Major Customer Connection Process (MCCP) Program

Industry Update

June 2024

EDM# 68814932

Contents

1. GPS/Load Model Assessment self-serve
2. Tx Technical Standards published online
3. Transitioning to an improved future state
4. Future State – all connection types
5. Next steps & industry updates

GPS/Load Model Assessment self-serve option

- In April we implemented a new self-serve option allowing customers to complete their own Generator Performance Standards (GPS) and/or Load model assessment before submission to Western Power for validation of results.

- Benefits include:

  - Provide customers with greater control over the cost and speed in progressing their model assessment.
  - Introduction of early GPS registration (R0) provides better visibility on the facility compliance as well as viability of the project at earlier stages and helps with better time/resource investment.
  - Drive consistency and standardisation in the way we perform customer model assessments.
  - Improve the customer experience through rapid feedback on network model validity.

- We will continue to monitor and refine this change to ensure it remains fit for purpose in delivering the expected benefits.

Transmission (Tx) Technical Standards published online

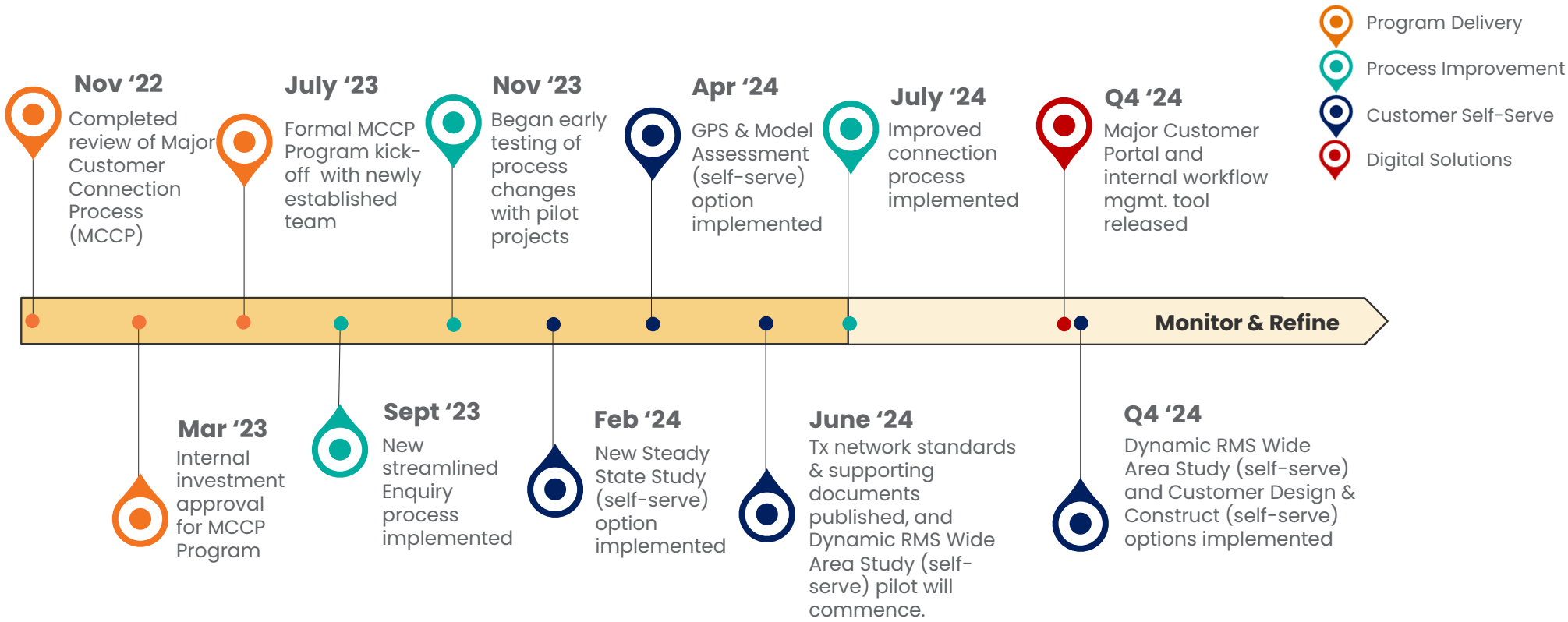
- In June Western Power's Transmission Technical Standards were published online for external use.

- Major Customers are now able to access Western Power's Network Functional Requirements Standards (5), Customer Connection Requirements Standards (2), Design Standards (43), Standard Designs/engineering drawings (~1500), and relevant supporting documents (3) from the new Technical Standards Hierarchy page on our website.

