity is distributed or supplied by means of the distributor's distribution system to the extent necessary to enable the retailer (or other person) to sell electricity to its customers
wholesale electricity market	has the same meaning as in the Act
wholesale licence	a licence to sell electricity in the wholesale market designated as a wholesale licence by the Commission
Writing	any mode of representing or reproducing words, figures, drawings or symbols in a visible form

1.2 In this Licence, unless the context otherwise requires:

- (a) headings and footnotes are each for convenience only and do not affect the interpretation of this Licence;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (e) a reference to a condition, clause, or part is to a condition, clause, or part of this Licence;
- (f) a reference to any statute including the Act and regulations, proclamation, Order in Council, ordinance or by-law includes all statutes, regulations, proclamations, Orders in Council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, Orders in Council, ordinances, by-laws and determinations issued under that statute;
- (g) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
- (h) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (i) other parts of speech and grammatical forms of a word or phrase defined in this Licence have a corresponding meaning;
- (j) a period of time:

- (a) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
- (b) which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and
- (k) an event which is required under this Licence to occur on or by a stipulated day which is not a business day may occur on or by the next business day.

2. Notices

2.1. A notice under this Licence is only effective if it is in writing, and dealt with as follows:

- (a) if given by the Licensee to the Commission – addressed to the Chief Executive Officer of the Commission at the address specified below or as otherwise notified by the Commission:

Essential Services Commission, Level 37, 2 Lonsdale Street,
Melbourne VIC 3000; or

- (b) if given by the Commission to the Licensee – given by the Chief Executive Officer of the Commission and addressed to (and marked for attention of) the Chief Executive Officer of the Licensee at the addresses specified below or as otherwise notified by the Licensee:

TransGrid Services Pty Limited (ACN 626 136 865) as trustee for
TransGrid Services Trust, Level 1 180 Thomas Street, Sydney NSW
2000.

2.2. A notice is to be:

- (a) signed by or on behalf of the person giving the notice and delivered by hand; or
- (b) signed by or on behalf of the person giving the notice and sent by pre-paid post; or
- (c) transmitted electronically by or on behalf of the person giving the notice by electronic mail or facsimile transmission.

2.3. A notice is deemed to be effected:

- (a) if delivered by hand – upon delivery to the relevant address;
- (b) if sent by post – upon delivery to the relevant address;
- (c) if transmitted electronically – in accordance with the method set out in the *Electronic Transactions (Victoria) Act 2000* (Vic) for determining the time of receipt.

2.4. A notice received after 5.00 pm, or on a day that is not a business day, is deemed to be effected on the next business day.

Part B - Licence

3. Grant of the Licence

- 3.1. In exercise of its powers under section 19 of the Act, the Commission grants the Licensee, as owner of the transmission asset, a licence to transmit electricity via the transmission asset, and on the terms and conditions set out in this Licence with effect from the Commencement Date.
- 3.2. The authorisation granted by this Licence is limited to the transmission of electricity at the transmission asset.

Part C - Conditions of the Licence

4. Status of the requirements in this Part

- 4.1. A failure on the part of the Licensee to meet any of the requirements set out in this Part C:
- (a) is a breach of a condition for the purposes of Part 7 of the ESC Act; and
 - (b) is a breach of a condition for the purposes of clause 18 of this Licence.
- 4.2. The Licensee acknowledges that any condition deemed by the Act to be included in a licence to transmit electricity forms part of this Licence and that a breach of any such condition constitutes a breach of a condition for the purposes of clause 18 of this Licence.

5. Payment of fees

- 5.1. The Licensee must pay a licence fee as determined by the Minister in accordance with the provisions of section 22 of the Act.

6. Ongoing technical capacity

- 6.1. The Licensee must at all times maintain:
- (a) such technical capacity as is:
 - (a) required to meet the obligations under this Licence; and
 - (b) reasonably required to undertake the activities authorised by this licence; and
 - (b) such additional technical capacity as is reasonably required to enable it to meet and utilise technological advances in the electricity industry.
- 6.2. In this clause 6, activities undertaken pursuant to this Licence include any activities undertaken by a contractor, subcontractor, agent or other third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence.
- 6.3. The Licensee must ensure that any contract, entered into with any third parties for the performance of licensable functions, contains such

provisions as are necessary to ensure the third party provides its services in a way that enables the Licensee to comply with the requirements of this licence and this clause 6.

7. Compliance with regulatory instruments

7.1 Subject to clause 7.2, the Licensee must comply with:

- (a) the Electricity System Code;
- (b) relevant industry standards; and
- (c) any other code, procedure or guideline issued by the Commission from time to time that is expressed as being one with which the Licensee must comply,

to the extent they are applicable to activities undertaken by the Licensee pursuant to this Licence.

7.2 The Commission may, from time to time, by written notice grant an exemption in relation to or otherwise modify the application of some of the requirements of the instruments referred to in clause 7.1.

7.3 The Licensee must have in place an adequate system for monitoring compliance with this Licence and the instruments referred to in clause 7.1.

7.4 The Licensee must comply with the relevant requirements of the *Electricity Safety Act 1998* and any regulations made under that Act.

7.5 The Licensee must comply with the National Electricity Rules and the National Electricity Law.

7.6 The Licensee must notify the Commission of any breach by it of the conditions of this Licence, including breach of any of the instruments referred to in clause 7.1, as soon as reasonably practicable after it becomes aware of the breach.

