Vegetation management update

July 2022

CITIPOWER

Powercor AUSTRALIA

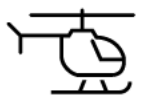
Background | We manage 569,480 spans – totalling 70,892km of overhead powerlines

- Our overhead powerlines have been constructed in low bushfire risk areas (LBRA) and hazardous bushfire risk areas (HBRA)[1]

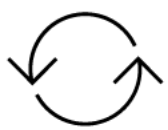
  LBRA: 280,929 spans

  HBRA: 288,551 spans

- Despite the similar span numbers, the HBRA accounts for 92% of the network area



- We inspect all our overhead powerlines annually using Light Detection and Ranging (LiDAR) sensors mounted on our Bell 505 helicopters (with some ground based inspection as required)



- The powerline inspection program is managed internally, with vegetation cutting outsourced to external contractors, Asplundh and Vegetation Group Australia (VGA)

- Typically, we have ~350 people managing vegetation on our networks daily

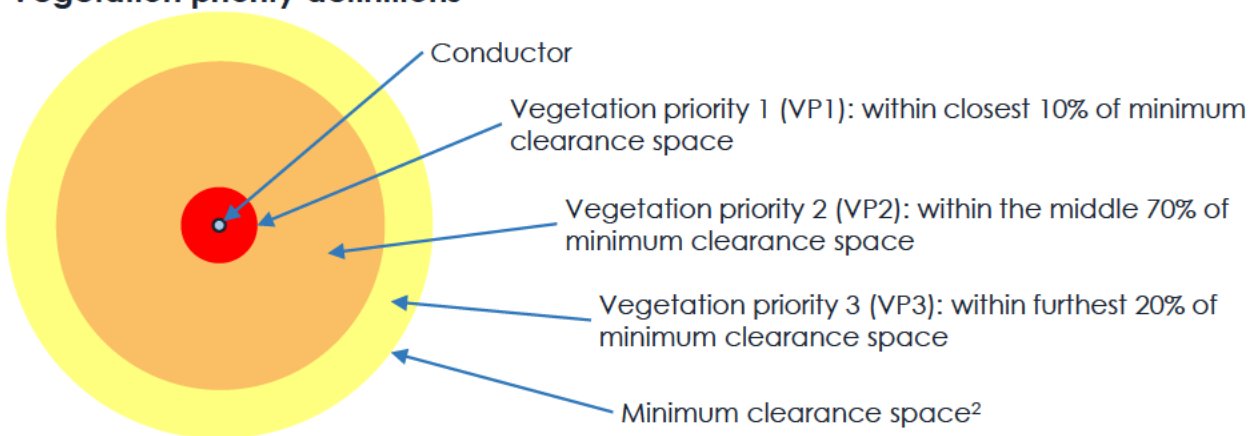
1. See appendix for geographical representation

Powercor HBRA status | Powercor has 7,075 VP coded spans as at 11 July 2022 – an improved position compared to this time last year

HBRA VPs - July 2021 vs July 2022

	July 2021	July 2022	Estimated compliance rate
VP1 (21 days to cut[1])	221	59	100%
VP2 (6 months[1] or prior to CFA declared fire danger period to cut)	3,359	2,577	99%
VP3 (6 months[1] or prior to CFA declared fire danger period to cut)	4,987	4,439	99%
TOTAL	**8,567**	**7,075**	

Vegetation priority definitions



View: looking down the powerline

- Powercor HBRA VP rate is 2.4%
- VPs are in an improved position, compared to this time last year
- Inspection is on track with LiDAR captured for ~65% of HBRA
- Majority of VPs (79%) are in the South West and Central CFA districts

HBRA

- VP1s are 0.83% of total VPs or
- One VP1 every 9,652 spans (one every 1,200km of line)

1. Outside of CFA declared fire danger period
2. HBRA minimum clearance space extends to the sky above the conductor, instead of circular around the conductor

Addressing non-compliance | We are working with Asplundh (our prime contractor) to sustainably grow and maintain their resource base

Immediate term

- Established new VP only crews to ensure compliance (while maintaining ongoing productivity)
- We have increased span rates [redacted] to Asplundh to make the work more attractive and given a [redacted] incentive for new crews (attracted seven new crews to date)
- Asplundh has been actively seeking out crews every way possible, including attending trade expos and job fairs to attract fresh people into the industry
- We have enhanced and improved our vegetation management system, Xugo, to enable higher productivity in the field and in doing so maintain compliance