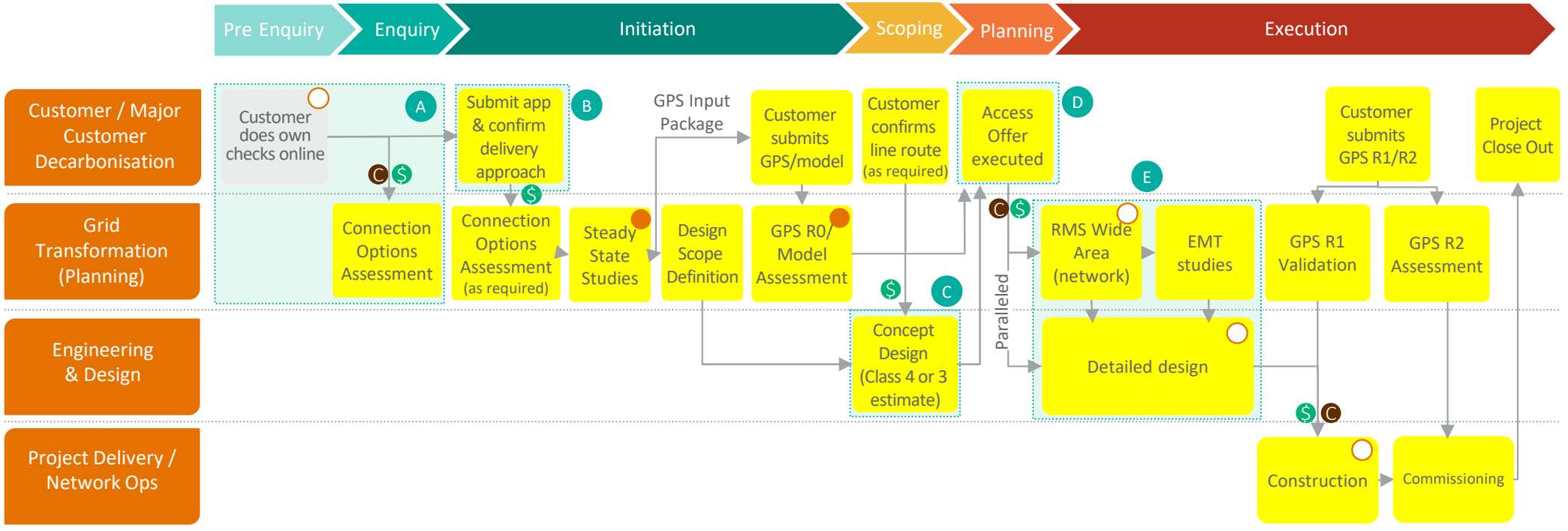
- This new approach is expected to improve the experience of our major customers through increased transparency and availability of technical information prior to commencing the connection process. It also enables new customer self-serve options and scalability of design and construction activities via external service providers.

- We value your feedback, so please send us any questions or comments regarding these new Tx Technical Documents using the Technical Standards Feedback form.