7.7 The Licensee must be registered as a Transmission Network Service Provider with AEMO or exempt from the requirement to be registered as a Transmission Network Service Provider in accordance with the National Electricity Rules.

8. Obligation to connect to electricity transmission system

8.1 The following persons may make a request under clause 8.2.

- (a) a person which holds or has made application for or intends to make application for one or more of the following kinds of licence:
 - (1) a generation licence;
 - (2) a distribution licence;
 - (3) a wholesale licence; or
 - (4) a transmission licence; or
- (b) a person registered with AEMO under the National Electricity Rules;

- (c) a person which is exempted from the requirement to obtain a licence;
or
 - (d) a person which:
 - (1) is or intends to become a customer taking supply directly from the Licensee's electricity transmission system; or
 - (2) holds or has made application to or intends to make application for a retail licence and wishes to sell electricity to a person which is or intends to become a customer taking supply directly from the Licensee's electricity transmission system.
- 8.2. If a person referred to in clause 8.1 requests the Licensee to offer to provide connection to the Licensee's electricity transmission system or to increase the performance of an existing connection to the Licensee's electricity transmission system, and includes in the request all information the Licensee reasonably requires in order to make such an offer, then the Licensee must offer to provide connection or connection at the requested higher performance level within the time specified in clause 8.3.
- 8.3. The Licensee must make an offer under clause 8.2 within:
 - (a) 65 business days; or
 - (b) such other period as the Commission decides to be reasonable, after receiving the request or all information which the Licensee reasonably requires in order to make such an offer (whichever is the later) and must otherwise deal with a request under clause 8.2 in accordance with any applicable guidelines published by the Commission.
- 8.4. An offer made by the Licensee under this clause 8 must not be inconsistent in the opinion of the Commission with:
 - (a) any guidelines published by the Commission which, in the opinion of the Commission, are applicable to the offer except to the extent the offer is consistent in the opinion of the Commission with an approved statement; and
 - (b) any approved statement which, in the opinion of the Commission, is applicable to the offer.
- 8.5. An offer under clause 8.2 must be fair and reasonable. Any question as to the fairness and reasonableness of a term of an offer shall be decided by the Commission on the basis of the Commission's opinion of the fairness and reasonableness of the term.
- 8.6. The Licensee must not refuse to make an offer to provide connection, or to provide connection at a higher performance level as contemplated by this clause 8, unless:
 - (a) the Licensee has made an offer to provide those services in accordance with this clause 8 but the offer has not been accepted; or
 - (b) the Licensee is permitted or required to do so by any of the codes with which the Licensee must comply pursuant to clause 7.1.

8.7 A question as to the reasonableness of a requirement by the Licensee for information as contemplated by clause 8.2, or as to the reasonableness of a period under clause 8.3(b), shall be decided by the Commission on the basis of the Commission's opinion of the reasonableness of the requirement or the period

8.8 A question as to the applicability of guidelines for the purpose of clause 8.3 or 8.4 shall be decided by the Commission on the basis of the Commission's opinion of their applicability.

9. Provision of other services

9.1. In undertaking the activities authorised by this licence, the terms on which the Licensee provides services which are regulated transmission services, but not connection or network services, must be fair and reasonable.

9.2. Any question as to the fairness and reasonableness of such terms shall be decided by the Commission on the basis of the Commission's opinion of the fairness and reasonableness of the terms.

10. Approved Statements

10.1. The Licensee may submit to the Commission for its approval, and must do so within 20 business days of being required by the Commission by notice in writing to do so, a statement setting out any or all of:

- (a) the charges it proposes to make for providing any services of the kind referred to in clauses 8, 9 and 11;
- (b) the maximum charges for such services;
- (c) the principles for setting such charges; and
- (d) a methodology for setting such charges.

10.2. The Licensee may submit to the Commission for approval amendments to an approved statement and must do so within 20 business days of being required by the Commission by notice in writing to do so.

11. Obligation to enter into a network agreement

11.1. Within 20 business days after a request by AEMO, the Licensee must offer to enter into a network agreement on terms which are not inconsistent in the opinion of the Commission with:

- (a) Any guidelines published by the Commission which, in the opinion of the Commission, are applicable to the offer except to the extent the offer is consistent in the opinion of the Commission with an approved statement; and
- (b) Any approved statement which, in the opinion of the Commission, is applicable to the offer.

11.2. An offer under clause 11.1 must be fair and reasonable. Any question as to the fairness and reasonableness of a term of an offer shall be decided

by the Commission on the basis of the Commission's opinion of the fairness and reasonableness of the term.

12. Augmentation

- 12.1. The Licensee must not augment an electricity transmission system except pursuant to a network agreement with AEMO or a connection agreement with a distributor, generator or customer.

13. Separate accounts

- 13.1. If the Licensee holds more than one category of licence under Part 2 of the Act, the Licensee must prepare separate accounts for each part of its business in respect of which it has been granted a separate licence.

14. Standards and Procedures

- 14.1. At the written request of the Commission, the Licensee must participate to the extent specified by the Commission in the development, issue and review of any standards and procedures specified by the Commission.
- 14.2. The Licensee must in accordance with guidelines published for this purpose, or as directed by the Commission, report to the Commission on its performance against applicable standards and procedures.
- 14.3. If the Commission considers that:
- (a) the Licensee has failed to comply with clause 14.1; or
 - (b) standards and procedures applicable to the Licensee have been shown to be insufficient to prevent abuses by the Licensee of any market power it enjoys,

the Commission may issue standards and procedures applicable to the Licensee and with which the Licensee must comply.

