

A large, lattice-structured high-voltage power line tower stands prominently in the center of the image. It is supported by multiple cross-arms holding several power lines that stretch across the frame. The background shows a clear sky with a soft gradient from blue to orange, suggesting a sunrise or sunset. In the distance, another similar tower is visible on the right side. The foreground consists of a dry, hilly landscape with sparse vegetation.

DESIGNATED NETWORK ASSET ACCESS POLICY

For Redhill to Clements Gap North DNA

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Revision Record			
Date	Version	Description	Approved By
9/10/2023	1.0	DNA Access Policy – Redhill to Clements Gap North	Ashley Manna, Executive Corporate Development

Background

Rule 5.2.7(c) of the NER provides that a DNA Owner must prepare, maintain and publish an *access policy* in accordance with rule 5.2A.8 of the NER. ElectraNet, as the DNA Owner has prepared this Access Policy in fulfilment of its obligations under rule 5.2.7(c).

This Access Policy has been approved by the *AER* in accordance with rule 5.2A.8 of the NER and is effective on the date fixed in the *AER*'s decision approving this Access Policy.

If a Service Applicant seeks a DNA Service, this Access Policy, together with the negotiating principles in Schedule 5.12 of the NER, will apply (see rule 5.2A.6(c) of the NER).

The DNA is not an "open access" facility. The DNA has been funded by the Pioneer Users, who have contractual rights to DNA Services, including under their respective TCAs with ElectraNet. A Service Applicant can request access to available capacity of the DNA (if any) or to fund new capacity, but has no entitlement to access the services or capacity contracted to the Pioneer Users.

As at the date of this Access Policy, all existing capacity of the DNA has been contracted to the Pioneer Users under their respective TCAs, and the DNA has no available capacity which can be contracted to Service Applicants.

A Service Applicant's application to access the DNA Service will form part of the Service Applicant's broader proposed *connection* to ElectraNet's *transmission network*. Therefore, the Service Applicant will be responsible for ensuring that it has, or will have, a *connection agreement* with ElectraNet as the *Primary Transmission Network Service Provider* of the *transmission network* to which the Service Applicant's *facility* will be connected using the DNA and any *identified user shared assets*.

Under the NER, ElectraNet is required to keep this Access Policy up to date and, subject to the *AER*'s approval under rule 5.2A.8 of the NER, ElectraNet may vary this Access Policy. Any variation to this Access Policy will take effect on the date fixed in the *AER*'s decision approving the variation.

Unless the context otherwise requires, *italicised* terms in this Access Policy have the same meaning given to them in the NER.

Designated Network Asset details

Designated Network Asset details	
Name/description of DNA	Redhill to Clements Gap North, comprised of: <ul style="list-style-type: none"> Redhill-Clements Gap North 132 kV transmission line (Redhill F1887); and Clements Gap North Substation.
Description of the route of the DNA	Refer to route map in Attachment 1. The existing Redhill to Clements Gap Wind Farm 132 kV transmission line is to be converted from a DCA to DNA.
Tenure arrangements for the DNA	<input type="checkbox"/> Freehold <input checked="" type="checkbox"/> Lease <input checked="" type="checkbox"/> Other: easements
Known limitations to future use and modification of the DNA	
Limitations on development or upgrading existing DNA assets	Land limitations on the Clements Gap North Substation due to lease arrangement. No physical room to expand the Clements Gap North Substation. The Service Applicant would be required to procure all property, easements, and rights required to access the DNA.
Limitations on increasing the capacity of the DNA	The maximum capacity of ElectraNet's <i>transmission network</i> at the <i>Transmission Network Connection Point</i> under summer system normal operating conditions is 141 MVA and is associated with network thermal limitations.
Limitations on operation of the DNA	The maximum capacity of the DNA is 105 MVA being the summer thermal rating of the DNA.
Key terms for DNA Service	Refer Section 6
Pricing methodology	Refer Attachment 2

DNA capacities and plant connected	As published on the ElectraNet website per rule 5.2A.8(n) of the NER.
Pioneer Users	Pacific Hydro Clements Gap Pty Ltd ACN 109 911 097 Pacific Hydro Clements Gap BESS Pty Limited ACN 110 295 933

Contact details for enquiries

All general enquiries regarding the DNA, the DNA Service or this Access Policy should be directed to: connection@electranet.com.au.

ACCESS POLICY

1. Application of Access Policy

- 1.1. This Access Policy applies to ElectraNet and each Service Applicant which has made an application in writing to ElectraNet for the provision of a DNA Service.
- 1.2. Both ElectraNet and any Service Applicant who wishes to receive a DNA Service from ElectraNet must comply with the requirements of this Access Policy.
- 1.3. The requirements set out in this Access Policy are additional to any requirements or obligations contained in Schedule 5.12 of the NER. In the event of any inconsistency between this Access Policy and the NER, the NER will prevail.
- 1.4. Nothing in this Access Policy or in the NER will be taken as imposing an obligation on ElectraNet to provide any service (including any DNA Service) to the Service Applicant.

