

ASX Announcement



17 December 2019

AusNet Services Group to Develop Major Transmission Upgrade for Western Victoria

Enclosed is an announcement made by AusNet Services, which is provided for the information of AusNet Services Holdings Pty Ltd noteholders.

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Mondo, the commercial division of the AusNet Services Group, has been selected by the Australian Energy Market Operator (AEMO) to build, own and operate the contestable assets for the Western Victoria Transmission Network Project (WVTNP or Project).

The final details of the Project are dependent on initial stage activities and approvals. Among other customary terms and conditions, AEMO retains the right not to proceed with the Project and AusNet Services Group will have its costs reimbursed up to an agreed cap in this event.

The Project includes stakeholder and community engagement, planning and approvals, land assembly and design and construction, staged over a number of years with the final component expected to be in operation by 2025.

The contestable assets will consist primarily of a new North Ballarat terminal station, connected to Bulgana terminal station by a new ~110km 220kV transmission line, and to Sydenham terminal station by a new ~80km 500kV transmission line.

AusNet Services Group will also build, own and operate the majority of the non-contestable assets required for the WVTNP, comprising primarily of interface and associated network changes to support the new contestable assets.

AusNet Services Managing Director Tony Narvaez said that "Mondo has demonstrated it has the capabilities and resources to develop this critical piece of transmission infrastructure and its selection is a significant step in its strategy to grow its contracted asset base to \$1.5b by 2024. This is an exciting opportunity for Mondo and the broader AusNet Services Group to build on the enormous amount of work we have already done to support Victoria's transition to a new energy future and all the benefits to customers this will bring."

The agreements between AusNet Services Group and AEMO for the WVTNP follow the completion of AEMO's Regulatory Investment Test for Transmission and an extensive competitive tender process for the contestable assets.

On completion of construction of the Project, AusNet Services Group will receive long-term fixed payments, escalated annually, for providing these infrastructure services over ~ 30 year terms.

About AusNet Services

AusNet Services Group is the largest diversified energy network business in Victoria, owning and operating three regulated networks - electricity distribution, gas distribution and the state-wide electricity transmission network.

Headquartered in Melbourne, Australia, AusNet Services Group employs around 1,900 people to service 1.4 million consumers. For more information visit AusNet Services Group's website, www.ausnetservices.com.au.

**About Mondo**

Mondo is AusNet Services Group's commercial business, responsible for enabling Australia's energy future through the provision of a range of infrastructure, utility and community energy services. For more information visit Mondo's website, www.mondo.com.au.

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