15. Provision of information to AEMO and Commission

- 15.1. The Licensee must maintain comprehensive records regarding any activities undertaken pursuant to this Licence for a period of at least 7 years.
- 15.2. The Licensee must as soon as reasonably practicable provide AEMO with such information relating to any activities undertaken pursuant to this Licence as AEMO may properly request in connection with the performance of its functions or the exercise of its powers under the Act in the manner and form specified by AEMO.
- 15.3. The Licensee must, as soon as reasonably practicable, provide the Commission with such information relating to any activities undertaken pursuant to this Licence as the Commission may properly request in connection with the performance of its functions or the exercise of its powers under the Act and in a manner and form specified by the Commission.
- 15.4. The Licensee must, as soon as reasonably practicable, provide the Commission with information on its ongoing technical capacity or financial

viability to undertake the activities authorised by this Licence as the Commission may properly request in connection with the performance of its functions or the exercise of its powers under the Act and in a manner and form specified by the Commission.

- 15.5. The Licensee must, as soon as reasonably practicable, provide the Commission with information regarding any material change to the terms of the following agreements:
- (a) Management Services Agreement dated 19 June 2018;
 - (b) Construction Management Operations and Maintenance Services agreement dated 19 June 2018; and
 - (c) Project Services Agreement for Berrybank Wind Farm dated 16 April 2019.

15.6. In this clause 15:

- (a) activities undertaken pursuant to this Licence includes any activities of that type undertaken by a contractor, subcontractor, agent or other third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence; and
- (b) information includes information in the possession, custody or control of any third party.

The Licensee must ensure that any contract entered into with any such third parties contains such provisions as are necessary to enable the Licensee to comply with the requirements of this clause 15.

15.7. **Change of control**

- (a) the Licensee must give the Commission a notice if any event occurs, any decision by the Licensee is made, or any other circumstances exist that will effect a change of control of the Licensee or NSW Electricity Networks Operations Pty Limited, as trustee for NSW Electricity Networks Operations Trust.
- (b) the notice required under condition 15.7(a) must set out particulars of the relevant event, decision or circumstance as soon as practicable, and in any case not later than 3 Business Days after the Licensee becomes aware of the event or circumstance or makes the decision.

16. **Audit**

16.1. Upon request by the Commission, the Licensee must appoint an auditor to be approved by the Commission to conduct audits of:

- (a) the Licensee's compliance with its obligations under the Act or this Licence, including but not limited to the codes and guidelines referred to in clause 7.1; and
- (b) the reliability and quality of information reported by the Licensee to the Commission and the consistency of that information with the Commission's specifications; and

(c) any other matter as directed by the Commission.

- 16.2. The Licensee must ensure that the Commission is promptly provided with a copy of any reports produced by the auditor pursuant to this clause. The Licensee must comply, and must require the auditor to comply, with any guidelines issued by the Commission dealing with audits under this clause. The Licensee must also provide draft reports if requested by the Commission.

17. Compliance with Laws

- 17.1. The Licensee must comply with all applicable laws.

18. Revocation

- 18.1. The Commission may revoke this Licence:
- (a) at any time at the request of or with the consent of the Licensee; or
 - (b) in accordance with the Act.
- 18.2. Consistent with its objectives under the Act and the ESC Act, the Commission may revoke this Licence if:
- (a) the Licensee fails to comply with an undertaking or a final enforcement order;
 - (b) the Licensee breaches any condition of this Licence, including any condition deemed to apply by the Act or any other applicable legislation;
 - (c) any information provided by the Licensee pursuant to this Licence or in its application for the Licence is found to be materially false or misleading;
 - (d) the Licensee's technical capacity or financial viability is such that the Commission considers that the Licensee would be unable to satisfactorily meet its obligations under this Licence;
 - (e) the Licensee fails to comply with a decision, direction, determination or arrangement (including any arrangement concerning load shedding) (as the case may be) made by or agreed with the Commission, AEMO, or the Minister;
 - (f) following any one of the following events:
 - (1) a petition or other application being presented or resolution being passed for the winding up, liquidation or dissolution of the Licensee or notice of intention to propose such a resolution being given or the entry of the Licensee into a scheme of arrangement or compromise or deed of company arrangement with any of its creditors;
 - (2) the appointment of an administrator, a receiver or receiver and manager or official manager or agent of a secured creditor to any of the Licensee's property;

- (3) the Licensee ceasing to carry on business or stopping or wrongfully suspending payment to any of its creditors or stating its intention to do so;

the Commission determines that the event, or actions arising from an event, would, or would be likely to, result in the inability of the licensee to meet its obligations under this licence.

18.3 Where the Commission decides to revoke this Licence, the Commission will issue a notice to the Licensee, specifying:

- (a) the basis upon which the Commission is revoking this Licence; and
- (b) the date upon which the revocation will take effect, such date to be:
 - (a) where clause 18.2(a) applies or where in the Commission's opinion it is appropriate that the Licence be revoked in a shorter time frame having regard to its objectives and the events or circumstances that gave rise to the notice being issued, no less than 5 business days after the date upon which the notice is issued; and
 - (b) in all other cases, no less than 20 business days after the date upon which the notice is issued.

and, subject to clause 18.4, this Licence will be revoked on the date specified in the notice.