2. Obligation to negotiate in good faith

Pursuant to rule 5.2A.8(b3), ElectraNet and the Service Applicant are required to negotiate in good faith and comply with the timeframes to negotiate the pricing for, and terms and conditions of, a DNA Service.

3. Timeframe for commencing, progressing and finalising negotiations

- 3.1. Paragraph 3.3.1 sets out the timeframe for commencing, progressing and finalising negotiations in relation to a DNA Service.
- 3.2. The timeframes set out in paragraph 3.3.1 may be suspended in accordance with paragraph 8.
- 3.3. Applications for a DNA Service
 - 3.3.1. The timeframes for commencing, progressing and finalising negotiations with a Service Applicant for a DNA Service are set out in Table 3-1.
 - 3.3.2. The timeframes specified in Table 3-1 may be modified from time to time:
 - (a) in order to align the timeframes specified in Table 3-1 to the then-current *preliminary program* for the proposed milestones for *connection* and access activities agreed between the Service Applicant (in its capacity as the *Connection Applicant*) and ElectraNet (in its capacity as the *Primary Transmission Network Service Provider* of the *transmission network* to which the Service Applicant's *facility* will be connected) (**TCA Preliminary Program**);
 - (b) in order to consult and seek necessary information and consents (if any) necessary to support the negotiations; and
 - (c) otherwise by agreement between the parties, and such agreement must not be unreasonably withheld.
 - 3.3.3. The requirement in paragraph 3.3.2 applies to the last amended timeframe.

Table 3-1 – Timeframe for negotiation

	Event	Indicative timeframe
A	Receipt of a competent written application for the DNA Service and a written confirmation from the Service Applicant that it has submitted a <i>connection</i> enquiry to ElectraNet (in its capacity as the <i>Primary Transmission Network Service Provider</i> of the <i>transmission network</i> , to which the Service Applicant's <i>facility</i> will be connected) pursuant to rule 5.3.2 of the NER relating to its proposed <i>connection</i> to ElectraNet's <i>transmission network</i> .	X
B	Parties meet to discuss a preliminary program with milestones for the DNA Service that represents a reasonable period of time for commencing, progressing and finalising negotiations for the provision of the DNA Service (having regard to the TCA Preliminary Program).	X + 20 Business Days
C	Parties finalise the preliminary program for commencing, progressing and finalising negotiations for the provision of the DNA Service, which must align with the TCA Preliminary Program and may include, without limitation, milestones relating to: <ol style="list-style-type: none"> 1. the request by ElectraNet, and provision by the Service Applicant, of Commercial Information; and 2. notification and consultation with AEMO and / or any affected <i>Network Users</i>. 	X + 30 Business Days
D	ElectraNet provides the Service Applicant with an offer for the DNA Service (which offer is to detail any technical requirements or limitations agreed as part of this process relevant to the Service Applicant's proposed <i>connection</i> to ElectraNet's <i>transmission network</i>).	X + 120 Business Days
E	Parties finalise negotiations.	X + 160 Business Days

3.3.4. Subject to paragraph 3.3.1, ElectraNet and the Service Applicant must, following a request by the Service Applicant, use their reasonable endeavours to:

- (a) hold a meeting within 20 Business Days of receipt of the application from the Service Applicant, or such other period as agreed by the parties, in order to agree a timetable for the conduct of negotiations and to commence discussion regarding other relevant issues;
- (b) progress the negotiations for the provision of the DNA Service by ElectraNet such that the negotiations may be finalised in accordance with paragraph 3.3.4(a);
- (c) adhere to any timetable established for the negotiation and to progress the negotiation in an expeditious manner; and
- (d) finalise the negotiations for the provision of the DNA Service by ElectraNet within a time period agreed by the parties.

- 3.3.5. Notwithstanding paragraph 3.1, or any other provision of this Access Policy, the timeframes set out in paragraph 3.3.1:
- (a) do not commence until payment of the amount to ElectraNet pursuant to paragraph 10.1 and the execution of a binding agreement (if required) pursuant to paragraph 10.2; and
 - (b) recommence from the beginning if there is a material change in the service sought by the Service Applicant, unless ElectraNet agrees otherwise.

