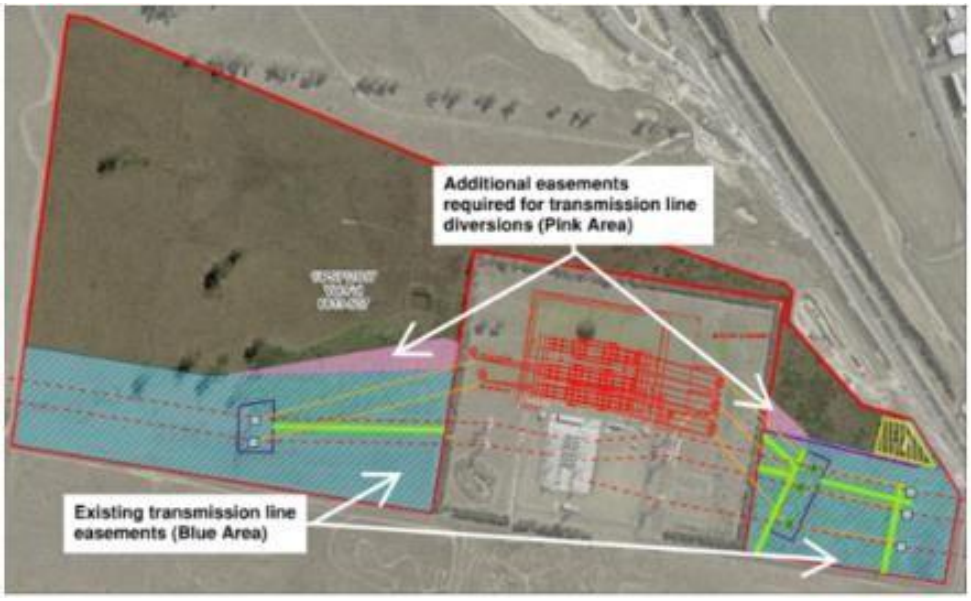
CPG Form – SYTS GIS Asset Replacement Project Change Request 001

1. Project Details

PCR Type	☒ Time ☒ Scope ☐ Budget (MR drawdown) ☐ Benefits ☒ Budget (Additional)		
Value Engineering Completed *(Network Capex Only – otherwise check N/A)*	☒ Yes ☐ No ☐ N/A Considerable value engineering, cost & delivery optimisations were achieved through coordinated and integrated detailed designs process with Sydenham Terminal Sation (SYTS) 500kV GIS Asset Replacement project, Western Renewable Link Project (**WRL**) and Melbourne Renewable Energy Hub (**MREH**) project.		
Project Number *Please include the HD numbers for HX projects.*	TD-0008033	**PCR#**	PCR-001
Project / Program Name	Sydenham Terminal Sation (SYTS) 500kV GIS Asset Replacement		
Portfolio	Transmission (100%)		
Project Manager	[C.I.C], Development & Future Networks Delivery		
Project Initiator	[C.I.C], Transmission Network Planning		
Program Manager	[C.I.C], Head of Delivery Construction & Commissioning		
Project Sponsor	[C.I.C], GM Network Management		
Change Description	**Background:** A regulated project to rebuild the existing Sydenham Terminal Station (**SYTS Asset Replacement**) was approved in 2021. At the time of approval, it was planned to be delivered as part of the Western Renewable Link (**WRL**) project to improve efficiency. Subsequently, due to delayed planning approvals for **WRL**, the projects have been decoupled. Therefore, **SYTS Asset Replacement** no longer forms part of the **WRL Environmental Effects Statement** (**EES**) and required separate planning approvals. While **WRL** cost savings were considered, the ongoing impact of delays to the **SYTS Asset Replacement** presented increasing network risk. The Minister for Planning approved its removal from the **WRL EES** in August 2023. Since then, the project team has diligently processed a separate planning permit and successfully obtained formal approval, in November 2024, to proceed with the planned construction works at **SYTS**. **Purpose:** This Project Change Control Request (**PCR**) of **SYTS Asset Replacement** project seeks approval for: 1. **Scope expansion**: include the procurement of extended easements at 1 Holden Road for the SYTS Rebuild. 2. **Budget Increase**: Total budget increase from approved BC budget of \$91.63 M (Including CFC+OH+MR) to requested total budget of \$122.89(Including CFC+OH+MR) M (represents total \$31.26 M uplift): a. Spent to date plus CY2024 Forecast: ~\$22.46 M b. CY2025 Forecast: ~\$29.21 M c. CY2026 Forecast: ~\$29.33 M		

	d. CY2027 Forecast: ~$26.55 M e. CY2027 Forecast: ~$6.63 M 3. **Time extension**: a. AIS date from 30 Sept 2025 till 30 Apr 2027, and b. Project Completion date from 30 Dec 2025 till 07 Mar 2028*. Note: * The extended Project Completion (i.e. close out) period is necessary to ensure a safe and methodical demolition, removal, and off-site disposal of existing GIS assets (filled with greenhouse gas SF6), associated drive mechanisms (filled with hydraulic oils), and other steel infrastructure, incl. full reinstatement of the existing switchyard. This approach mitigates potential risks to personnel and the environment.		
Total Cost of Change *(+/- to baseline)*	Total $31.05 M	CAPEX $31.05 M	OPEX $0.21 M
Root Cause(s)/Reason for Change	1. **Scope Expansion** (**Problem Statement):** Additional land easements required. The proposed design for the transmission line augmentation necessitates an extension of existing easements (highlighted in blue on Figure 1) on both the western and eastern sides of **SYTS** (highlighted in pink on Figure 1).  **Error! Reference source not found.** The land to the east and west is part of the same parcel of land, encompassing the **SYTS** property on the North, East and West boundary. It is not possible to rebuild **SYTS** without relocating the existing five (5) transmission lines and extending easements. **Note**: Our evaluation excluded alternative line designs, such as 500kV cable connections, due to several key drawbacks as below: • **Higher Costs**: These options were significantly more expensive to implement.		