18.4 The Commission may, at its discretion and by written notice to the Licensee, withdraw a notice issued under clause 18.3 at any time prior to the revocation date specified in the notice if the Commission is satisfied that the Licensee has complied with the relevant final enforcement order or undertaking, rectified the breach or complied with the relevant decision, direction, determination or arrangement (as the case may be) or if the Commission considers that it is otherwise appropriate to withdraw the notice.

19. Variation

19.1 For the purposes of section 29(1)(a) of the Act, the Commission may vary this Licence in accordance with the procedures set out in this clause 19.

19.2 Where the Commission:

- (a) wishes to amend the list of instruments referred to in clause 7.1; or
- (b) is of the opinion that a proposed variation to the Licence is consistent with its objectives and is:
 - (a) of an administrative or trivial nature; or
 - (b) required urgently, such that it would not be appropriate to issue a notice under section 29(1)(c) of the Act,

the Commission may issue a notice to the Licensee varying this licence accordingly.

19.3 A notice issued under clause 19.2 will include:

- (a) the terms of the variation;
- (b) the purpose of the variation;
- (c) where clause 19.2(b) applies, confirmation that the Commission is of that opinion; and
- (d) the date upon which the variation will take effect.

20. Transfer

20.1 This Licence may be transferred in accordance with section 31 of the Act.

21. Administrator

21.1 Subject to clause 18, if an administrator is appointed to the Licensee's business under section 34 of the Act, the administrator must exercise its functions and powers in such a manner as may be specified by the Commission in the instrument of appointment.

22. Insurance

22.1 The Licensee must maintain at all times adequate general public liability insurance covering liability arising out of the activities authorised by this Licence.

22.2 The Licensee must at all times comply with the terms and conditions of its general public liability insurance policy, and maintain the financial capacity to meet any uninsured amount forming part of the maximum cover provided under the policy.

22.3 For the avoidance of doubt, the uninsured amount is the deductible and/or excess as per the policy taken out under clause 22.1.

Schedule 1 – Variations to the Licence

Date	Variation



ESSENTIAL SERVICES COMMISSION

TRANSMISSION LICENCE

**TransGrid Services Pty Limited (ACN 626 136
865) as trustee for TransGrid Services Trust (ABN
70 250 995 390)**

**Issued on
4 December 2019**

C/19/26283
ET01-2019

TRANSMISSION LICENCE

This Licence is issued pursuant to section 19 of the *Electricity Industry Act 2000* (Vic) and is subject to the terms set out in this Licence.

Date

This Licence is issued on **4 December 2019**

Licensee

This Licence is issued to:


TransGrid Services Pty Ltd (ACN 626 136 865)

as trustee for TransGrid Services Trust (ABN 70 250 995 390)

**THE COMMON SEAL of the
ESSENTIAL SERVICES COMMISSION**
was affixed pursuant to the authority
of the Commission

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Kate Symons
Chairperson

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Part A – Definitions and Interpretation

1. Definitions

1.1. Unless the contrary intention appears a term in bold type has the meaning shown opposite it:

Act	the <i>Electricity Industry Act 2000</i> (Vic)
administrator	an administrator appointed by the Commission under section 34 of the Act
AEMO	Australian Energy Market Operator (ACN 072 010 327)
AER	the Australian Energy Regulator
approved statement	a statement of the kind referred to in clause 10 that is submitted to and approved, by notice in writing to the Licensee, by the Commission
augmentation	in relation to an electricity transmission system, the process of maintaining or upgrading the operating capability of the electricity transmission system by replacing or enhancing existing plant and equipment or by adding plant and equipment
business day	a day other than a Saturday, Sunday or a public holiday in Victoria
change of control	<p>a change of control occurs if a shareholder of an entity, at the time it becomes a shareholder:</p> <ul style="list-style-type: none">(a) does not have the capacity to control the composition of the board of directors of the entity or a holding company of that entity;(b) is not in a position to cast or control the casting of more than 50% of the maximum number of votes that might be cast at a general meeting of that entity or a holding company of that entity; or(c) does not beneficially hold more than 50% of the issued share capital of the entity or a holding company of that entity, <p>subsequently has the ability to do so, or does so, provided that no change of control will be deemed to have occurred where:</p> <ul style="list-style-type: none">(d) the ultimate holding company of that entity remains the same as its ultimate holding company (if any) on the date upon which the shareholder first became a shareholder; or(e) the change of control results from the acquisition or cancellation of, or dealing in, securities which are traded on a recognised financial market

Commencement Date 4 December 2019

Commission	the Essential Services Commission established under the ESC Act
connection	the contact between the electrical systems of two persons such as will allow the supply of electricity between those systems
connection agreement	an agreement relating to the provision of connection services
connection services	the services of establishing and maintaining connection between an electricity transmission system and another electrical system or electrical installation
control	in respect of an entity has the same meaning given in section 50AA of the Corporations Act
Corporations Act	means the <i>Corporations Act 2001</i> (Cth)
customer	a person who buys or wishes to buy electricity directly through the NEM or from a retailer
declared transmission system	has the same meaning as in the National Electricity (Victoria) Act 2005
distribute	in relation to electricity, means to distribute electricity using a distribution system
distribution licence	a licence to distribute or supply electricity granted under the Act
distribution services	the transportation and delivery of electricity through a distribution system and any other services which a distributor includes in its network tariff
distribution system	in relation to a distributor, a system of electric lines (generally at nominal voltage levels of 66kV or below) which the distributor uses to distribute or supply electricity
distributor	a person who holds, or is exempt from holding, a distribution licence
Electricity Distribution Code	the code of that name certified by the Commission
Electricity System Code	the code of that name certified by the Commission
Electricity Transmission Code	a transmission system in Victoria (generally at nominal voltage levels of 66kV or above) which the holder of a transmission licence may use to transmit electricity
enforcement order	a provisional enforcement order or a final enforcement order made and served by the Commission under section 53 of the ESC Act
ESC Act	the <i>Essential Services Commission Act 2001</i> (Vic)