4. Provision of Commercial Information by Service Applicant

Obligation to provide initial Commercial Information

- 4.1. Within a time agreed by the parties, ElectraNet must use its reasonable endeavours to give notice to the Service Applicant requesting Commercial Information held by the Service Applicant that is reasonably required by ElectraNet to enable it to:
- 4.1.1. engage in effective negotiations with the Service Applicant in relation to the application; and
 - 4.1.2. consider the impacts on the existing *connected* parties of the provision of a DNA Service to the Service Applicant.
- 4.2. Subject to paragraphs 4.3 and 4.6, the Service Applicant must use its reasonable endeavours to provide ElectraNet with the Commercial Information requested by ElectraNet in accordance with paragraph 4.1 within 20 Business Days of that request, or within a time period otherwise agreed by the parties.
- 4.3. Notwithstanding paragraph 4.1, the obligation under paragraph 4.1 is suspended if a dispute relating to this Access Policy arises, from the date of notification of that dispute until the conclusion of the dispute in accordance with paragraph 11.

Obligation to provide additional Commercial Information

- 4.4. ElectraNet may give a notice to the Service Applicant requesting the Service Applicant to provide ElectraNet with any additional Commercial Information that is reasonably required by ElectraNet to enable it to:
- 4.4.1. engage in effective negotiations with the Service Applicant in relation to the provision of the DNA Service or to clarify any Commercial Information provided pursuant to paragraph 4.2; or
 - 4.4.2. consider the impacts on the existing *connected* parties of the provision of DNA Services to the Service Applicant.
- 4.5. The Service Applicant must use its reasonable endeavours to provide ElectraNet with the Commercial Information requested by ElectraNet in accordance with paragraph 4.4 within 20 Business Days of the date of the request under paragraph 4.4, or such other period as agreed by the parties.

Confidentiality requirements

- 4.6. For the purposes of this paragraph 4, Commercial Information does not include:
- 4.6.1. confidential information provided to the Service Applicant by another person; or
 - 4.6.2. information that the Service Applicant is prohibited, by law, from disclosing to ElectraNet.

- 4.7. Commercial Information may be provided by the Service Applicant subject to conditions including the condition that ElectraNet must not disclose the Commercial Information to any other person unless the Service Applicant consents in writing to the disclosure. The Service Applicant may require ElectraNet to enter into a confidentiality agreement, on terms reasonably acceptable to both parties, with the Service Applicant in respect of any Commercial Information provided to ElectraNet.

5. Provision of information by ElectraNet

- 5.1. ElectraNet must provide the Service Applicant with such information held by ElectraNet that is reasonably required by a Service Applicant to enable it to prepare a request to ElectraNet for the provision of the DNA Service it requires within a timeframe agreed by the parties.
- 5.2. The information referred to in paragraph 5.1 must be provided by ElectraNet subject to conditions including the condition that the Service Applicant must not disclose the information to any other person unless ElectraNet consents in writing to the disclosure. ElectraNet may require the Service Applicant to enter into a confidentiality agreement, on terms reasonably acceptable to both parties, with ElectraNet in respect of any information provided to the Service Applicant.
- 5.3. ElectraNet may disclose information provided by the Service Applicant or relating to the Service Applicant's *facilities* to *AEMO* and *Local Network Service Providers* as appropriate.
- 5.4. Subject to paragraph 5.5, ElectraNet will notify existing *connected* parties if it receives an access request from a Service Applicant and may consult with each existing *connected* party in relation to any potential impacts of providing the Service Applicant with the requested DNA Services and to support the determination of avoided costs (as detailed in Schedule 5.12 of the NER).
- 5.5. ElectraNet may disclose information provided by the Service Applicant or relating to the Service Applicant's *facilities* to existing *connected* parties to the extent reasonably necessary to comply with paragraph 5.4. ElectraNet will consult with the Service Applicant before disclosing any such information identified as confidential and will use reasonable endeavours to procure existing *connected* parties to enter into reasonable confidentiality arrangements with the Service Applicant.

6. Key terms applicable to the DNA Service

The Service Applicant acknowledges and agrees that the following key terms will apply to ElectraNet's provision of the DNA Service to the Service Applicant:

- 6.1. the provision of the DNA Service by ElectraNet is subject to the Service Applicant:
 - 6.1.1. having an unconditional TCA with ElectraNet in its capacity as the *Primary Transmission Network Service Provider* of the *transmission network* to which the Service Applicant's *facility* will be connected (via the DNA and/or identified user shared assets);
 - 6.1.2. ensuring that the applicable *performance standards* for its *facility* is based on the automatic access standard (in accordance with rule 5.3.2 of the NER) or for a negotiated access standard, approved by *AEMO* in accordance with the procedures set out in rule 5.3.4A of the NER; and
 - 6.1.3. obtaining *AEMO's* approval with respect to the location of the *connection point* for the DNA Service and the relevant metering installations;
- 6.2. the term of the *connection agreement* for the provision of DNA Services to the Service Applicant will have regard to the term of the transmission connection agreements with the Pioneer Users and subsequent recipients of DNA Services established with respect to the DNA, as required by rule 5.2A.7(c) of the NER;
- 6.3. neither the DNA Owner, or a person who is provided DNA Services may engage in conduct for the purpose of preventing or hindering access to DNA Services, as required by rule 5.2A.8(l) of the NER;