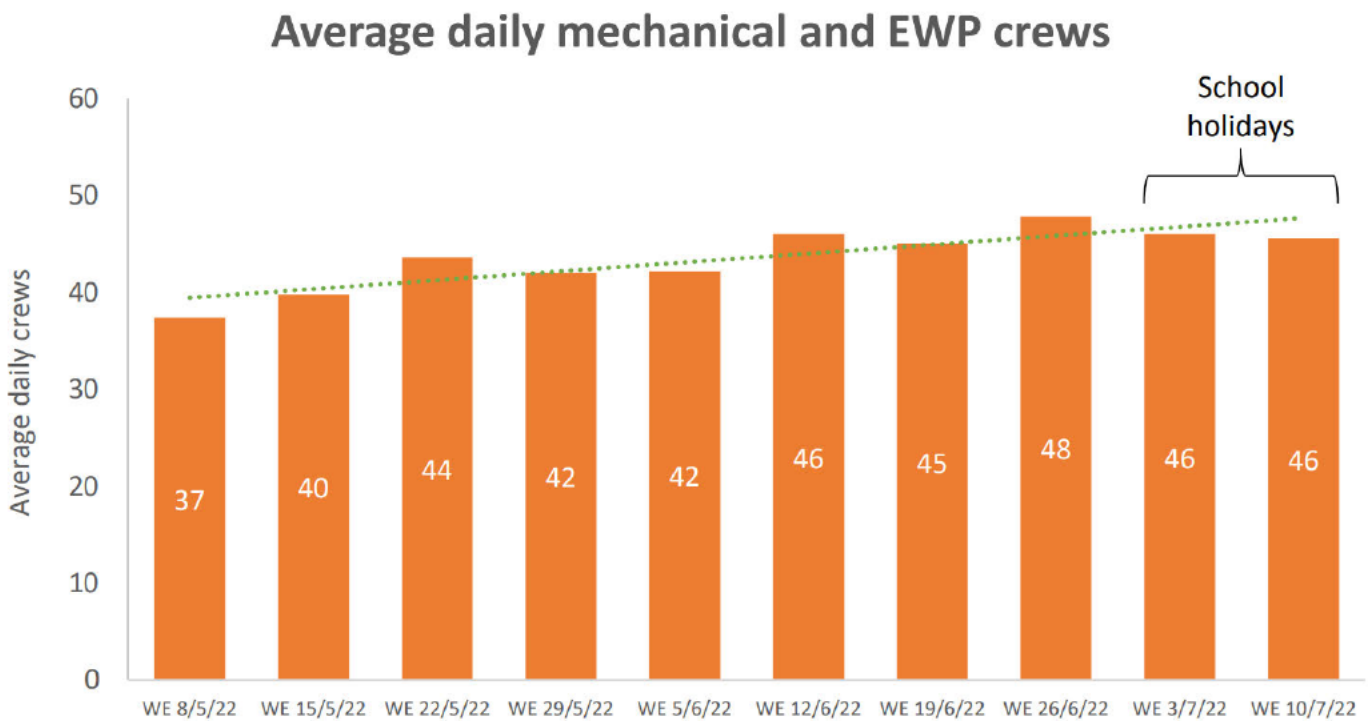
Asplundh building up internal workforce

- Asplundh will have ~26 internal crews by the end of 2022. Internal crews provide improved reliability and flexibility under the direction of Asplundh
- Asplundh has invested in an additional three mechanical cutting units which are due to arrive in Australia later in the year. Mechanical cutting is safer for the workers, compared to an EWP, and is more efficient
- Asplundh is actively recruiting in Geelong, Warrnambool and Ballarat to replicate the recent success in Bendigo

Investing further in inspection

- We have invested in a third helicopter (Bell 407) to bolster our LiDAR inspection capability and reduce the inspection timeframe (will be delivered in January 2023)
- Our inspection will begin in October each year, with all inspection data delivered by July on an annual basis. This will give us a full view on our networks by July each year

