

Energy Supplier Connection Deed Term Sheet

31 August 2023

Item	Topic	Details
1	Context	<p>The Network Operator will be engaged by the Infrastructure Planner to design, construct, own, operate and maintain the REZ Network Infrastructure.</p> <p>The Network Operator will be registered as a <i>Transmission Network Service Provider</i> under the NER and the REZ Network Infrastructure will be a <i>transmission network</i>.</p> <p>Energy Suppliers will develop generation and storage <i>facilities</i> which will be connected to the REZ Network Infrastructure.</p> <p>The Access Scheme Declaration has been made for the REZ Network Infrastructure. Energy Suppliers will require Access Rights under the Access Scheme to connect their <i>facilities</i> to the REZ Network Infrastructure.</p> <p>The Specific Network Operator Assets will be part of the REZ Network Infrastructure and will be required to enable each Energy Supplier's <i>facilities</i> to connect to the REZ Network Infrastructure.</p> <p>The Specific Network Operator Assets are intended to be the REZ Network Infrastructure assets located at and near the relevant <i>transmission network connection points</i> at which an Energy Supplier will be <i>connected</i>, for example a substation.</p> <p>The Network Operator and each Energy Supplier will enter into an Energy Supplier Connection Deed (or ESCD).</p> <p>Each ESCD will relate to the connection of the Energy Supplier's <i>facilities</i> to the REZ Network Infrastructure and the assets required to enable that connection. It will set out the terms on which:</p> <ul style="list-style-type: none">• the Network Operator will design, construct, own, operate and maintain the Specific Network Operator Assets and other relevant parts of the REZ Network Infrastructure;• the Network Operator will connect the Energy Supplier's <i>facilities</i> to the Specific Network Operator Assets;• the Network Operator will provide the Transmission Services to the Energy Supplier; and• the Energy Supplier may export electricity into the REZ Network Infrastructure at the relevant <i>transmission network connection points</i> up to the maximum capacity under the Energy Supplier's Access Rights, as registered in the Access Right Register for the Access Scheme. <p>This term sheet sets out the key terms on which the ESCD will be based. This term sheet applies in respect of initial Energy Suppliers only. Different terms are expected to apply to Energy Suppliers who obtain Access Rights at a later time.</p>
2	Definitions	<p>Capitalised terms used in this term sheet have the meanings set out below.</p> <p>Terms used in this term sheet which are italicised have the meaning given in the NER.</p> <p>Access Right has the meaning given in the Access Scheme Declaration.</p> <p>Access Scheme means the access scheme declared in the Access Scheme Declaration.</p>

Access Scheme Declaration means the access scheme declaration in respect of the Central-West Orana renewable energy zone made by the Minister for Energy under section 24 of the EII Act on 23 December 2022, as amended from time to time.

Connection Work means, in respect of the Network Operator, the Network Operator Connection Work and, in respect of the Energy Supplier, the Energy Supplier Connection Work.

EII Act means the *Electricity Infrastructure Investment Act 2020* (NSW).

Energy Supplier means a *Generator or Integrated Resource Provider* (from June 2024) connecting to the REZ Network Infrastructure which has been allocated Access Rights.

Energy Supplier Connection Work means the design and construction of specified parts of the Energy Supplier's *facilities* which interface with the Specific Network Operator Assets. These parts are indicatively shown in the single line diagrams set out in Attachment 1.

[Note to CFGs: The Energy Supplier will be responsible for building the assets up to its specified connection point required to connect.]

Energy Supplier Work means the design and construction of the Energy Supplier's *facilities* and includes the Energy Supplier Connection Work.

ESCD or Energy Supplier Connection Deed means the *connection agreement* to be entered into by the Energy Supplier and the Network Operator.

Infrastructure Completion has the meaning given in Item 7.

Infrastructure Planner means the infrastructure planner under the EII Act for the Central-West Orana renewable energy zone.

NER means the National Electricity Rules made under the National Electricity Law, as it is applied in New South Wales (including any amendments to the application of the NER made under the EII Act or the *Electricity Infrastructure Investment Regulation 2021* (NSW)).