- 6.4. pricing for the DNA Service will be in accordance with the pricing methodology set out in paragraph 7 and Attachment 2;
- 6.5. the *connection* of a Service Applicant to the DNA and access to the DNA Service must not adversely affect contractual rights and obligations of an existing *connected* party to the DNA;
- 6.6. the connection of the Service Applicant to the DNA and access to the DNA Service must not:
 - 6.6.1. result in the Service Applicant becoming the owner (or one of the owners) of any part of the existing DNA or upgrade of that asset without ElectraNet's prior written consent;
 - 6.6.2. require an existing *connected* party or ElectraNet to bear all or some of the costs of an upgrade of the DNA or maintaining an upgrade;
 - 6.6.3. require an existing *connected* party to the DNA to bear all or some of the costs of a *connection* to the DNA or maintaining a *connection*; or
 - 6.6.4. require ElectraNet to extend or replicate the DNA; and

ElectraNet may, but is not required to, give access to the Service Applicant to the DNA Service if doing so would mean the DNA would no longer constitute a *designated network asset*, as provided for by rule 5.2A.8(m) of the NER.

7. Pricing and cost sharing

- 7.1. The price for the DNA Service will be determined by ElectraNet in accordance with the pricing methodology set out in Attachment 2.
- 7.2. The pricing methodology specifies how prices for the DNA Service will be calculated and includes hypothetical examples of pricing outcomes for different types of *facilities connecting* to the DNA at different times. For the avoidance of doubt the DNA Owner may, but is not required to, have regard to the different types of *facilities connecting* to the DNA or their time of *connection*.
- 7.3. Pursuant to rule 5.2A.8(b2) of the NER, this Access Policy may but is not required to include arrangements for cost sharing between the Service Applicant and existing *connected* parties to the DNA. This Access Policy does not provide for such arrangements.
- 7.4. To the extent ElectraNet recovers from a future recipient of DNA Services an amount on account of the lost revenue or increased cost of existing *connected* parties to the DNA, ElectraNet shall pass on such amount to the existing *connected* parties to the DNA once the amount is recovered from the future recipient of DNA Services.

8. Suspension of timeframe

The timeframes for negotiation of provision of the DNA Service as contained within this Access Policy, or as otherwise agreed between the parties, are to be suspended in accordance with the provisions below:

- 8.1. if within 15 Business Days of a Service Applicant providing the Commercial Information to ElectraNet pursuant to paragraph 4.2 or 4.5, ElectraNet does not formally accept that Commercial Information;
- 8.2. a dispute in relation to the DNA Service has been commenced under the NER, from the date of notification of that dispute until:
 - 8.2.1. the withdrawal of the dispute in accordance with the NER;
 - 8.2.2. the termination of the dispute by the commercial arbitrator in accordance with the NER; or

- 8.2.3. determination of the dispute by the commercial arbitrator under the NER;
- 8.3. within 20 Business Days of ElectraNet requesting additional Commercial Information from the Service Applicant pursuant to paragraph 4.4, the Service Applicant has not supplied that Commercial Information;
- 8.4. without limiting paragraphs 8.1 to 8.3, the Service Applicant does not promptly conform with any of its obligations as required by this Access Policy or as otherwise agreed by the parties; or
- 8.5. the action or inaction of a third party results in the timeframes being unable to be complied with.

9. Termination of negotiations

- 9.1. The Service Applicant may elect not to continue with its application for the DNA Service and may terminate the negotiations by giving ElectraNet written notice of its decision to do so.
- 9.2. ElectraNet may terminate a negotiation under this Access Policy by giving the Service Applicant written notice of its decision to do so where:
 - 9.2.1. ElectraNet believes on reasonable grounds that the Service Applicant is not conducting the negotiation under this Access Policy in good faith;
 - 9.2.2. the Service Applicant consistently fails to comply with the requirements of this Access Policy;
 - 9.2.3. the Service Applicant fails to comply with an obligation in this Access Policy to undertake or complete an action within a specified or agreed timeframe, and does not complete the relevant action within 20 Business Days of a written request from ElectraNet; or
 - 9.2.4. a Solvency Default occurs in relation to the Service Applicant.

