



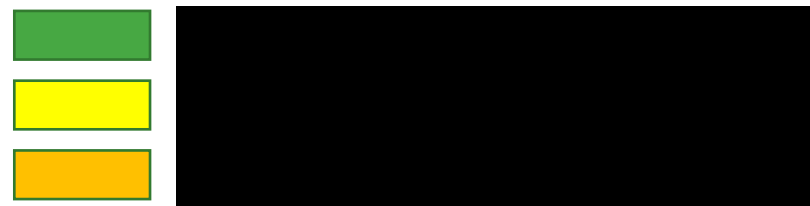
# PTT Program Contracts – Transformers & Reactors

Supply Chain Growth

06/03/2023



# Supply Chain Growth Procurement Program for PTT and Beyond – current status



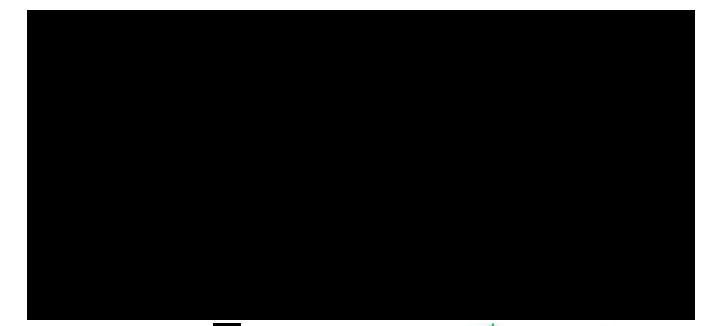
Project Status	Project <sup>1</sup>	Category	Market Sounding	Proc Strategy	Contract(s) in place	Order placed	FY23-FY27 \$M
PTT Program	Humelink & VNI West (NSW)	Power Transformers and Reactors	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
		Towers		[Redacted]	[Redacted]	[Redacted]	
		Conductor (Cable)		Drafted	[Redacted]	[Redacted]	
Balance of Program as at Nov 2022 (not secured)	VNI West VIC/ KerangLink) & Hunter Connection Project	Power Transformers and Reactors		[Redacted]	[Redacted]	[Redacted]	[Redacted]
		Towers		[Redacted]	[Redacted]	[Redacted]	
		Conductor (Cable)		Drafted	[Redacted]	[Redacted]	
<b>Grand Total</b>							[Redacted]

*A baseline program for a second wave of sourcing categories is currently being baselined and drafted – a procurement plan will be shared once drafted. Current equipment baseline includes CB's, Insulators, Disconnectors and Protection Relays. Associated logistics and warehousing gaps are being understood and addressed in parallel.*

1. REZ mega projects may be addressable through frame agreements as well but actual capacity requirements will need to be clarified

Recap of the PTT Program Scope and Benefits Targets – There is an overall target for PTT to achieve \$500m in benefits; up to \$20M from Tx and Rx (nominal) across both **Humelink and VNI West**





# Tx Rx Procurement Objectives – To (1) de-risk the supply chain, (2) enable acceleration opportunities for PPT projects, (3) achieve PTT program benefits

## **(1) De-risk supply chain**

- Buy early to mitigate supply chain delays
- Manage demand driven capacity constraints
- Manage geopolitical risks
- Ensure redundancy
- Ensure fit-for-project equipment