Network Operator means the network operator authorised to design, construct, own, operate and maintain the REZ Network Infrastructure under the EII Act.

Network Operator Connection Work means the design and construction of the Specific Network Operator Assets.

Network Operator Work means:

- the Network Operator Connection Work; and
- the design and construction of sufficient other REZ Network Infrastructure to enable the Transmission Services to be provided in accordance with the ESCD.

Operational Completion has the meaning given in Item 8.

Project Deed means the deed between the Network Operator and the Infrastructure Planner for the performance of the REZ Network Infrastructure project entered into in accordance with the authorisation of the Network Operator under the EII Act.

REZ Access Standards has the meaning given in the Access Scheme Declaration.

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REZ Network Infrastructure means the transmission network infrastructure to be designed, constructed, owned, operated and maintained by the Network Operator, including the Specific Network Operator Assets.

Scheme Financial Vehicle has the meaning given in the EII Act.

Specific Network Operator Assets means the assets and works required to be designed and constructed to enable the Energy Supplier's facilities to connect to the REZ Network Infrastructure (e.g. the relevant bay at the substation). These assets and works will also be part of the REZ Network Infrastructure and are indicatively shown in the single line diagrams set out in Attachment 1. **[Note to CFGs: These are intended to be the assets which are directly used to connect the Energy Supplier (e.g. the substation at which the Energy Supplier is connected). Where there are multiple Energy Suppliers connecting to a substation, there will be a connection point for each Energy Supplier within the substation. These assets are expected to be part of the 'H2P Assets' referred to in the PDA Term Sheet.]**

Transmission Services means the services to be provided by the Network Operator to the Energy Supplier at the relevant transmission network connection points.

Work means, in respect of the Network Operator, the Network Operator Work and, in respect of the Energy Supplier, the Energy Supplier Work.

3	Parties	<p>The parties to the ESCD will be:</p> <ul style="list-style-type: none"> the Network Operator; and the Energy Supplier.
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4	Commencement	<p>Certain provisions of the ESCD (e.g. confidentiality, liability exclusions and limitations) will commence on execution.</p> <p>The remaining provisions of the ESCD will commence when the following conditions precedent have been satisfied or waived:</p> <ul style="list-style-type: none"> financial close has occurred under the Project Deed; and the Energy Supplier has given the Network Operator a notice to proceed in accordance with the ESCD. <p>[Note to CFGs: Conditions precedent to be confirmed for each energy supplier.]</p> <p>Either party will be entitled to terminate the ESCD if the conditions precedent are not satisfied or waived by a specified date.</p>
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5	Term	<p>The ESCD will expire a specified period of time after the date Practical Completion is achieved.</p> <p>The term of the ESCD will be specified by the Energy Supplier if up to [30 years] or agreed by the parties when negotiating the ESCD if more than [30 years].</p> <p>[Note to CFGs: The interaction between the term of the ESCD and the period over which Access Fees will be paid is being confirmed.]</p>
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		<p>The term of the ESCD may continue beyond the term of the Project Deed (with the Infrastructure Planner's consent), in which case the regime in Item 35 will apply.</p> <p>If agreed by the parties when negotiating the ESCD, the ESCD may include a mechanism to extend the term based on pricing principles set out in the ESCD.</p>
6	Works	<p>The Network Operator will perform the Network Operator Work, including the Network Operator Connection Work.</p> <p>The Network Operator Connection Work will be specified in the ESCD.</p> <p>The REZ Network Infrastructure which is not part of the Specific Network Operator Assets will not be specified in detail in the ESCD.</p> <p>The Energy Supplier will perform the Energy Supplier Connection Work. The Energy Supplier Connection Work will be specified in the ESCD.</p> <p>The parties will agree the scope and requirements for their respective Connection Work when negotiating the ESCD.</p>
7	Infrastructure Completion	<p>Infrastructure Completion will be when the portion of the REZ Network Infrastructure to which the Energy Supplier's <i>facilities</i> will connect, and each other portion of the REZ Network Infrastructure required for the Network Operator to provide the Transmission Services, achieves the requirements for Infrastructure Completion under the Project Deed, as certified by an independent certifier.</p> <p>The ESCD will set out key requirements for Infrastructure Completion which are relevant to the Energy Supplier. These will include that:</p> <ul style="list-style-type: none"> • the Network Operator Work has been completed, other than minor defects and omissions; and • the REZ Network Infrastructure is able to provide the Transmission Services in accordance with the ESCD. <p>When negotiating the ESCD, the Energy Supplier will receive a summary of the Infrastructure Completion requirements under the Project Deed.</p> <p>[Note to CFGs: Infrastructure Completion is intended to be when the Network Operator has completed all work within its scope required to provide an energised connection point to the Energy Supplier. This will include the relevant portions of the REZ Network Infrastructure between the Energy Supplier's connection point and the connection point between the REZ Network Infrastructure and Transgrid's existing transmission network.]</p>
8	Operational Completion	<p>Operational Completion will be when the Network Operator has achieved the requirements for Operational Completion under the Project Deed in respect of the Energy Supplier, as certified by an independent certifier.</p> <p>The ESCD will set out key requirements for Operational Completion which are relevant to the Energy Supplier. These will include:</p> <ul style="list-style-type: none"> • Infrastructure Completion has been achieved; • the Energy Supplier is registered as a <i>Generator</i> or <i>Integrated Resource Provider</i> (as applicable) in respect of the Energy Supplier's <i>facilities</i>;