Transitioning to an improved future state



Future State – all connection types

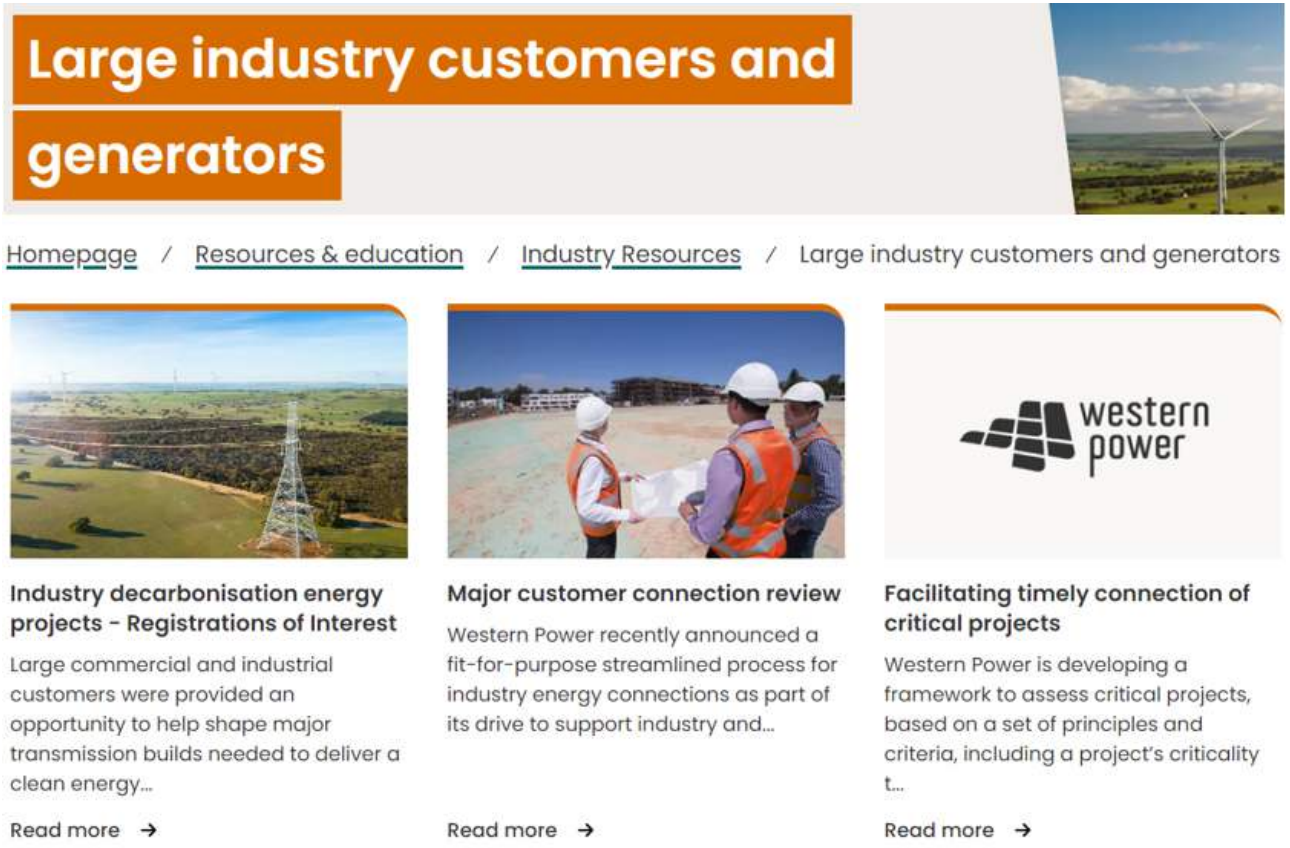


- A Simplified enquiry phase with collaborative workshop format and Class 5 estimate
- B Single contract and pricing structure for all work between Application and Access Offer
- C Concept design with option of Class 4 or 3 estimate
- D Access Offer made after concept design and GPS R0 validation / load model assessment
- E RMS Wide Area (network) and EMT studies paralleled with detailed design

Default pathway | Optional | C Customer signs contract | $ Customer makes payment | Major process changes | F Customer may self-serve | Customer self-serve option planned

Next steps & industry updates

- Complete final change management activities to roll out the new process across Western Power.
- Monitor and refine the new process to ensure the objectives are achieved and performance benefits are sustained.
- Next Major Customer Forum targeted for Q4 2024.



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Appendix

Previous Updates

Major Customer Connection Process (MCCP) Program

Industry Update

March 2024

EDM# 67822802

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New Steady State Study self-serve option

- In February we implemented a new self-serve option for customers enabling them to directly engage a service provider to complete their Steady State Study, with Western Power validating the results.

- Benefits include:

  - Enhanced customer experience with greater control over the cost, speed, scope and iterations of network studies being undertaken
  - Enables scalability and improves time frames
  - Drives consistency and standardisation in the way network studies are performed and the way the network model is prepared/maintained.

- We will continue to monitor and refine this new process to ensure it remains fit for purpose in delivering the expected benefits.

New Steady State Study self-serve option

- To support this new self-serve option, we have released an updated SWIS Base Model, that is supplied with a project specific study package (post connection application only) to help customers undertake their own Steady State Study.

- The SWIS Base Model can be accessed prior to submitting a Connection Application. It excludes the study package and support from our Western Power team. As such only Steady State Studies performed with the study package will be accepted.

- Please refer to the new Steady State Study page on our website for more information.

Future customer self-serve initiatives

- Development of the following customer self-serve initiatives is progressing well, with a phased implementation on track for Q2 2024:
  - GPS/Load model assessment - standardised approach for customers to assess their own models before submission to Western Power for validation of results.
  - Dynamic (RMS wide area) study - customers will be able to directly engage a service provider to complete their study, with Western Power validating the results.
  - Network standards – publishing of new and existing transmission standards and supporting documents for use by customers and service providers, to make the future process more efficient and scalable.
- The publishing of our Network Standards will support customers in designing and constructing their own connection assets to be owned by Western Power. This new process offering is expected to be available by the end of Q4 2024.

Proposed future state process changes

- In November we began early testing of the following process improvement changes with a select group of pilot customer projects:

Current …	… Future	Rationale/Benefit
Steady state ('s') and dynamic ('d') models required with Connection Application	Application form updated to only require steady state ('s') data/model, with dynamic ('d') model requested later in the process	Faster application submission process for customers
Multiple Individual Processing Contracts (IPC) with bespoke scopes and fee estimates	One customer contract executed for processing works up to Access Offer, with standardised scopes and fee estimates	Reduction in time taken to prepare and execute contracts to commence processing works
Detailed preliminary assessment, coupled with steady state studies	New streamlined workshop approach for the connection options assessment (only required if the Enquiry assessment was not complete or no longer valid)	Reduction in time and cost for connection options assessment and enables easier management of customer self-serve steady state studies
Three designs iterations: 1. Concept design (E30) 2. Preliminary design (E10) 3. Detailed design	Two design iterations with estimate option: 1. Concept design: Class 4 or Class 3 estimate 2. Detailed design	Reduction in queuing and design time by reducing it from three to two design iterations
Access Offer based on preliminary design (E10)	Access Offer based on concept design and Class 4 estimate as the standard offering	Eliminate non-crucial work and reduction in queuing/waiting time
All network studies (Steady State, Dynamic, EMT etc) completed before concept design	Dynamic (RMS Wide Area) and EMT studies deferred until after Access Offer is executed, in parallel with detailed design	More efficient utilisation of Western Power resources working on these studies for committed customers with an executed Access Offer

Transitioning to an improved future state

- Thanks for your ongoing support and feedback. We are using the learnings from early testing to ensure the final process is fit for purpose and delivers the expected benefits.