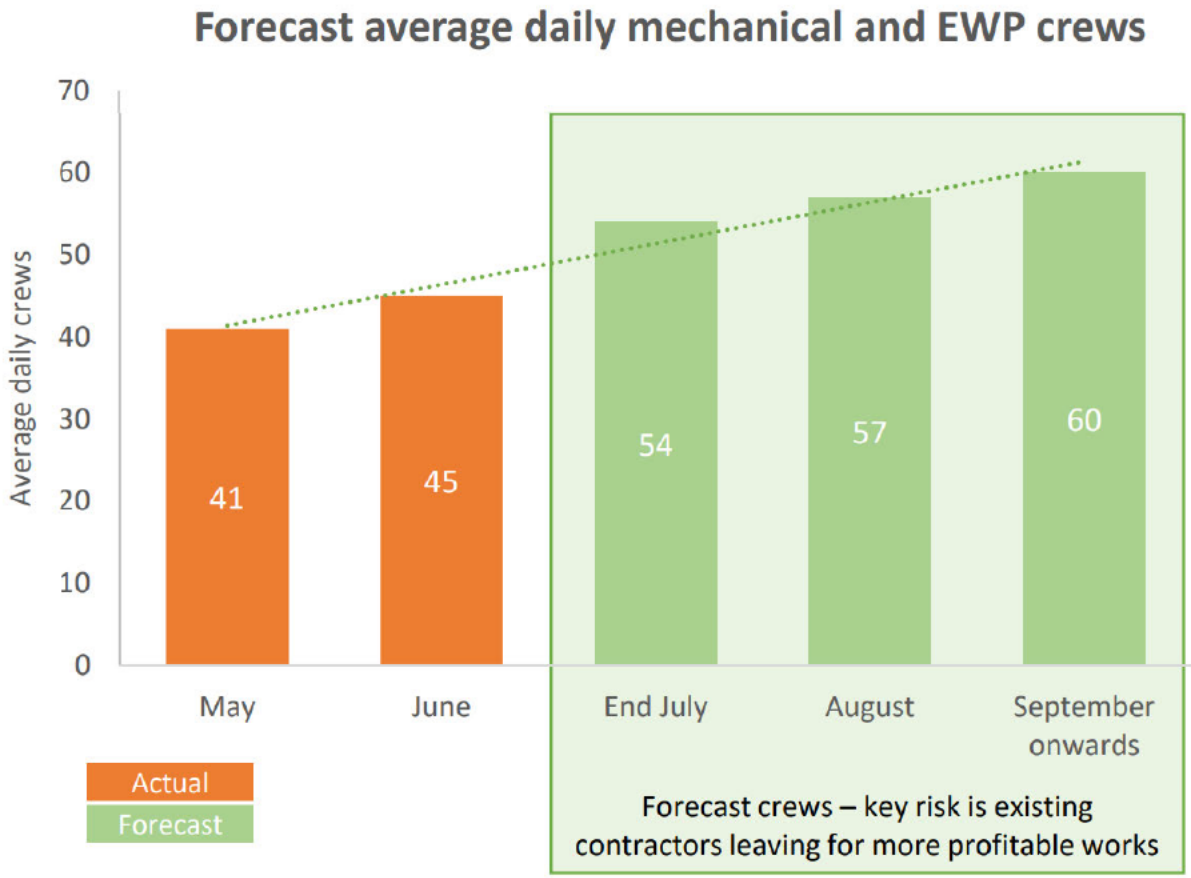
Asplundh crew uplift progress | Average crew numbers have increased by ~20% over the last 10 weeks post COVID challenges



Key increases driven by:

- Three crews redirected from other Asplundh contracts
- Three additional crews from existing subcontractors
- Two crews from new subcontractors
- Five new crews secured with financial support
- Two internal crews secured from other Asplundh contracts with mobilisation support

Asplundh crew uplift forecast | Asplundh has committed to achieve ~54 crews by end July and ~60 in September



Approximately ten new crews are expected to commence in July including:

- Three internal Asplundh crews as a result of training cutters who are new to the industry and upskilling chipper operators
- Four additional crews from existing subcontractors
- Three crews from new subcontractors

Further growth from August onwards to be driven by:

- Continued training and recruitment of internal Asplundh staff
- Expansion of existing subcontractors with support from Asplundh through training subsidies and fleet leases