10. Payment of ElectraNet's costs

- 10.1. Prior to commencing negotiations, the Service Applicant must pay an application fee to ElectraNet. The details of the application fee will be provided by ElectraNet to the Service Applicant.
- 10.2. ElectraNet may require the Service Applicant to enter into a binding agreement addressing conditions, guarantees and other matters in relation to the payment of on-going costs of processing the application.

11. Dispute resolution – availability of commercial arbitration under the NER

- 11.1. If the Service Applicant seeks to raise a dispute about the *terms and conditions of access* for the provision of the DNA Service (a *DNA services access dispute*), the Service Applicant can refer the *DNA services access dispute* to the commercial arbitration provisions under rule 5.5 of the NER.
- 11.2. The *terms and conditions of access* for the DNA Service means the price of, and the other terms and conditions for, the provision of those *DNA services* as determined under this Access Policy.
- 11.3. ElectraNet refers the Service Applicant to rule 5.5.2 of the NER as to how the Service Applicant may commence the dispute resolution process for a *DNA services access dispute* set out under rule 5.5 of the NER.

12. Notices

- 12.1. A notice, consent (including an approval), information, application or request that must or may be given or made to a party under this Access Policy is only given or made if it is in writing and delivered or posted to that party at its address set out below.

12.1.1. ElectraNet

Name: ElectraNet Pty Limited

Address: 52-55 East Terrance, Adelaide SA, 5000

Email: connection@electranet.com.au

12.1.2. Service Applicant

Name: Service Applicant

Address and email address: As nominated by the Service Applicant as part of its application

- 12.2. If either party gives the other party 5 Business Days' notice of a change of its address, a notice, consent, information, application or request is only given or made by that other party if it is delivered or posted to the latest address.
- 12.3. A notice, consent, information, application or request is to be treated as given or made at the following time:
- 12.3.1. if it is delivered, when it is left at the relevant address;
 - 12.3.2. if it is sent by post, 6 Business Days after it is posted; or
 - 12.3.3. if sent by email, once acknowledged as received by the addressee.
- 12.4. If a notice, consent, information, application or request is delivered after the normal business hours of the party to whom it is sent, it is to be treated as having been given or made at the beginning of the next Business Day.

13. Definitions

In this Access Policy:

Access Policy means this *access policy* for the Redhill – Clements Gap North DNA.

Business Day means a day on which all banks are open for business generally in Adelaide, South Australia.

Commercial Information will include, at a minimum, the following classes of information relating to the Service Applicant:

- a) details of corporate structure;
- b) financial details relevant to creditworthiness and commercial risk;
- c) ownership of assets;
- d) technical information relevant to the application for a DNA Service;
- e) financial information relevant to the application for a DNA Service; and
- f) details of an application's compliance with any law, standard, NER or guideline.

DCA means *dedicated connection asset*.

DNA means ElectraNet's Redhill-Clements Gap North Substation 132 kV transmission line (Redhill F1887)¹ and Clements Gap North Substation.

DNA Owner means the owner of a *designated network asset*.

DNA Service means a *DNA service* with respect to the DNA.

ElectraNet means ElectraNet Pty Limited ACN 094 482 416.

IUSA means *identified user shared asset*.

NER means the National Electricity Rules.

Service Applicant means an applicant for a DNA Service.

Solvency Default means the occurrence of any of the following events in relation to the Service Applicant:

- a) an originating process or application for the winding up of the Service Applicant (other than a frivolous or vexatious application) is filed in a court or a special resolution is passed to wind up the Service Applicant, and is not dismissed before the expiration of 60 days from service on the Service Applicant;
- b) a receiver, receiver and manager or administrator is appointed in respect of all or any part of the assets of the Service Applicant, or a provisional liquidator is appointed to the Service Applicant;
- c) a mortgagee, chargee or other holder of security, by itself or by or through an agent, enters into possession of all or any part of the assets of the Service Applicant;
- d) a mortgage, charge or other security is enforced by its holder or becomes enforceable or can become enforceable with the giving of notice, lapse of time or fulfilment of a condition;
- e) the Service Applicant stops payment of, or admits in writing its inability to pay, its debts as they fall due;
- f) the Service Applicant applies for, consents to, or acquiesces in the appointment of a trustee or receiver of the Service Applicant or any of its property;
- g) a court appoints a liquidator, provisional liquidator, receiver or trustee, whether permanent or temporary, of all or any part of the Service Applicant's property;
- h) the Service Applicant takes any step to obtain protection or is granted protection from its creditors under any applicable legislation or a meeting is convened or a resolution is passed to appoint an administrator or controller (as defined in the *Corporations Act 2001* (Cth)), in respect of the Service Applicant;
- i) a controller (as defined in the *Corporations Act 2001* (Cth)) is appointed in respect of any part of the property of the Service Applicant;
- j) except to reconstruct or amalgamate while solvent, the Service Applicant enters into or resolves to enter into a scheme of arrangement, compromise or reconstruction proposed with its creditors (or any class of them) or with its members (or any class of them) or proposes re-organisation, re-arrangement moratorium or other administration of the Service Applicant's affairs;