- We're transitioning to this future way of working with the aim of 'going live' with the improved process by end of June 2024.

- The next Major Customer Connections Forum will be held in Q2 2024. Invites and the forum agenda will be sent out shortly.

- If you have any feedback or questions before then, please reach out to the MCCP Program Team on mccp.program@westernpower.com.au

Major Customer Connection Process (MCCP) Program

Industry Update

December 2023

EDM# 67000504

Contents

New enquiry process

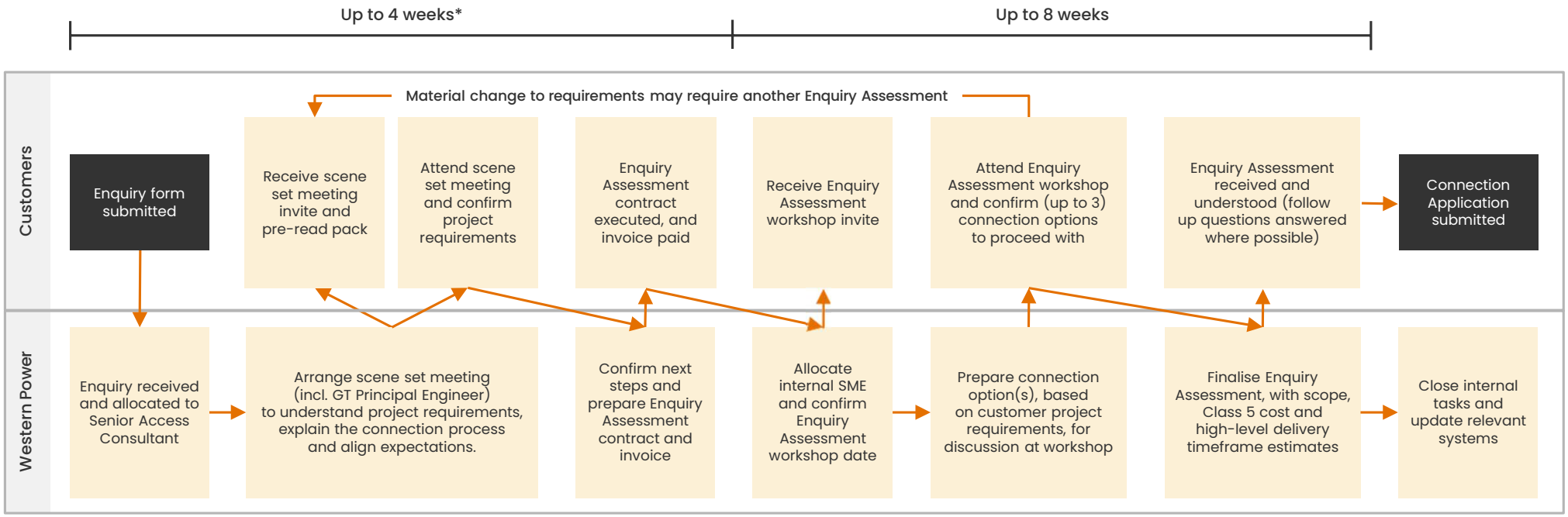
- In September we implemented the following changes as part of an improved Enquiry process, enabling significant value for Western Power and our customers:

Mandated enquiry phase with Detailed Assessment Report		Optional enquiry phase with collaborative workshop format
Enquiry process timeframe (~9 months)		Streamlined enquiry process timeframe (~3 months)
Enquiry fee ($3.5k) + bespoke variable estimate (~$50k-$80k)		Standardised Enquiry Assessment estimate ($25k)

- These changes have been well received by Industry, with positive feedback from customers that have recently completed an Enquiry Assessment.

New enquiry process

- We will continue to monitor and refine this new process over the next 6 months, to ensure it remains fit for purpose and continues to deliver the expected benefits:



*This timeframe is just an indicative target, as it can depend on customer availability and deliverables outside of Western Power's control.

Customer self-serve study options

- In October we completed early testing of customer self-serve Steady State Studies. Final preparations are being made to go live by February 2024.