## **(2) Enable Acceleration and Retain Flexibility**

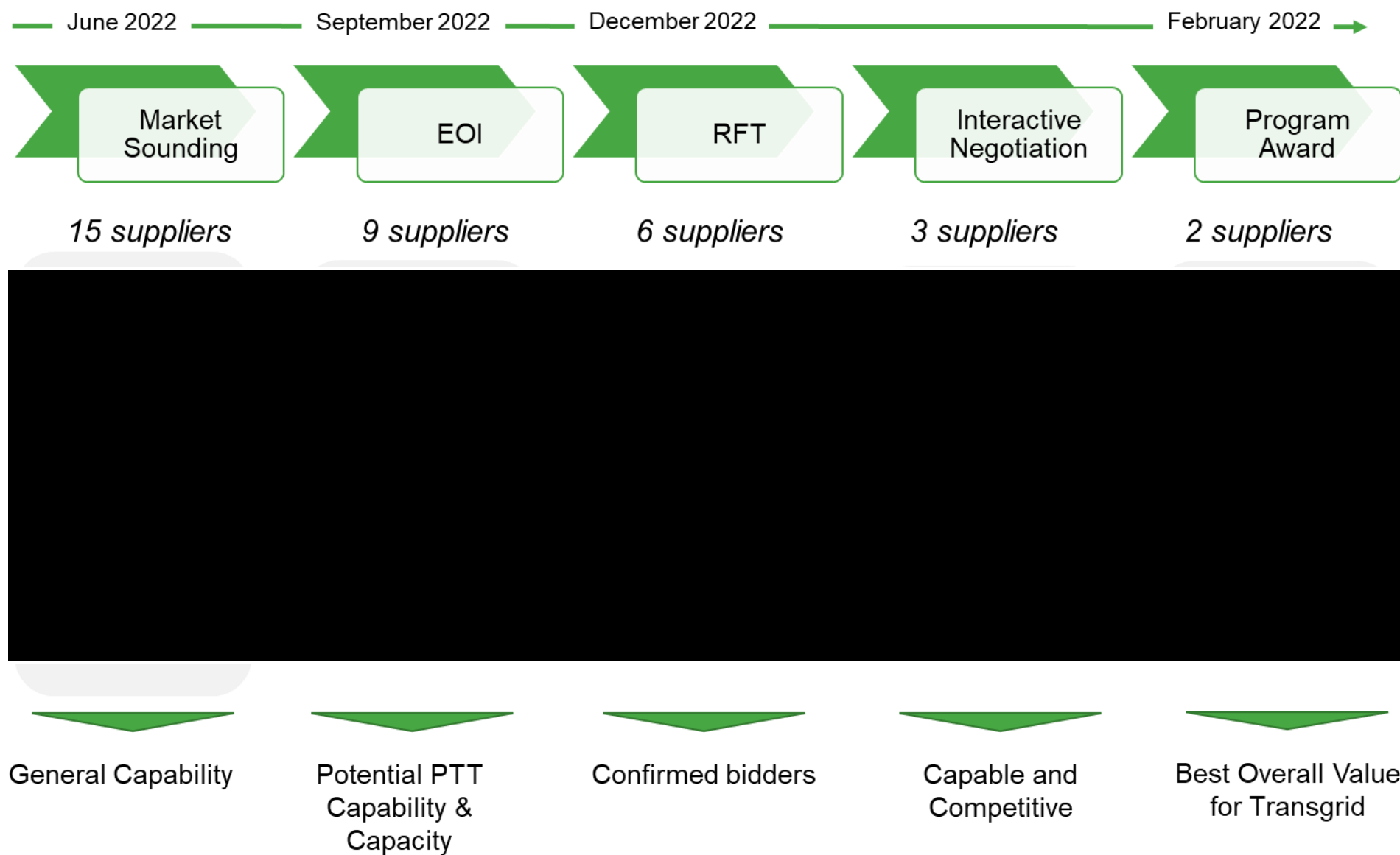
- Design flexibility into contracts
- Achieve commitment to production slots
- Create transparent lead time guarantees
- Overcome funding challenges associated with early procurement

## **(3) Achieve PTT program benefits**

- Make use of volume lever with supply across the PTT program
- Standardise the units as much as possible (fewer spares, less re-design)