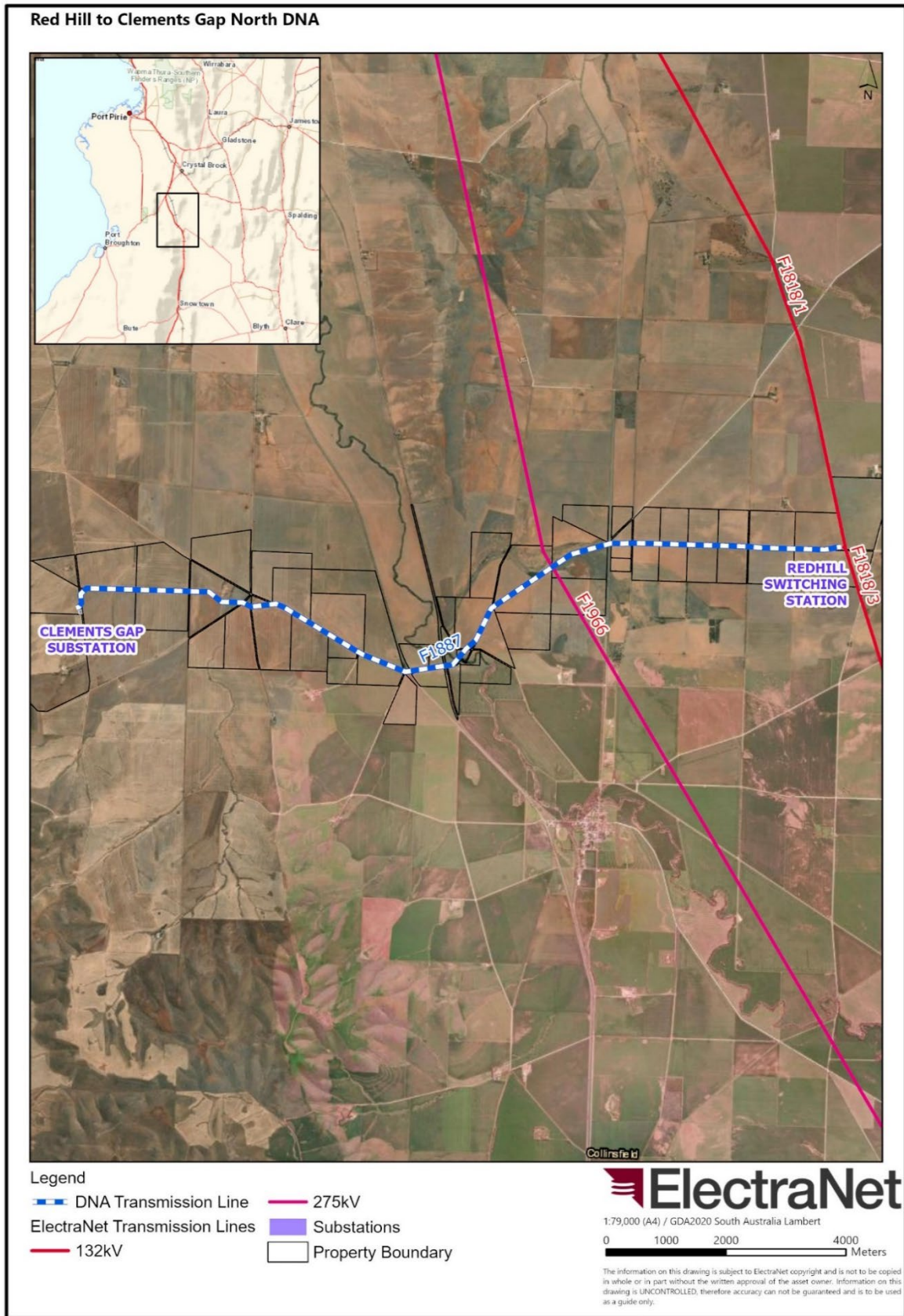
¹ The existing Redhill-Clements Gap Wind Farm 132 kV transmission line (Redhill F1887) is a DCA which will be converted to form part of the DNA.