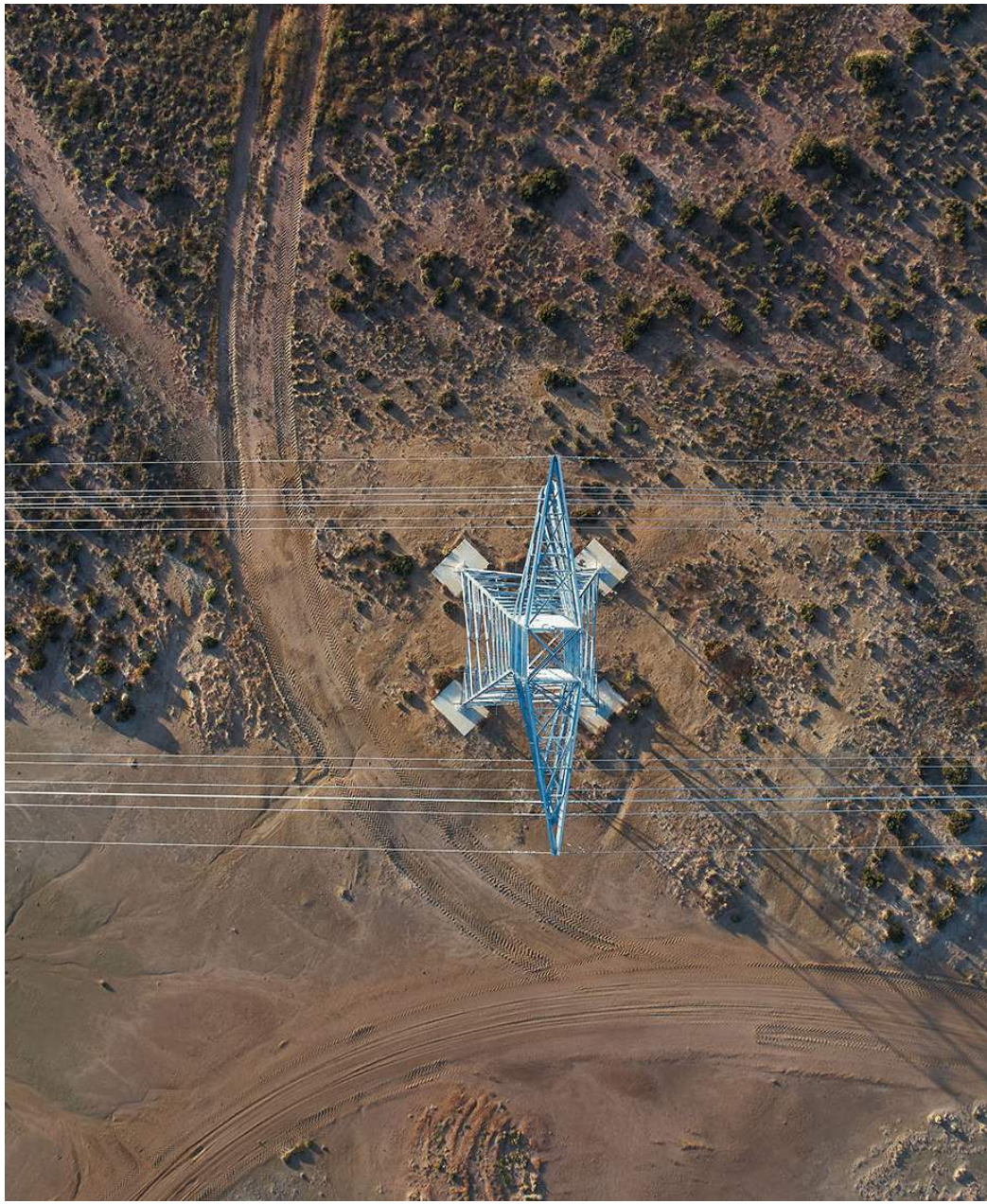
- Development of customer self-serve Dynamic (Wide Area) Studies has commenced, targeting go live by May 2024.

- These new self-serve options are expected to deliver the following benefits:

  - Provide customers with greater control and transparency of the process
  - Enable scalability and reduces pressure on our internal delivery teams

Testing the future process

- In November we commenced early testing of the future state process changes with a select customer group.
- These changes involve reorganising the process to reduce the overall connection process timeframe by eliminating unnecessary work and reducing wait times.
- Learnings and feedback from this early testing will be used to further develop and refine the final process before it goes live by June 2024.