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- hold points have been released in accordance with the commissioning program for the Energy Supplier's *facilities* required by the NER which allow the Energy Supplier's *facilities* to connect and export electricity to the REZ Network Infrastructure; and
- the Energy Supplier's *facilities* have connected and exported electricity to the REZ Network Infrastructure which has been sold in the National Electricity Market.

When negotiating the ESCD, the Energy Supplier will receive a summary of the Operational Completion requirements under the Project Deed.

[Note to CFGs: Operational Completion is intended to be when the Energy Supplier has been registered, connected, passed its first hold point and exported its first electricity into the REZ Network Infrastructure.]

9 **Timing for works**

The Network Operator will be required to achieve Infrastructure Completion by the specified date for Infrastructure Completion.

[Note to CFGs: EnergyCo acknowledges the concerns that generators (and their financiers) have raised throughout the consultation process regarding damages if the Network Operator does not achieve Infrastructure Completion by the Date for Infrastructure Completion. Proponents are requested to provide specific examples of market precedents and outline any implications on the viability of their projects as EnergyCo evaluates this matter further.]

The Network Operator will be required to complete all Network Operator Work required for the Energy Supplier to achieve Operational Completion as soon as reasonably practicable after Infrastructure Completion.

The ESCD will additionally include a list of any milestones relevant to interfaces between the Network Operator and Energy Supplier, and dates for achieving the milestones.

The milestones will relate to activities which involve an interface or dependency between the parties (e.g. a date by which site access is required).

Each party will use reasonable endeavours to achieve its milestones by the specified milestone date.

If the date for Infrastructure Completion is extended under the Project Deed, the date for Infrastructure Completion under the ESCD will be extended by the same period.

When negotiating the ESCD, the Energy Supplier will receive a summary of when the date for Infrastructure Completion can be extended under the Project Deed.

The Network Operator will give the Energy Supplier notice of:

- any delay to Infrastructure Completion of which the Network Operator becomes aware;
- any delay for which the Network Operator is entitled to an extension of time under the Project Deed to the date for Infrastructure Completion;
- any claim made by the Network Operator for an extension of time under the Project Deed to the date for Infrastructure Completion, and keep the Energy Supplier informed regarding the progress of the claim; and
- any extension of time to the date for Infrastructure Completion determined under the Project Deed.