final enforcement order	a final order made under section 53 of the ESC Act
generation licence	a licence to generate electricity for supply or sale under the Act
generator	A person who holds, or is exempt from holding, a generation licence
guideline	a guideline published by the Commission
Holding Company	means, in relation to an entity, an entity of which the first entity is a subsidiary
Licensee	TransGrid Services Pty Limited (ACN 626 136 865) as trustee for TransGrid Services Trust (ABN 70 250 995 390)
Market network services	has the same meaning as in the National Electricity Rules
Minister	the person who is, from time to time, the Minister for the purposes of the relevant section of the Act
National Electricity Law	the National Electricity (Victoria) Law which applies in Victoria as a result of the operation of section 6 of the <i>National Electricity (Victoria) Act 2005 (Vic)</i>
National Electricity Rules	the rules of that name made under the National Electricity Law
NEM	the National Electricity Market operated by AEMO for wholesale trading in electricity
network agreement	has the same meaning as in the National Electricity Rules
network services	services relating to the use of an electricity transmission system, including, without limitation, any of: (a) network transmission services including: (1) power transfer capability between nodes; (2) configuration switching capability at nodes; (3) system security and stabilisation capability services; and (4) voltage and reactive control capability nodes; (b) network operations systems including: (1) remote operation services (including provision of appropriate personnel of the Licensee to perform operational tasks at the direction of Victorian Power Exchange); (2) voice and data communications services (2A) system performance monitoring services; (3) real time operational information and control capability; and

	(4) operational information (including plant characteristics); and
	(c) technical support including:
	(1) special incident investigations (including, where relevant, a 24 hour service); and
	(2) design investigations and costs estimates.
objectives	the objectives of the Commission under the Act and the ESC Act
order	an Order in Council made or in force under the Act
provisional enforcement order	a provisional order made and served by the Commission under section 53 of the ESC Act
regulated transmission service	a service that is subject to regulation under Chapter 6A of the National Electricity Rules
retail licence	a licence granted under the Act to sell electricity otherwise than through the NEM
retailer	a person who holds, or is exempt from holding, a retail licence
subsidiary	has the meaning given in the Corporations Act
supply	in relation to electricity means the delivery of electricity
trader licence	a licence to sell electricity designated as a trader licence by the Commission
transmission asset	the connection and extension assets associated with the Kiamal Solar Farm and Kiamal Terminal Station, located approximately 3km north of Ouyen in north-western Victoria
transmission licence	a licence to transmit electricity granted under section 19 of the Act
transmission service	has the same meaning as in the National Electricity Rules
transmit	in relation to electricity means to transfer electricity in bulk
Ultimate Holding Company	means, in relation to an entity, an entity that: (a) is a holding company of the first-mentioned entity; and (b) is itself a subsidiary of no entity
Undertaking	an undertaking given by the Licensee under section 53(5)(a) of the ESC Act
use of system agreement	an agreement between a retailer (or other person who has made an application for a retail licence) and a distributor which is necessary to ensure that, subject to the Act, electricity is distributed or supplied by means of the distributor's distribution system to the extent necessary to enable the

	retailer (or other person) to sell electricity to its customers
wholesale electricity market	has the same meaning as in the Act
wholesale licence	a licence to sell electricity in the wholesale market designated as a wholesale licence by the Commission
Writing	any mode of representing or reproducing words, figures, drawings or symbols in a visible form

1.2. In this Licence, unless the context otherwise requires:

- (a) headings and footnotes are each for convenience only and do not affect the interpretation of this Licence;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (e) a reference to a condition, clause, or part is to a condition, clause, or part of this Licence;
- (f) a reference to any statute including the Act and regulations, proclamation, Order in Council, ordinance or by-law includes all statutes, regulations, proclamations, Orders in Council, ordinances or by-laws varying, consolidating, re-enacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, Orders in Council, ordinances, by-laws and determinations issued under that statute;
- (g) a reference to a document or a provision of a document includes an amendment or supplement to, or replacement or novation of, that document or that provision of that document;
- (h) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (i) other parts of speech and grammatical forms of a word or phrase defined in this Licence have a corresponding meaning;
- (j) a period of time:
 - (a) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
 - (b) which commences on a given day or the day of an act or event is to be calculated inclusive of that day; and
- (k) an event which is required under this Licence to occur on or by a stipulated day which is not a business day may occur on or by the next business day.