Major Customer Connection Process (MCCP) Program

Industry Update

September 2023

EDM# 64894636

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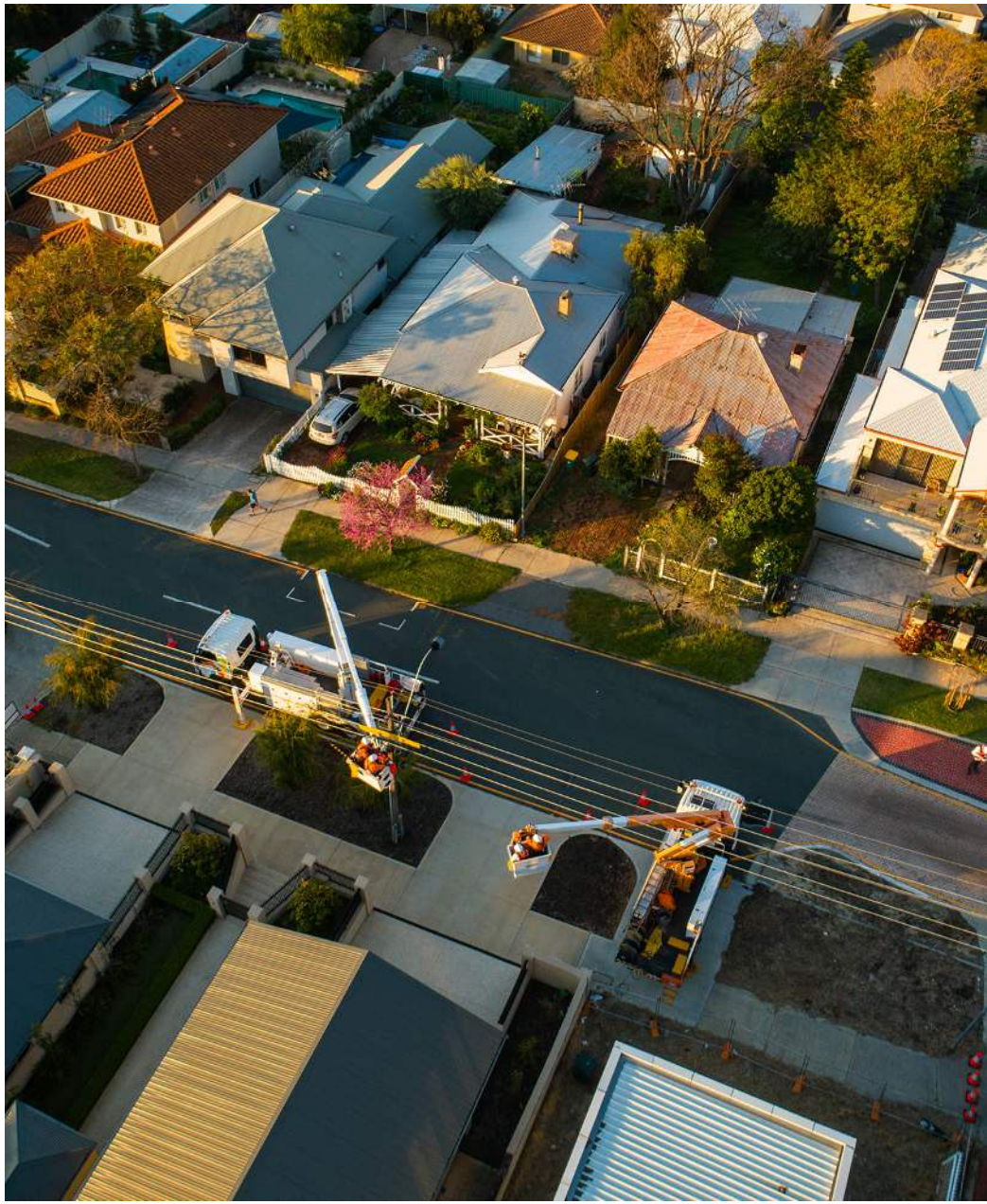
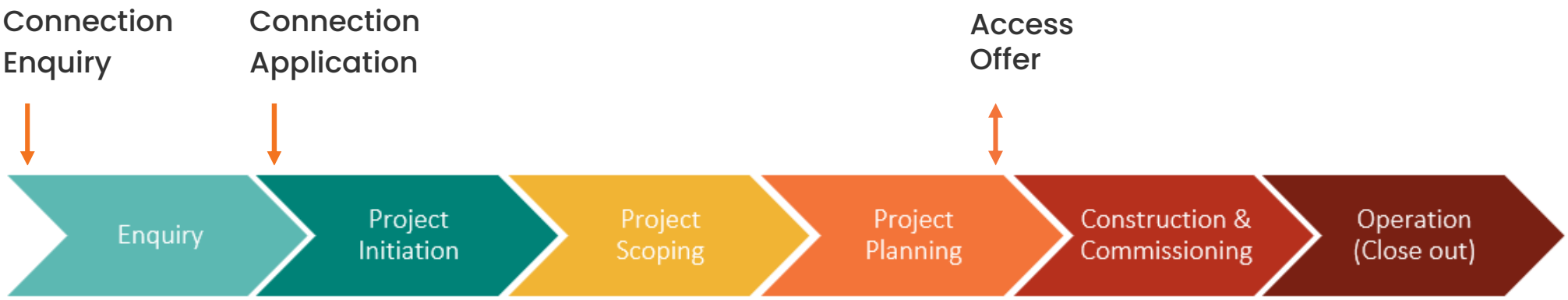
Need for change