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		<p>[Note to CFGs: To simplify the delay regime, extensions of time would be dealt with under the Project Deed and not each separate ESCD.]</p> <p>The ESCD will include a program for the Network Operator Work in the form of a Gantt chart. The program will only include Network Operator Work which is not Network Operator Connection Work to the extent that the relevant Network Operator Work is integral to the Network Operator Connection Work for the Energy Supplier.</p>
10	Land rights	<p>The Network Operator will be responsible for obtaining land rights required for the Network Operator Work and Specific Network Operator Assets.</p> <p>[Note to CFGs: For the initial group of Energy Suppliers, we expect the land rights required for the Network Operator Connection Work will be obtained by EnergyCo and the Energy Supplier will not be required to provide land rights. This will need to be confirmed on a project specific basis.]</p> <p>To the extent any Energy Supplier Work needs to be carried out on land owned or controlled by the Network Operator, or over which the Network Operator has rights to access the land, the Network Operator will ensure that the Energy Supplier is granted rights to access the land needed to carry out the relevant Energy Supplier Work.</p>
11	Approvals	<p>The Network Operator will obtain all approvals required for the Network Operator Work or Transmission Services.</p> <p>[Note to CFGs: For the initial group of Energy Suppliers, we expect the planning approval for the Network Operator Work will be obtained by EnergyCo and the Energy Supplier will not be required to obtain those approvals. This will need to be confirmed on a project specific basis.]</p> <p>The Energy Supplier will obtain all approvals required for the Energy Supplier Work.</p>
12	Coordination	<p>Each party will coordinate and interface its Work with the other party's Work and avoid delaying or disrupting the other party's Work to the extent reasonably possible.</p> <p>The ESCD will include a list of interface points and scope boundaries between the Network Operator Work and Energy Supplier Work.</p>
13	Principal contractor	<p>The Network Operator will be, or will engage, a principal contractor under the <i>Work Health and Safety Regulation 2017</i> (NSW) for the Network Operator Work.</p> <p>The Energy Supplier will be, or will engage, a principal contractor under the <i>Work Health and Safety Regulation 2017</i> (NSW) for the Energy Supplier Work.</p>
14	Testing and commissioning	<p>Each party will be entitled to inspect the Energy Supplier Work (in the case of the Network Operator) or the Network Operator Connection Work (in the case of the Energy Supplier), subject to providing reasonable notice and complying with reasonable access requirements. The Network Operator will be entitled to</p>

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		<p>review, prior to the inspection, relevant completed tests undertaken by the Energy Supplier.</p> <p>Each party will be entitled to require the other party to test the Energy Supplier Work (in the case of the Network Operator) or the Network Operator Connection Work (in the case of the Energy Supplier) where that party believes on reasonable grounds that the other party's work does not comply with the ESCD and will adversely impact it.</p> <p>If a party requires the other party to perform a test, it must pay the other party the reasonable cost of performing the test if the test does not demonstrate a non-compliance.</p> <p>The Network Operator will be responsible for commissioning the REZ Network Infrastructure and Specific Network Operator Assets, and the Energy Supplier will be responsible for commissioning its <i>facilities</i>. This will involve certain joint commissioning activities.</p> <p>The Network Operator will have a Master CWO Commissioning Plan (MCCP) which covers the commissioning of the REZ Network Infrastructure and the <i>facilities</i> connected to it.</p> <p>The Energy Supplier will have the opportunity to review and comment on the MCCP to the extent relevant to the Energy Supplier's <i>facilities</i>.</p> <p>The Network Operator will act reasonably in considering the Energy Supplier's comments and will address any comments required to comply with law (including the NER) or <i>good electricity industry practice</i>.</p> <p>The Network Operator, AEMO and the Energy Supplier will agree a commissioning plan for the Energy Supplier's <i>facilities</i> in accordance with the NER. The Energy Supplier's commissioning plan will need to be compliant with the MCCP.</p> <p>Each party will comply with its commissioning obligations under the NER and the Energy Supplier's commissioning plan.</p>
15	Connection criteria	<p>The ESCD will set out the requirements which the Energy Supplier must comply with or satisfy before the Energy Supplier's <i>facilities</i> are connected to the Specific Network Operator Assets, which will include those set out in an operational readiness plan provided by the Network Operator.</p>
16	Transmission Services	<p>On and from the date of Connection Completion, the Network Operator will provide the Transmission Services to the Energy Supplier. The Transmission Services will be specified in the ESCD. The ESCD will include acknowledgements from the Energy Supplier in line with usual practice that the Transmission Services may be interrupted or curtailed.</p>
17	Operation	<p>Each party will be required to operate its <i>facilities</i> in accordance with the ESCD, law, approvals, the standards applicable under the NER, its <i>performance standards</i> and <i>good electricity industry practices</i>.</p> <p>The Energy Supplier will be required to operate its <i>facilities</i> so as to protect and avoid any damage to or material adverse effect on the Network Operator's <i>facilities</i> or property.</p>

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The Network Operator will be required to operate its *facilities* so as to protect and avoid any damage to or material adverse effect on the Energy Supplier's connected *facilities* or property.