2. Notices

- 2.1. A notice under this Licence is only effective if it is in writing, and dealt with as follows:
- (a) if given by the Licensee to the Commission – addressed to the Chief Executive Officer of the Commission at the address specified below or as otherwise notified by the Commission:

Essential Services Commission, Level 37, 2 Lonsdale Street,
Melbourne VIC 3000; or
 - (b) if given by the Commission to the Licensee – given by the Chief Executive Officer of the Commission and addressed to (and marked for attention of) the Chief Executive Officer of the Licensee at the addresses specified below or as otherwise notified by the Licensee:

TransGrid Services Pty Limited (ACN 626 136 865) as trustee for
TransGrid Services Trust, Level 1 180 Thomas Street, Sydney NSW
2000.
- 2.2. A notice is to be:
- (a) signed by or on behalf of the person giving the notice and delivered by hand; or
 - (b) signed by or on behalf of the person giving the notice and sent by pre-paid post; or
 - (c) transmitted electronically by or on behalf of the person giving the notice by electronic mail or facsimile transmission.
- 2.3. A notice is deemed to be effected:
- (a) if delivered by hand – upon delivery to the relevant address;
 - (b) if sent by post – upon delivery to the relevant address;
 - (c) if transmitted electronically – in accordance with the method set out in the *Electronic Transactions (Victoria) Act 2000* (Vic) for determining the time of receipt.
- 2.4. A notice received after 5.00 pm, or on a day that is not a business day, is deemed to be effected on the next business day.

Part B - Licence

3. Grant of the Licence

- 3.1. In exercise of its powers under section 19 of the Act, the Commission grants the Licensee, as owner of the transmission asset, a licence to transmit electricity via the transmission asset, and on the terms and conditions set out in this Licence with effect from the Commencement Date.
- 3.2. The authorisation granted by this Licence is limited to the transmission of electricity at the transmission asset.

Part C - Conditions of the Licence

4. Status of the requirements in this Part

- 4.1. A failure on the part of the Licensee to meet any of the requirements set out in this Part C:
- (a) is a breach of a condition for the purposes of Part 7 of the ESC Act; and
 - (b) is a breach of a condition for the purposes of clause 18 of this Licence.
- 4.2. The Licensee acknowledges that any condition deemed by the Act to be included in a licence to transmit electricity forms part of this Licence and that a breach of any such condition constitutes a breach of a condition for the purposes of clause 18 of this Licence.

5. Payment of fees

- 5.1. The Licensee must pay a licence fee as determined by the Minister in accordance with the provisions of section 22 of the Act.

6. Ongoing technical capacity

- 6.1. The Licensee must at all times maintain:
- (a) such technical capacity as is:
 - (a) required to meet the obligations under this Licence; and
 - (b) reasonably required to undertake the activities authorised by this licence; and
 - (b) such additional technical capacity as is reasonably required to enable it to meet and utilise technological advances in the electricity industry.
- 6.2. In this clause 6, activities undertaken pursuant to this Licence include any activities undertaken by a contractor, subcontractor, agent or other third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence.
- 6.3. The Licensee must ensure that any contract, entered into with any third parties for the performance of licensable functions, contains such provisions as are necessary to ensure the third party provides its services in a way that enables the Licensee to comply with the requirements of this licence and this clause 6.

7. Compliance with regulatory instruments

- 7.1. Subject to clause 7.2, the Licensee must comply with:
- (a) the Electricity System Code;
 - (b) relevant industry standards; and

(c) any other code, procedure or guideline issued by the Commission from time to time that is expressed as being one with which the Licensee must comply,

to the extent they are applicable to activities undertaken by the Licensee pursuant to this Licence.

- 7.2. The Commission may, from time to time, by written notice grant an exemption in relation to or otherwise modify the application of some of the requirements of the instruments referred to in clause 7.1.
- 7.3. The Licensee must have in place an adequate system for monitoring compliance with this Licence and the instruments referred to in clause 7.1.
- 7.4. The Licensee must comply with the relevant requirements of the *Electricity Safety Act 1998* and any regulations made under that Act.
- 7.5. The Licensee must comply with the National Electricity Rules and the National Electricity Law.
- 7.6. The Licensee must notify the Commission of any breach by it of the conditions of this Licence, including breach of any of the instruments referred to in clause 7.1, as soon as reasonably practicable after it becomes aware of the breach.
- 7.7. The Licensee must be registered as a Transmission Network Service Provider with AEMO or exempt from the requirement to be registered as a Transmission Network Service Provider in accordance with the National Electricity Rules.

8. Obligation to connect to electricity transmission system

- 8.1. The following persons may make a request under clause 8.2:
- (a) a person which holds or has made application for or intends to make application for one or more of the following kinds of licence:
 - (1) a generation licence;
 - (2) a distribution licence;
 - (3) a wholesale licence; or
 - (4) a transmission licence; or
 - (b) a person registered with AEMO under the National Electricity Rules;
 - (c) a person which is exempted from the requirement to obtain a licence;
or
 - (d) a person which:
 - (1) is or intends to become a customer taking supply directly from the Licensee's electricity transmission system; or
 - (2) holds or has made application to or intends to make application for a retail licence and wishes to sell electricity to a person which

is or intends to become a customer taking supply directly from the Licensee's electricity transmission system.