- The Wholesale Electricity Market (WEM) is currently undergoing a significant change, driving a major uplift in customer connection enquiries
- Customers are experiencing longer than normal wait times
- Customers' expectations are also changing, putting more pressure on our already stretched delivery teams
- An alternative, fit for purpose approach
  is required to meet the changing energy needs and expectations of our customers



Connection Process Review



End-to-end review to identify opportunities for improvement:

- Enhance customer experience
- Reduce the timeframe
- Identify alternate process pathways & delivery approaches

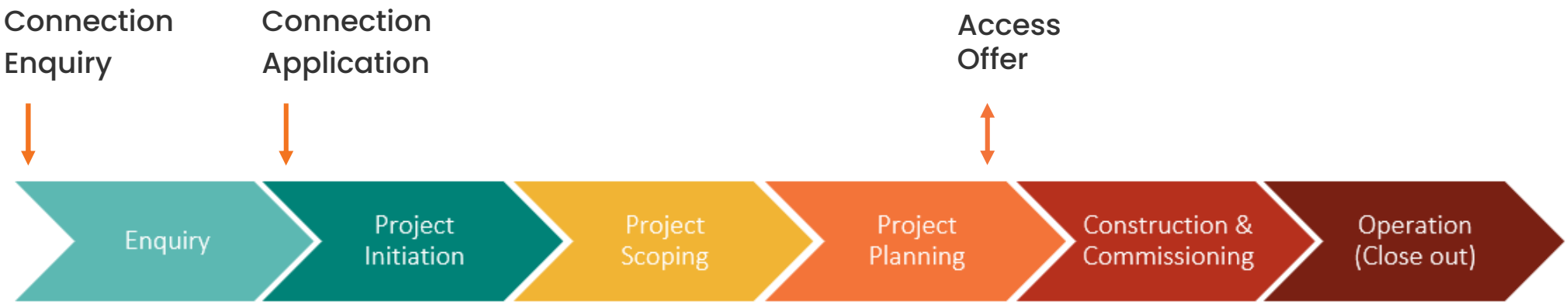
Connection Process Review Outcomes

- Customer engagement helped shape the outcomes of this review

- The review recommended a number of improvement initiatives to enable a future state process that will be fit for purpose. These opportunities are grouped under five key themes:

1. Reorganise process to **eliminate unnecessary work & reduce waiting times**
2. Give customers more choice to **proceed with higher uncertainty and risk**
3. Enable customer self-service to **de-constrain studies, design and construction**
4. Enable cross-functional collaboration to **reduce handovers and re-work**
5. Refresh underlying frameworks to **enable process change improvements**

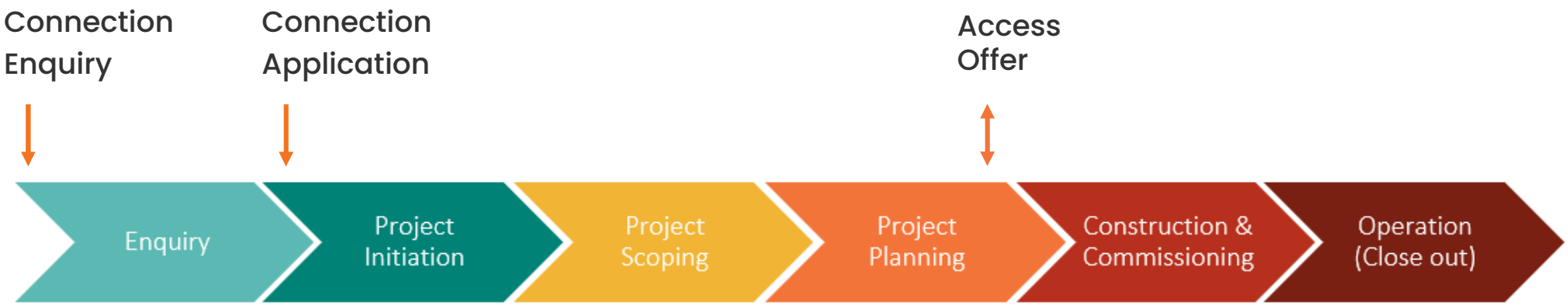
Process Improvement Initiatives



- Mandated Enquiry phase
- Detailed Assessment Report

- Optional Enquiry phase with collaborative workshop format
- Customer self-service info available

Process Improvement Initiatives



- All customer data and models required with application
- Several customer contract/payment points
- Multiple study, design and estimate iterations

- Min. customer data & models required for next steps
- One customer contract with standardised fees
- Customer self-service study options
- Reduced design and estimate iterations