18 **Network Operator Performance Regime**

The Project Deed will include a Network Operator Performance Regime which applies to the operation of the REZ Network Infrastructure. *Service target performance incentive scheme* under the NER will not apply to the REZ Network Infrastructure.

The Network Operator Performance Regime is intended to incentivise the Network Operator to design, construct, operate and maintain the REZ Network Infrastructure to a high standard.

The Network Operator Performance Regime will include components relating to availability, planned outages, reliability and KPIs. A failure to achieve the target standards will result in a material abatement to the Network Operator's service payments from the Scheme Financial Vehicle.

When negotiating the ESCD, the Energy Supplier will receive a summary of the Network Operator Performance Regime.

During the operations phase, the Network Operator will give the Energy Supplier an annual report summarising the Network Operator's performance under the Network Operator Performance Regime.

The summary will include the performance standard achieved by the Network Operator compared to the target standards and any abatement applied.

[Note to CFGs: It is proposed that the Network Operator's performance is transparently reported to the Energy Suppliers within the REZ so they can see the level of performance achieved and any financial impacts on the Network Operator.]

19 **Operating protocol**

The Network Operator will have a CWO Operating Protocol (**COP**) covering the operation of the REZ Network Infrastructure and *facilities* connected to it.

The Energy Supplier will have the opportunity to review and comment on the COP to the extent relevant to the Energy Supplier's *facilities*.

The Network Operator will act reasonably in considering the Energy Supplier's comments and will address any comments required to comply with law (including the NER) or *good electricity industry practice*.

The ESCD will include a draft operating protocol in relation to the Energy Supplier's *facilities*. The draft operating protocol will be compliant with the draft COP.

The parties will use reasonable endeavours to agree the updates required to the operating protocol after detailed design has been completed.

The updates must be agreed before the Energy Supplier's *facilities* are connected to the Specific Network Operator Assets.

The parties will use reasonable endeavours to agree any updates to the operating protocol proposed by a party from time to time.

If the parties fail to agree an update to the operating protocol, it will be determined through the dispute resolution procedure based on *good electricity industry practice*.

Each party must comply with the operating protocol.

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20	Capacity	<p>The Energy Supplier will ensure its <i>facilities</i> do not exceed the <i>agreed capability</i> and maximum capacity specified in the ESCD for the relevant <i>transmission network connection points</i> or the capability of the <i>transmission network</i> from time to time (as notified through the AEMO dispatch process).</p> <p>[Note to CFGs: The agreed capability will not exceed the maximum capacity under the Access Rights, and the Energy Supplier will be required to not exceed the maximum capacity under its Access Rights. See Item 24.]</p> <p>The Energy Supplier will acknowledge and agree that the electricity which can be exported from its <i>facilities</i> will depend on the capacity of and conditions on the <i>transmission network</i> from time to time, including due to maintenance performed by the Network Operator. The Energy Supplier's access to and use of the REZ Network Infrastructure will be governed by the Access Scheme. The Energy Supplier will not have a 'firm' or 'exclusive' right to use any part of the <i>transmission network</i> in priority to any other Access Right holder.</p>
21	Maintenance	<p>Each party will maintain its <i>facilities</i> in accordance with the ESCD, law, approvals, the standards applicable under the NER, its <i>performance standards</i> and <i>good electricity industry practices</i>.</p>
22	Outages	<p>The parties will participate in joint outage planning and use reasonable endeavours to coordinate planned outages.</p> <p>If there is an unplanned outage of the Network Operator's <i>facilities</i>, the Network Operator will use reasonable endeavours to restore its <i>facilities</i> to normal operation as soon as reasonably practicable.</p>
23	Performance standards	<p>The ESCD will set out the <i>performance standards</i> applicable to each party's <i>facilities</i>.</p> <p>The <i>performance standards</i> for the Energy Supplier's <i>facilities</i> will be consistent with the REZ Access Standards. [Note to CFGs: The scope for any variation or tuning outside the REZ Access Standards where it improves the network performance overall is being considered by EnergyCo.]</p> <p>Each party will comply with the <i>performance standards</i> applicable to its <i>facilities</i>.</p>
24	Access scheme	<p>The ESCD will terminate if the Energy Supplier ceases to hold the Access Rights for its <i>transmission network connection points</i>.</p> <p>The Network Operator will not connect or allow a <i>generator</i> or <i>integrated resource provider</i> to remain connected to the REZ Network Infrastructure at a <i>transmission network connection point</i> except in accordance with an Access Right held by that participant for the relevant <i>transmission network connection point</i>.</p> <p>The ESCD will include the maximum capacity for the Energy Supplier's <i>transmission network connection points</i> specified in the Energy Supplier's Access Rights. The Energy Supplier must not export electricity into the REZ Network Infrastructure at a <i>transmission network connection point</i> in excess of the maximum capacity.</p>