 **First step to drive PTT Program outcomes, whilst ensuring project-level success**

# Procurement Process – Competitive process, designed to meet the procurement objectives

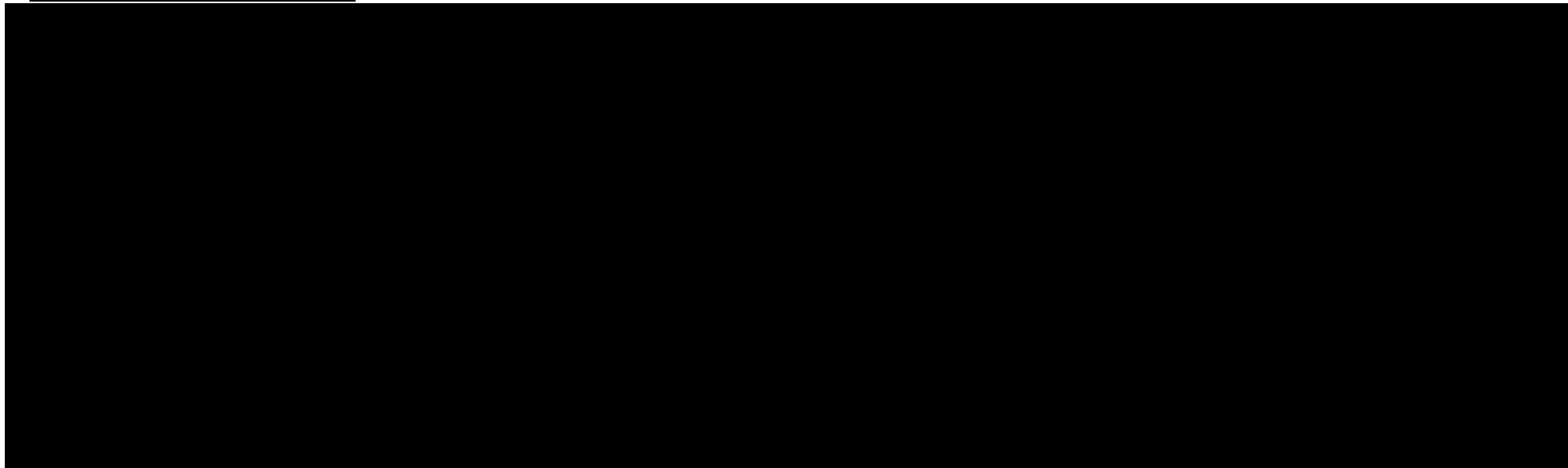


## Evaluation Process

<p>First Round (post RFT)</p>	<ul style="list-style-type: none"> <li>• Compliance to TG requirements</li> <li>• Ability to meet program</li> <li>• Technical evaluation of Humelink Tx Units</li> <li>• Commercial evaluation of Tx units</li> </ul>
<p>Second Round (Final negotiations)</p>	<ul style="list-style-type: none"> <li>• Scenario based evaluation, with holistic scenario risk assessment (VaR)</li> <li>• Addresses board level concerns around broader geopolitical and single country risks</li> </ul>

# Tender Outcome for Humelink - Transformers

## Transformers



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### HumeLink

Separable Portion (SP) 1A

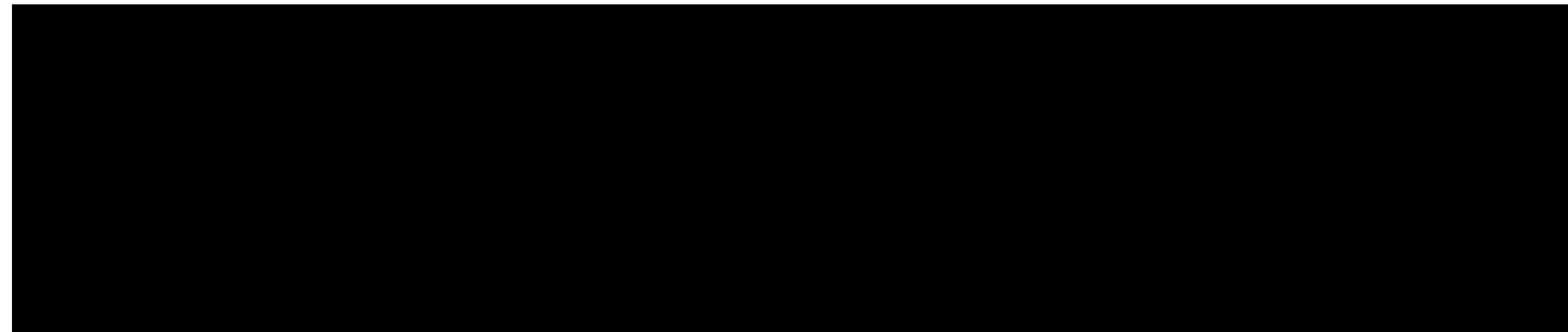
HumeLink – Design of 500kV Power Transformers