Process Improvement Initiatives

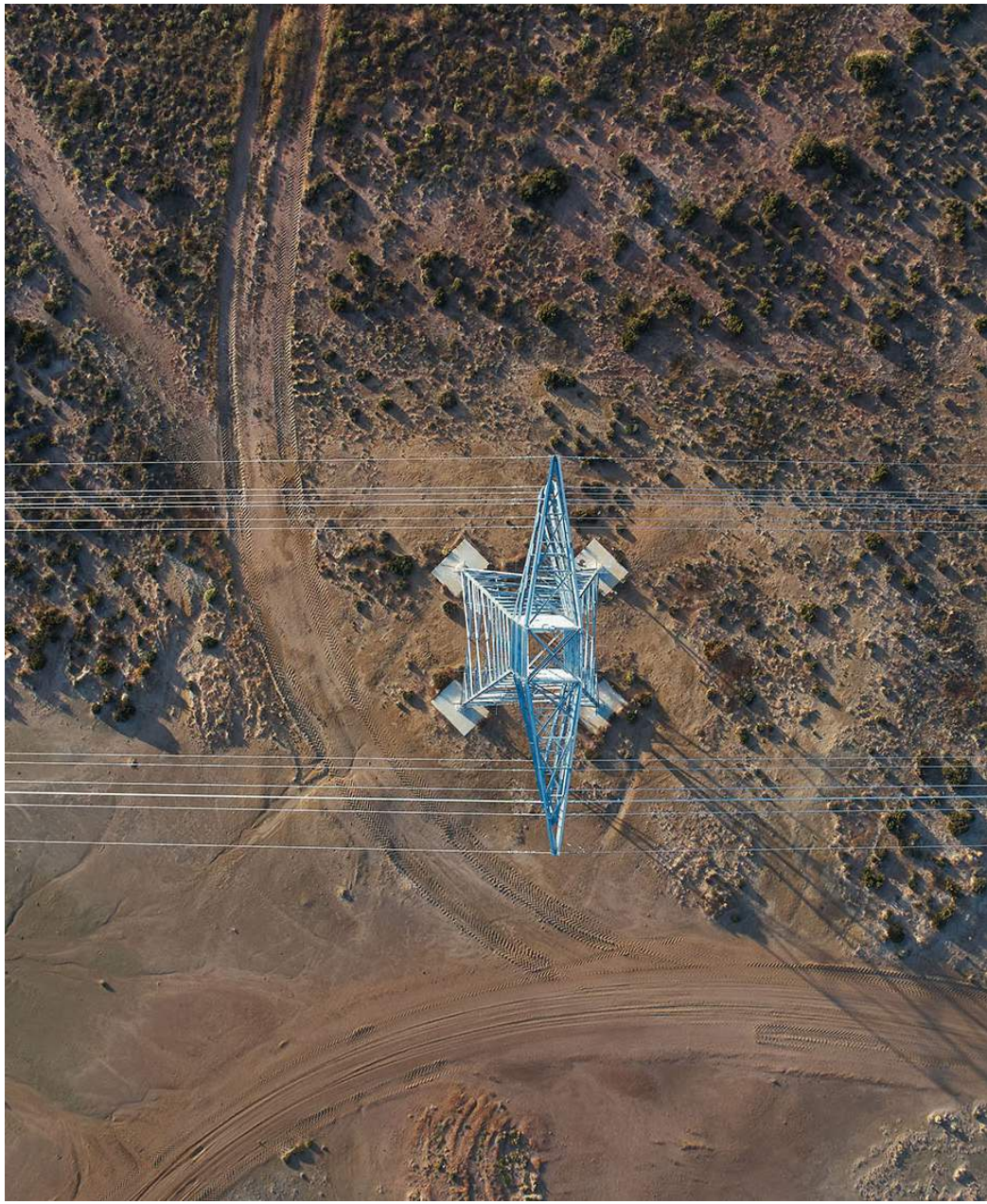
- Dynamic studies sequentially upfront using unreliable data
- Access Offer on planning design and Class 3 estimate
- Western Power complete Design & Construct of assets

- Dynamic studies paralleled with detailed design and only performed using confirmed vendor data
- Access Offer on concept design and Class 4 estimate
- Customer self-service Design & Construct options

Implementation Program

- Critical enabler for our Strategic Priority – Transmission network growth
- Business investment approved and a dedicated program is being established to deliver process improvement initiatives
- Once fully implemented, the total connection process timeframe is expected to reduce by up to 2 years*
- Future ERA reporting on process timeframes will be available on a quarterly basis

*Depends on customer project requirements, risk appetite and pathways chosen.



Working with key stakeholders

- Great support from EPWA and the ERA to implement some early process related AQP changes
- Ongoing customer, industry and Government engagement to ensure the success of this program
- We will be seeking involvement from key customer groups as we begin to develop and trial the new process before implementation and transition to the new ‘Business As Usual’

Next steps

- Continue development of process improvement initiatives and supporting artefacts
- Work with key stakeholders to assess and manage the change impact when rolling out these process improvement initiatives
- Phased delivery of process improvement initiatives until June 2024
- Monitor and refine the new process until June 2025, to ensure the objectives are achieved and performance benefits are sustained

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