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25	Compliance monitoring	<p>The Energy Supplier will be required to have and implement a compliance monitoring program in accordance with the NER.</p> <p>The Network Operator will be required to provide information reasonably requested by the Energy Supplier for the purposes of its compliance monitoring program.</p> <p>The Network Operator will accept no liability in respect of the Energy Supplier's compliance monitoring program.</p>
26	Disconnection	<p>The Network Operator will be entitled to disconnect or curtail the Energy Supplier's <i>facilities</i>:</p> <ul style="list-style-type: none"> • in accordance with its rights under the NER or other applicable laws, or to comply with the NER or other applicable laws; • where, in the Network Operator's opinion, acting reasonably, action is urgently required as a result of any actual or potential event which poses a threat to the safety of persons or property; • if the Energy Supplier does not comply with a technical requirement in the ESCD and the non-compliance will have a material effect on the <i>transmission network</i>; • if, in accordance with the <i>Electricity Infrastructure Investment Regulations 2021</i> (NSW), the Infrastructure Planner directs the Energy Supplier to be disconnected; • if the Energy Supplier ceases to hold the Access Rights for its <i>transmission network connection points</i>; or • if the Energy Supplier does not pay an amount due and payable under the ESCD (not subject to a bona fide dispute) and fails to rectify the non-payment within 15 Business Days after notice from the Network Operator.
27	Metering	<p>The Energy Supplier may decide to appoint the Network Operator as the <i>Metering Coordinator</i>. If appointed, the Network Operator will perform the role of <i>Metering Coordinator</i>.</p> <p>The ESCD will include details of the equipment and space required for the <i>metering installation</i> which each party is responsible for installing and maintaining. The parties will agree the allocation of responsibility when negotiating the ESCD.</p> <p>The <i>metering point</i> will be located as close as practicable to the <i>transmission network connection point</i> as required by the NER.</p>
28	General standards	<p>The parties will be required to comply with law, approvals and <i>good electricity industry practice</i>.</p> <p>The Energy Supplier will be required to comply with the obligations of a <i>Generator, Customer</i> or <i>Integrated Resource Provider</i> (as applicable) under the NER even if it is not registered.</p>
29	Charges	<p>The Energy Supplier will not be required to pay the Network Operator a charge for the provision of the original scope of Network Operator Connection Work.</p>

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The Energy Supplier will be required to pay access fees under the Access Payment Deed between the Energy Supplier and the Scheme Financial Vehicle to contribute to the cost of REZ Network Infrastructure, including an initial amount of system strength, associated with the Energy Supplier.

The Energy Supplier may be required to pay for additional work or services, such as variations to the Network Operator Connection Work and additional modelling, requested by the Energy Supplier.

[Note to CFGs: The circumstances in which the Energy Supplier could be required to pay for work or services is being finalised. The intention is that the access fees cover the original scope of the connection, with the Energy Supplier paying for additional work or services beyond that.]

The Network Operator will be entitled to charge the Energy Supplier other amounts where permitted by the NER.