- 8.2. If a person referred to in clause 8.1 requests the Licensee to offer to provide connection to the Licensee's electricity transmission system or to increase the performance of an existing connection to the Licensee's electricity transmission system, and includes in the request all information the Licensee reasonably requires in order to make such an offer, then the Licensee must offer to provide connection or connection at the requested higher performance level within the time specified in clause 8.3.
- 8.3. The Licensee must make an offer under clause 8.2 within:
- (a) 65 business days; or
 - (b) such other period as the Commission decides to be reasonable, after receiving the request or all information which the Licensee reasonably requires in order to make such an offer (whichever is the later) and must otherwise deal with a request under clause 8.2 in accordance with any applicable guidelines published by the Commission.
- 8.4. An offer made by the Licensee under this clause 8 must not be inconsistent in the opinion of the Commission with:
- (a) any guidelines published by the Commission which, in the opinion of the Commission, are applicable to the offer except to the extent the offer is consistent in the opinion of the Commission with an approved statement; and
 - (b) any approved statement which, in the opinion of the Commission, is applicable to the offer.
- 8.5. An offer under clause 8.2 must be fair and reasonable. Any question as to the fairness and reasonableness of a term of an offer shall be decided by the Commission on the basis of the Commission's opinion of the fairness and reasonableness of the term.
- 8.6. The Licensee must not refuse to make an offer to provide connection, or to provide connection at a higher performance level as contemplated by this clause 8, unless:
- (a) the Licensee has made an offer to provide those services in accordance with this clause 8 but the offer has not been accepted; or
 - (b) the Licensee is permitted or required to do so by any of the codes with which the Licensee must comply pursuant to clause 7.1.
- 8.7. A question as to the reasonableness of a requirement by the Licensee for information as contemplated by clause 8.2, or as to the reasonableness of a period under clause 8.3(b), shall be decided by the Commission on the basis of the Commission's opinion of the reasonableness of the requirement or the period.
- 8.8. A question as to the applicability of guidelines for the purpose of clause 8.3 or 8.4 shall be decided by the Commission on the basis of the Commission's opinion of their applicability.

9. Provision of other services

- 9.1. In undertaking the activities authorised by this licence, the terms on which the Licensee provides services which are regulated transmission services, but not connection or network services, must be fair and reasonable.
- 9.2. Any question as to the fairness and reasonableness of such terms shall be decided by the Commission on the basis of the Commission's opinion of the fairness and reasonableness of the terms.

10. Approved Statements

- 10.1. The Licensee may submit to the Commission for its approval, and must do so within 20 business days of being required by the Commission by notice in writing to do so, a statement setting out any or all of:
- (a) the charges it proposes to make for providing any services of the kind referred to in clauses 8, 9 and 11;
 - (b) the maximum charges for such services;
 - (c) the principles for setting such charges; and
 - (d) a methodology for setting such charges.
- 10.2. The Licensee may submit to the Commission for approval amendments to an approved statement and must do so within 20 business days of being required by the Commission by notice in writing to do so.

11. Obligation to enter into a network agreement

- 11.1. Within 20 business days after a request by AEMO, the Licensee must offer to enter into a network agreement on terms which are not inconsistent in the opinion of the Commission with:
- (a) Any guidelines published by the Commission which, in the opinion of the Commission, are applicable to the offer except to the extent the offer is consistent in the opinion of the Commission with an approved statement; and
 - (b) Any approved statement which, in the opinion of the Commission, is applicable to the offer.
- 11.2. An offer under clause 11.1 must be fair and reasonable. Any question as to the fairness and reasonableness of a term of an offer shall be decided by the Commission on the basis of the Commission's opinion of the fairness and reasonableness of the term.

12. Augmentation

- 12.1. The Licensee must not augment an electricity transmission system except pursuant to a network agreement with AEMO or a connection agreement with a distributor, generator or customer.

13. Separate accounts

- 13.1. If the Licensee holds more than one category of licence under Part 2 of the Act, the Licensee must prepare separate accounts for each part of its business in respect of which it has been granted a separate licence.

14. Standards and Procedures

- 14.1. At the written request of the Commission, the Licensee must participate to the extent specified by the Commission in the development, issue and review of any standards and procedures specified by the Commission.
- 14.2. The Licensee must in accordance with guidelines published for this purpose, or as directed by the Commission, report to the Commission on its performance against applicable standards and procedures.
- 14.3. If the Commission considers that:
- (a) the Licensee has failed to comply with clause 14.1; or
 - (b) standards and procedures applicable to the Licensee have been shown to be insufficient to prevent abuses by the Licensee of any market power it enjoys,
- the Commission may issue standards and procedures applicable to the Licensee and with which the Licensee must comply.

15. Provision of information to AEMO and Commission

- 15.1. The Licensee must maintain comprehensive records regarding any activities undertaken pursuant to this Licence for a period of at least 7 years.
- 15.2. The Licensee must as soon as reasonably practicable provide AEMO with such information relating to any activities undertaken pursuant to this Licence as AEMO may properly request in connection with the performance of its functions or the exercise of its powers under the Act in the manner and form specified by AEMO.
- 15.3. The Licensee must, as soon as reasonably practicable, provide the Commission with such information relating to any activities undertaken pursuant to this Licence as the Commission may properly request in connection with the performance of its functions or the exercise of its powers under the Act and in a manner and form specified by the Commission.
- 15.4. The Licensee must, as soon as reasonably practicable, provide the Commission with information on its ongoing technical capacity or financial viability to undertake the activities authorised by this Licence as the Commission may properly request in connection with the performance of its functions or the exercise of its powers under the Act and in a manner and form specified by the Commission.
- 15.5. In this clause 15:
- (a) activities undertaken pursuant to this Licence includes any activities of that type undertaken by a contractor, subcontractor, agent or other

third party (a third party) engaged by the Licensee for the purpose of enabling the Licensee to undertake the activities authorised by this Licence; and

- (b) information includes information in the possession, custody or control of any third party.

The Licensee must ensure that any contract entered into with any such third parties contains such provisions as are necessary to enable the Licensee to comply with the requirements of this clause 15.