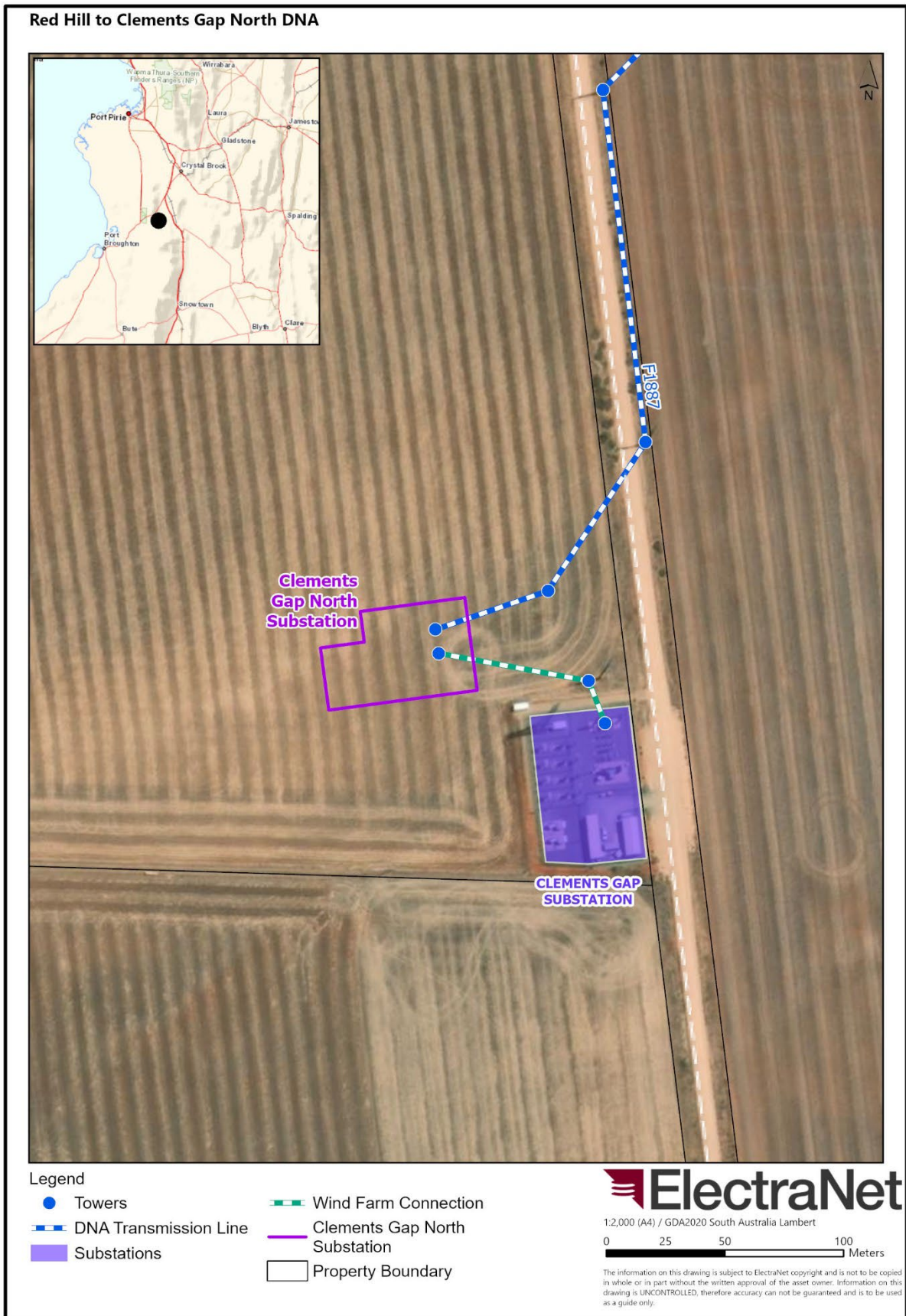
- k) the Service Applicant is the subject of an event described in section 459C(2)(b) of the *Corporations Act 2001* (Cth); or
- l) anything analogous or having a substantially similar effect to any of the events specified above happens in relation to the Service Applicant.

TCA means the *connection agreement* between ElectraNet and each of the Pioneer Users and **TCAs** refers to both of them.

TCA Preliminary Program has the meaning given to that term in paragraph 3.3.2.

Attachment 1 – Plan of DNA route





Attachment 2 – Pricing Methodology

ElectraNet will comply with the *negotiating principles* for DNA services set out in Schedule 5.12 of the NER, as follows:

1. Subject to principle 2, the price for a DNA Service should be at least equal to the reasonable estimate of avoided cost of providing it but no more than the reasonable estimate of cost of providing it on a stand-alone basis.