30 **Variations to work**

The Network Operator will be entitled to vary the Network Operator Work (excluding the Network Operator Connection Work), provided the Network Operator will still be able to provide the Transmission Services in accordance with the ESCD.

The Network Operator will be entitled to vary the Network Operator Connection Work, provided the variation will not:

- prevent the Network Operator providing the Transmission Services in accordance with the ESCD;
- require the Energy Supplier to make a material change to its *facilities*;
- materially increase the cost or increase the time required for the Energy Supplier to complete, operate and maintain its *facilities*; or
- require the Energy Supplier to obtain any new approval or a modification to an approval.

The Energy Supplier will be entitled to vary the Energy Supplier Connection Work, provided the variation will not have any material adverse effect on the Network Operator or any other person with *facilities* connected to the *transmission network*.

The ESCD will include a process for the parties to vary the Work by agreement to the extent that the variation is not permitted above.

Variations to the Network Operator Work are likely to require the Infrastructure Planner's approval under the Project Deed and will not be implemented unless such approval is obtained.

The Energy Supplier may be required to pay for variations to the Network Operator Connection Work requested by it.

31 **Risk of damage**

Except as otherwise stated in this term sheet, the Network Operator will bear the risk of loss of or damage to the REZ Network Infrastructure, excluding any loss or damage caused by the Energy Supplier.

The Network Operator will be required to promptly make good any loss or damage.

The Energy Supplier will bear the risk of loss or damage to its *facilities*, excluding any loss or damage caused by the Network Operator.

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		Each party will indemnify the other party for property damage or personal injury.
32	Insurance	<p>Each party will effect and maintain the following insurance policies:</p> <ul style="list-style-type: none"> • contract works insurance during the construction phase for its Work; • property damage insurance during the operations phase for its <i>facilities</i>; • public and products liability insurance for [\$50 million] per occurrence and in the annual aggregate; • motor vehicle third party insurance with a minimum level of cover of [\$30 million] per occurrence and in the annual aggregate; • motor vehicle compulsory third party insurance as required by law; and • workers compensation insurance as required by law.
33	[Credit support]	<p><i>[Note to CFGs: It is anticipated that credit support will not be required on the basis the Energy Supplier does not pay the Network Operator for the REZ Network Infrastructure. To the extent the Energy Supplier will pay for work or services beyond the original scope of the connection, credit support may be necessary.]</i></p>
34	Cure periods	<p>The ESCD will include a default and cure regime. As part of the default and cure regime, the following total cure periods will apply as a minimum:</p> <ul style="list-style-type: none"> • before terminating the ESCD in relation to a financial default – 20 business days; • before terminating the ESCD in relation to an insolvency event – 5 business days; • before terminating the ESCD in relation to a non-financial default (other than delay to Practical Completion) – a reasonable period of time, which in any case must be at least 30 business days; and • before terminating the ESCD in relation to a delay to Practical Completion – a sunset period to be described in the ESCD.
35	Termination of Project Deed	<p>If the Project Deed terminates for any reason or expires, the Network Operator will be entitled to novate its rights and obligations under the ESCD (arising on or after the date of novation) to any replacement network operator.</p> <p>If the ESCD is not novated to a replacement network operator on the termination or expiry of the Project Deed, either party will be entitled to terminate the ESCD.</p> <p>Where the ESCD is terminated and the Project Deed was terminated for the Network Operator's default or insolvency, the ESCD will be deemed to have been terminated for the same reason.</p> <p><i>[Note to CFGs: It is anticipated that a termination payment under the ESCD will not be required where the ESCD is terminated on the basis the Energy Supplier does not pay the Network Operator under the ESCD for the REZ Network Infrastructure. Please note that termination amounts may be payable under the Access Payment Deed and any LTESA.]</i></p>