15.6. Change of control

- (a) the Licensee must give the Commission a notice if any event occurs, any decision by the Licensee is made, or any other circumstances exist that will effect a change of control of the Licensee.
- (b) the notice required under condition 15.6(a) must set out particulars of the relevant event, decision or circumstance as soon as practicable, and in any case not later than 3 Business Days after the Licensee becomes aware of the event or circumstance or makes the decision.

16. Audit

16.1. Upon request by the Commission, the Licensee must appoint an auditor to be approved by the Commission to conduct audits of:

- (a) the Licensee's compliance with its obligations under the Act or this Licence, including but not limited to the codes and guidelines referred to in clause 7.1; and
- (b) the reliability and quality of information reported by the Licensee to the Commission and the consistency of that information with the Commission's specifications; and
- (c) any other matter as directed by the Commission.

16.2. The Licensee must ensure that the Commission is promptly provided with a copy of any reports produced by the auditor pursuant to this clause. The Licensee must comply, and must require the auditor to comply, with any guidelines issued by the Commission dealing with audits under this clause. The Licensee must also provide draft reports if requested by the Commission.

17. Compliance with Laws

17.1. The Licensee must comply with all applicable laws.

18. Revocation

18.1. The Commission may revoke this Licence:

- (a) at any time at the request of or with the consent of the Licensee; or
- (b) in accordance with the Act.

18.2. Consistent with its objectives under the Act and the ESC Act, the Commission may revoke this Licence if:

- (a) the Licensee fails to comply with an undertaking or a final enforcement order;
- (b) the Licensee breaches any condition of this Licence, including any condition deemed to apply by the Act or any other applicable legislation;
- (c) any information provided by the Licensee pursuant to this Licence or in its application for the Licence is found to be materially false or misleading;
- (d) the Licensee's technical capacity or financial viability is such that the Commission considers that the Licensee would be unable to satisfactorily meet its obligations under this Licence;
- (e) the Licensee fails to comply with a decision, direction, determination or arrangement (including any arrangement concerning load shedding) (as the case may be) made by or agreed with the Commission, AEMO, or the Minister;
- (f) following any one of the following events:
 - (1) a petition or other application being presented or resolution being passed for the winding up, liquidation or dissolution of the Licensee or notice of intention to propose such a resolution being given or the entry of the Licensee into a scheme of arrangement or compromise or deed of company arrangement with any of its creditors;
 - (2) the appointment of an administrator, a receiver or receiver and manager or official manager or agent of a secured creditor to any of the Licensee's property;
 - (3) the Licensee ceasing to carry on business or stopping or wrongfully suspending payment to any of its creditors or stating its intention to do so;

the Commission determines that the event, or actions arising from an event, would, or would be likely to, result in the inability of the licensee to meet its obligations under this licence.

18.3. Where the Commission decides to revoke this Licence, the Commission will issue a notice to the Licensee, specifying:

- (a) the basis upon which the Commission is revoking this Licence; and
- (b) the date upon which the revocation will take effect, such date to be:
 - (a) where clause 18.2(a) applies or where in the Commission's opinion it is appropriate that the Licence be revoked in a shorter time frame having regard to its objectives and the events or circumstances that gave rise to the notice being issued, no less than 5 business days after the date upon which the notice is issued; and
 - (b) in all other cases, no less than 20 business days after the date upon which the notice is issued,

and, subject to clause 18.4, this Licence will be revoked on the date specified in the notice.

- 18.4. The Commission may, at its discretion and by written notice to the Licensee, withdraw a notice issued under clause 18.3 at any time prior to the revocation date specified in the notice if the Commission is satisfied that the Licensee has complied with the relevant final enforcement order or undertaking, rectified the breach or complied with the relevant decision, direction, determination or arrangement (as the case may be) or if the Commission considers that it is otherwise appropriate to withdraw the notice.

19. Variation

- 19.1. For the purposes of section 29(1)(a) of the Act, the Commission may vary this Licence in accordance with the procedures set out in this clause 19.
- 19.2. Where the Commission:
- (a) wishes to amend the list of instruments referred to in clause 7.1; or
 - (b) is of the opinion that a proposed variation to the Licence is consistent with its objectives and is:
 - (a) of an administrative or trivial nature; or
 - (b) required urgently, such that it would not be appropriate to issue a notice under section 29(1)(c) of the Act,
- the Commission may issue a notice to the Licensee varying this licence accordingly.
- 19.3. A notice issued under clause 19.2 will include:
- (a) the terms of the variation;
 - (b) the purpose of the variation;
 - (c) where clause 19.2(b) applies, confirmation that the Commission is of that opinion; and
 - (d) the date upon which the variation will take effect.

20. Transfer

- 20.1. This Licence may be transferred in accordance with section 31 of the Act.

21. Administrator

- 21.1. Subject to clause 18, if an administrator is appointed to the Licensee's business under section 34 of the Act, the administrator must exercise its functions and powers in such a manner as may be specified by the Commission in the instrument of appointment.

22. Insurance

- 22.1. The Licensee must maintain at all times adequate general public liability insurance covering liability arising out of the activities authorised by this Licence.

- 22.2. The Licensee must at all times comply with the terms and conditions of its general public liability insurance policy, and maintain the financial capacity to meet any uninsured amount forming part of the maximum cover provided under the policy.
- 22.3. For the avoidance of doubt, the uninsured amount is the deductible and/or excess as per the policy taken out under clause 22.1.

Schedule 1 – Variations to the Licence

Date	Variation
4 December 2019	This licence has not been varied

Appendix D

Written Declaration & Risk
Management Framework