Separable Portion (SP) 2A

HumeLink - Supply and Delivery of 500kV Power Transformers

Separable Portion (SP) 3A

HumeLink - Technical Supervision of Installation and Commissioning Activities



# Tender Outcome for Humelink (continued)

## Reactors

### HumeLink Project

SP1A

HumeLink – Design of 500kV Shunt Reactors

SP2A

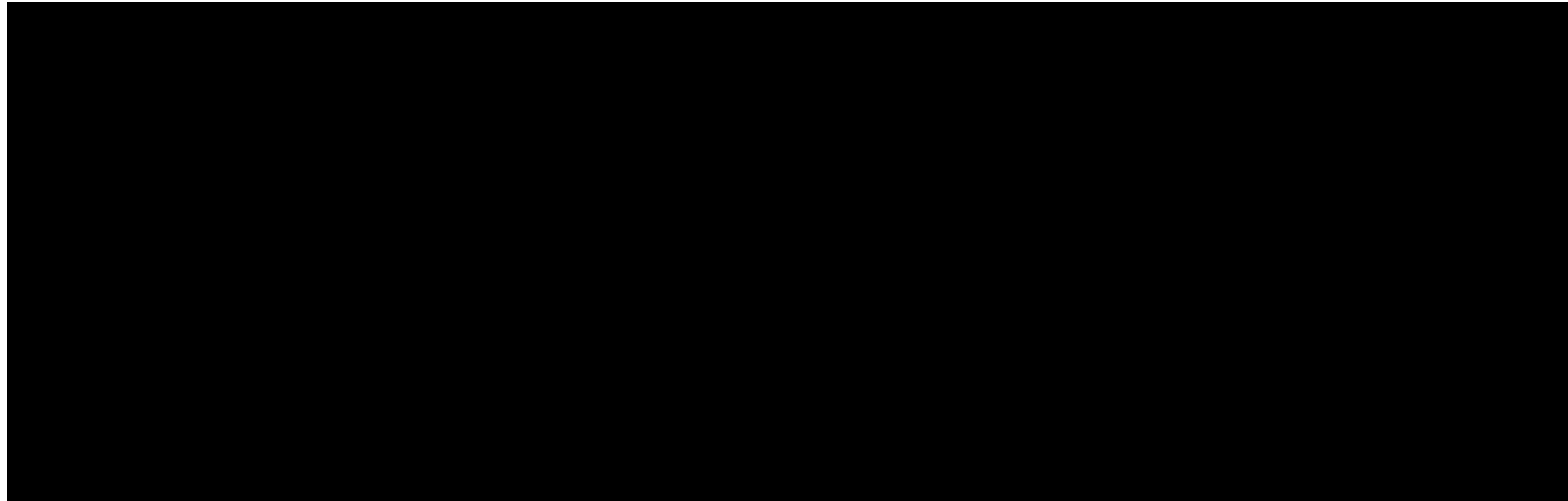
HumeLink - Supply and Delivery of 500kV Shunt Reactors

SP3A

HumeLink - Technical Supervision of Installation and Commissioning Activities



Transgrid is underwritten by the Commonwealth for the purposes of Early Procurement requirements for PTT – Humelink included





# Next steps – Project Particulars

## Schedule 2 - Project Particulars

These Project Particulars attach to the relevant Purchase Order in accordance with clause 2.1 of Part A: Purchase Orders and Separable Portions.

<b>Project</b> (clause 1)	[insert]								
<b>Separable Portions</b>	<table border="1"> <thead> <tr> <th>Separable Portion</th> <th>NTP Longstop Date</th> </tr> </thead> <tbody> <tr> <td>SP1 [redacted]</td> <td>7 Business Days from when the Supplier receives the Purchase Order for the Project.</td> </tr> <tr> <td>SP2 [redacted]</td> <td>The earlier of: (a) six (6) months following SP1 [redacted] NTP Date; and (b) 30 March 2025</td> </tr> <tr> <td>SP3 [redacted]</td> <td>3 months prior to SP2 [redacted] Delivery Date.</td> </tr> </tbody> </table>	Separable Portion	NTP Longstop Date	SP1 [redacted]	7 Business Days from when the Supplier receives the Purchase Order for the Project.	SP2 [redacted]	The earlier of: (a) six (6) months following SP1 [redacted] NTP Date; and (b) 30 March 2025	SP3 [redacted]	3 months prior to SP2 [redacted] Delivery Date.
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SP3 [redacted]	3 months prior to SP2 [redacted] Delivery Date.								
<b>Security</b>	Advance Payment Bond: \$ Performance Bond 1: \$ Performance Bond 2: \$								
<b>Goods to be Supplied</b> (clause 5.1)	In accordance with Schedule 11 - Specification for SP1 [redacted] and SP2 [redacted] and further specified in Annexure 1 – Project Design Criteria incorporated into these Project Particulars.								
<b>Delivery Location</b> (clause 5.2)	[insert]								
<b>Services</b> (clause 5.3)	In accordance with Schedule 11 - Specifications for SP3 [redacted] and further specified in Annexure 2 - Project Scope of Services incorporated into these Project Particulars.								
<b>Delivery Date</b>	The Delivery Date for SP3 [redacted] is								
<b>Time for Practical Completion</b> (clause 6.1)	The Date for Practical Completion for SP3 [redacted] is								
<b>Delivery Program</b> (clause 5.4)	As set out in Annexure 3 – Project Delivery Program incorporate into these Project Particulars.								