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36	Liability caps	<p>Each party's liability to the other party during the construction phase will be capped at \$[insert].</p> <p>Each party's liability to the other party during the operations phase will be capped per annum at \$[insert].</p> <p>The exclusions to the liability caps will include the following:</p> <ul style="list-style-type: none"> • payment of any charges; • liability for personal injury or death; • liability for property damage or loss; • insurance proceeds received by the liable party; • insurance proceeds which would have been received if the liable party had complied with the ESCD, complied with the insurance policy and used reasonable endeavours to recover the proceeds; and • liability for fraud, wilful breach or wilful misconduct. <p>The parties will agree that the ESCD does not exclude or modify any limitation or exclusion of liability under the National Electricity Law.</p>
37	Consequential loss	<p>Each party will have no liability to the other in relation to the ESCD for defined types of consequential loss.</p> <p>The carve outs to the exclusion of consequential loss will include the following:</p> <ul style="list-style-type: none"> • payment of liquidated damages; • payment of the charges; • liability for personal injury or death; • liability for property damage; • insurance proceeds received by the liable party; • insurance proceeds which would have been received if the liable party had complied with the ESCD, complied with the insurance policy and used reasonable endeavours to recover the proceeds; • liability for breach of obligations relating to confidentiality or intellectual property; and • liability for fraud, wilful breach or wilful misconduct.
38	Related company deed	<p>If a person other than the Energy Supplier in relation to the Energy Supplier's <i>facilities</i>:</p> <ul style="list-style-type: none"> • is required to register under the NER; • is registered under the NER; • would have been required to register under the NER if another person had not been appointed as an <i>intermediary</i> under the NER; or • has an agreement with the Energy Supplier for the supply of electricity or bids electricity exported from the <i>facilities</i> into the spot market, <p>(related company), the Energy Supplier must ensure the related company enters into a deed with the Energy Supplier and the Network Operator which</p>

Item	Topic	Details
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extends the liability regime under the ESCD to both that person and the Energy Supplier.

If the Energy Supplier fails to provide the deed entered into by the related company, the Energy Supplier will indemnify the Network Operator against any liability to the related company which would have been limited or excluded by the deed.

39	Dispute resolution	<p>The ESCD will set out the process for resolving disputes between the parties arising out of or in connection with the ESCD.</p> <p>Where the NER states a dispute will be resolved through a dispute resolution process under the NER, the dispute will be resolved through that dispute resolution process.</p> <p>The following staged dispute resolution processes will apply to other disputes:</p> <ul style="list-style-type: none"> • negotiation between senior dispute representatives; • expert determination using the Resolution Institute’s rules if agreed by the senior dispute representatives, which will be binding unless a party gives notice within 10 business days; and • litigation or arbitration using the ACICA rules, as selected by the Network Operator.
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40	Assignment and transfer	<p>A party must not assign its rights or novate its rights and obligations arising out of the ESCD without the other party’s prior consent (not to be unreasonably withheld).</p> <p>The Energy Supplier may only assign its rights or novate its rights and obligations under this Item 40 to a person that:</p> <ul style="list-style-type: none"> • has the legal, financial and technical capability to perform the Energy Supplier’s obligations under the ESCD; • receives the Energy Supplier’s Access Rights at the same time; • receives ownership or a lease of the Energy Supplier’s <i>facilities</i> at the same time; and • holds the approvals required to own or lease, operate and control the Energy Supplier’s <i>facilities</i>. <p>The Network Operator may only assign its rights or novate its rights and obligations under this Item 40 to a person that:</p> <ul style="list-style-type: none"> • has the legal, financial and technical capability to perform the Network Operator’s obligations under the ESCD; • receives ownership of the REZ Network Infrastructure at the same time; and • holds the approvals required to own, operate and control the REZ Network Infrastructure. <p>A party may only assign its rights under this Item 40 if the assignee assumes the party’s obligations at the same time.</p>
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Item	Topic	Details
41	Energy Supplier financier tripartite deed	The ESCD will include a provision requiring the Network Operator, if requested, to enter into a tripartite deed with the Energy Supplier's financiers on terms set out in a schedule to the ESCD (to be agreed by the parties' financiers where relevant).
42	Network Operator financier tripartite deed	The ESCD will include a provision requiring the Energy Supplier, if requested, to enter into a tripartite deed with the Network Operator's financiers on terms set out in a schedule to the ESCD (to be agreed by the parties' financiers where relevant).

Attachment 1 – Indicative Single Line Diagrams

[Note to CFGs: Refer to diagram separately provided.]