Avoided costs may include, without limitation, the following costs that would be incurred by the existing *connected* parties and the DNA Owner:

- a) capital costs incurred by the DNA Owner for the increase in the capacity or alteration to, that existing DNA including the moving of metering and other related equipment, to provide the DNA Service;
- b) any lost revenue incurred by the DNA Owner or existing *connected* parties during an upgrade of, or alteration to the existing DNA;
- c) any changes in revenue incurred by the existing *connected* parties resulting from changes to its *marginal loss factor* caused by the subsequent connection to the DNA;
- d) any increase in operation and maintenance costs incurred by the DNA Owner caused by the subsequent *connection* to the DNA; and
- e) increase in the costs of any charges for *use of system services* incurred by the existing *connected* parties caused by the subsequent connection to the DNA.

Stand-alone cost may include, without limitation, estimates of the following costs that would be incurred by the DNA Owner in respect of:

- a) route and land selection, acquisition and/or easement compensation, including consideration of the difficulty in obtaining access to physically constrained or “built-out” substations;
- b) planning and development and associated approvals;
- c) IUSA access, expansion or construction and associated cut-ins as appropriate; and
- d) DNA construction.

2. If the avoided cost of providing a DNA Service is greater than the cost of providing that service on a stand-alone basis, the price for the DNA Service may be less, but must be no more, than the avoided cost.

Note:

As avoided costs includes revenue losses, there may be scenarios where the avoided cost of providing the DNA Service is higher than the stand-alone costs of constructing new assets to provide that DNA Service.

3. The price for a DNA Service should be such as to enable the DNA Owner to recover the efficient costs of complying with all *regulatory obligations or requirements* associated with the provision of the DNA Service.
4. The connection of a Service Applicant to an existing DNA and access to DNA Services must not adversely affect contractual rights and obligations of an existing *connected* parties to the DNA with the DNA Owner.
5. The *connection* of a Service Applicant to the DNA and access to DNA Services must not:
 - (a) result in the Service Applicant becoming the owner of any part of the existing DNA or upgrade of that asset without the consent of the DNA Owner;
 - (b) require an existing *connected* parties or the DNA Owner to bear all or some of the costs of an upgrade of the DNA or maintaining an upgrade;
 - (c) require an existing *connected* parties to the DNA to bear all or some of the costs of a *connection* to the DNA or maintaining a *connection*; or
 - (d) require the DNA Owner to extend or replicate the DNA.
6. In accordance with rule 5.2A.8(b1)(4) of the NER, the likely charges for different types of *facilities connecting* to the DNA at different times will be as follows:

- (a) for different types of *facilities connecting* to the DNA, the likely charges will only differ to the extent that provision of the DNA Service results in a material differences to the avoided cost or stand-alone cost of providing a DNA Service; and
- (b) at different times, the avoided cost of providing a DNA Service and the cost of providing that service on a stand-alone basis are independent of the age of the DNA and the timing of the *connection* in the lifecycle of the DNA.

Hypothetical example of avoided and stand-alone costing for a 100MW load approximately 30km from the *boundary point* with a significant mining load (180 MW) already on the DNA.

Avoided cost component	Basis for calculation	Cost (\$m)
Capital costs paid upfront for the increase in the capacity or alteration to existing designated network asset including the moving of metering and other related equipment, to provide the DNA service	Assume the DNA is built with sufficient capacity to satisfy the access seekers requirements (or otherwise to reflect the costs of the particular service application)	\$0
Any lost revenue incurred by the owner of the designated network asset or existing connected party during an upgrade of, or alteration to the existing designated network asset	\$1m per day for 5 days	\$5m once
Any changes in revenue incurred by the existing connected party resulting from changes to its marginal loss factor caused by the subsequent connection to the designated network asset (recovered annually)	Assume negligible	\$0 per annum
Any increase in operation and maintenance costs incurred by the owner of the designated network asset caused by the subsequent connection to the designated network asset (recovered annually)	Assume negligible	\$0 per annum
Any identifiable increase in the costs of any charges for use of system services incurred by the existing connected party caused by the subsequent connection to the designated network asset (recovered annually)	Assume negligible	\$0 per annum
Hypothetical avoided cost		\$5m

Stand-alone cost component	Basis for calculation	Cost (\$m)
DNA - Route and land selection, acquisition and or easement compensation including consideration of the difficulty in obtaining access to physically constrained or “built-out” substations	Will vary with specifics – indicatively \$100k per km	\$3 once
Planning and development and associated approvals	Will vary with specifics	To be confirmed on a case by case basis
IUSA access, expansion or construction and associated cut-ins as appropriate.	Expansion by one 275kV diameter at cost of \$20m per diameter	\$20 once
DNA contestable capital cost for construction and associated works	Will vary with specifics – indicatively \$1m per km to meet or exceed capacity requirement	\$30 once
Operation and maintenance costs incurred by the owner of the IUSA and designated network asset	Will vary with specifics – indicatively 2% of capital cost	\$1 per annum
Hypothetical stand-alone cost		\$53m plus \$1m pa