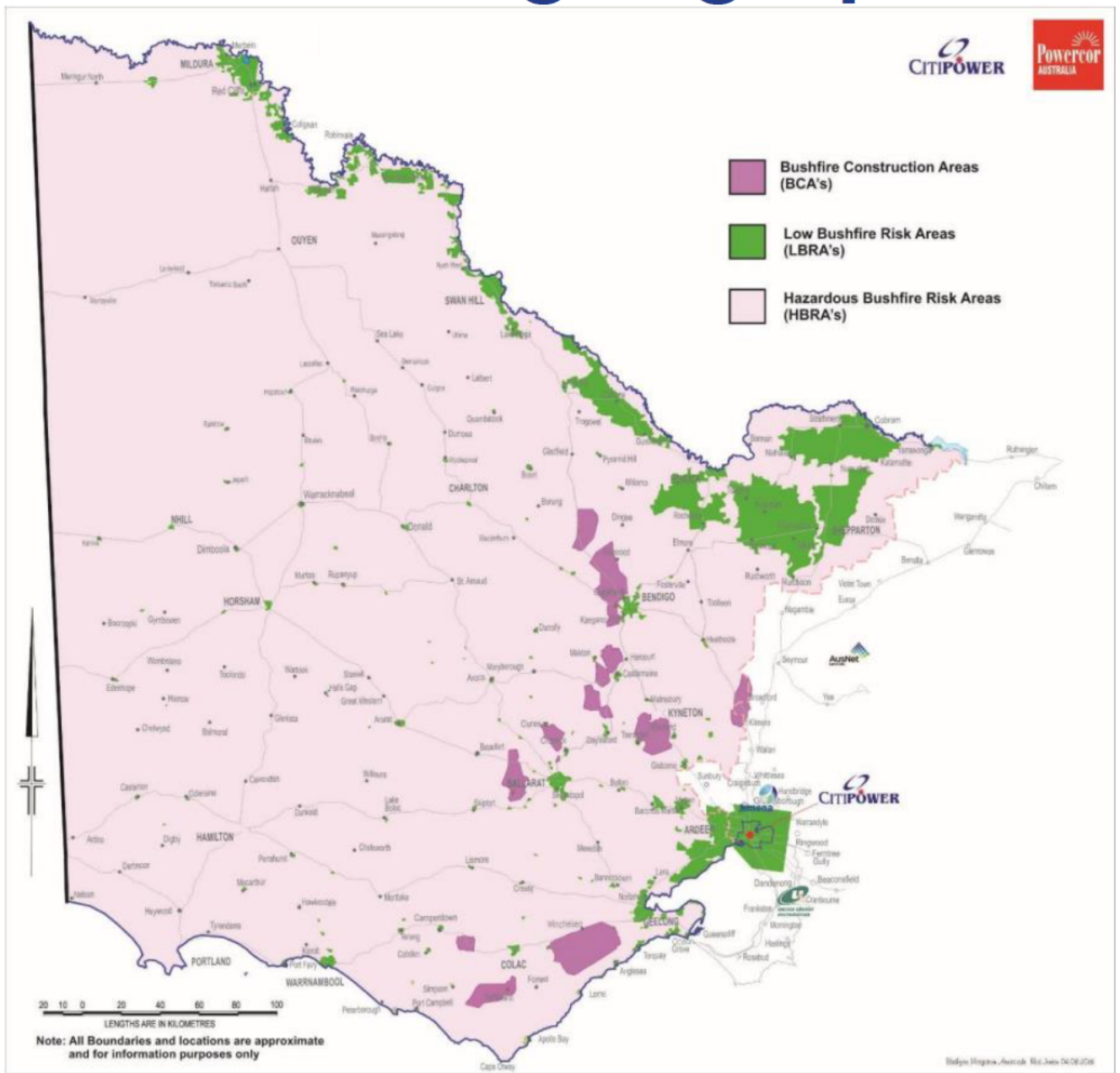
Over and above these crews, Asplundh will deliver two dedicated VP crews to ensure compliance (while maintaining ongoing productivity)

Investments | We continue to invest in improvements to our vegetation management program

		Investment	
1	**Insourcing LiDAR inspection**	**$19M**	• In late 2020 we insourced vegetation inspection, utilising two Bell 505 helicopters and Riegl LiDAR sensors to inspect out networks on an annual basis • In 2022 we have spent an additional $6M on a third helicopter (a Bell 407) to bolster our inspection program
2	**LiDAR Lab**	**$6M**	• In 2020 we insourced LiDAR data processing, reducing timeframes and improving data quality and reliability
3	**New vegetation management system**	**$7M**	• A new IT vegetation management system, Xugo, was implemented in March 2021 – significantly improving vegetation data transparency, traceability and works delivery

Appendix

HBRA/LBRA geographical areas



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