- **Reduced Reliability**: Compared to the chosen overhead design, they offered a lower level of reliability.
- **Increased Maintenance**: They would require more ongoing maintenance effort and incur higher maintenance costs.
- **Limited Future Potential**: These alternatives would hinder the future development of **SYTS** to its full capacity as envisioned by **AEMO**.

AusNet has been engaging with landowners to explore both freehold acquisition and minimum easement options to support the **SYTS Asset Replacement** and **WRL** projects.

Initial planning advice revealed that purchasing No. 1 Holden Rd land and rezoning the entire **SYTS** site through a Planning Scheme Amendment (**PSA**) was the optimal approach. However, a recent amendment to the Victorian Planning Scheme in April 2024 eliminated the need for freehold acquisition of this land.

In November 2024, AusNet secured formal approval (Planning Permit) for construction activities associated with the **SYTS Asset Replacement** and **WRL SYTS Phase 1** projects.

To expedite the **SYTS Asset Replacement**, acquiring additional easements is now identified as the most effective approach, given the urgent nature of the project. As a contingency plan, compulsory acquisition powers were considered in the event of unsuccessful negotiations with landowners.

2. **Budget Increase:** Additional funding is required to cover cost increases since Business Case. The market tested costs indicated an elevated construction costs due to post-COVID market conditions

Budget Change ($M)			
Prior Approved Total BC Budget	**Capex**	**Opex**	**Requested Total Budget**
$91.6	+$31.05	$0.21	$122.89

Comparison table of forecast vs estimate to show the areas of budget increase.

Discipline	Business Case Estimate $M	Actuals/ Estimate $M	Variance BC vs Estimate $M	Comments
Design	$5.6	$4.7	-$0.9 (16% ↓)	Due to in-house (line) design efforts, a portion of the external design budget allocated in the BC has been reallocated to Internal labor costs.
Internal Labour	$4.0	$7.0	$3 (76%↑)	In house design team cost uplift, including extra works due to IEC61850 compliant, PC moved to Apr 2027, 19 months additional resource cost.
Materials, Plant and equipment	$18.1	$17.2	-$0.9 (5%↓)	Material costs were reduced through design optimisation, minimising cut-in towers, and leveraging synergies with WRL material procurement. It's

				important to note that some minor consumable materials remain within the construction scope.
Land	0.0	$2.0	$2M (100%↑)	No.1 Holden Rd land line easement acquisition & associated legal and transfer fees
Contracts	$46.1	$61.0	$14.9 (32%↑)	Increased construction costs due to post-COVID market conditions. Estimate based on CPP BAFO and optimal CDP delivery schedule, including insurance and construction support.
Contingency	$1.9	$1.9M +$1.1	$1.1 (53%↑)	Increased to manage interfacing risks between various separable scopes& contract (e.g. WRL & MREH)
Escalation		$4.3	$4.3 (53%↑)	Cumulative escalation value (2025-2028) based on new NPV, excluding the $2M already budgeted in construction costs
Direct Capital Total	$75.8	$99.3	$23.6 (31%↑)	Increase as per all above
Indirect Capital OH	$3.1	$7.2	$4.1 (132% ↑)	Increased costs resulting from a delayed project timeline.
Indirect Capital CFC	$10.6	$7.4	-$3.2 (30% ↓)	Reduction in CFCs is driven by the new capex phasing and sarcoding profile
Total Delivery Capital	**$89.4**	**$113.9**	**$24.5**(27↑)	Increase as per all above
Management Reserve	$1.9M	$1.9M	$0.00	No change, as per original BC
Management Reserve (Additional)	0	$1.2	$1.2 (100%↑)	An additional $1.2 M contingency added to original $1.9M to address potential scope increases, network outage cancellations, and extreme weather impacts beyond the base case
Management Reserve (Additional)	0	$2.9	$2.9 (100%↑)	CDP KPI incentive payments at completion as per CDP Agreement
Total Capex Value	**$91.3**	**$119.89**	**$27.5**(30%↑)	Increase as per all above
Asset written down value	$0.3	$0.3	0.0	No change to BC. Not delivery Budget
Additional Project Opex	0.0	$0.2	$0.2 (100% ↑)	Extended O&M costs for existing assets resulting from project delays; land tax and council rates during delivery phase
Total Project Value	**$91.6**	**$122.89**	**$31.26**(31%↑)	Increase as per all above

3. **Time Extension:** Additional time is required, to pursue and obtain the necessary planning approvals post WRL decoupling and recent amendment to the Victorian Planning Scheme, to the initial construction delivery timeframes.

Category	BC estimate	Current estimate	Variance	Comment

	Practical Competition (AIS)	30/09/2025	14/04/2027	19 months	The delays due to: • Effort decoupling **SYTS Asset Replacement** from **WRL EES** referral, • Conducting additional field survey to develop a standalone Cultural Heritage Management Plan (**CHMP**), • Preparing a separate planning application (i.e. **PSA**) and then changing it to a Planning Permit Application • Conducting soil contamination assessment of the **Land** & the **Land** valuations • Scheduled to avoid network outage embargo periods & to minimise network disruption.
	Project Completion	31/12/2025	04/03/2028	26months	This includes the total delay due to planning implications and the safe decommissioning, demolition, and removal of redundant GIS assets from the site, as well as the restoration of the existing switchyard area.

Justification:

1. **Scope expansion**: The proposed design for the transmission line augmentation necessitates acquiring additional land easements beyond the existing easements on both the western and eastern sides of **SYTS**.
2. **Budget increase**: Cost for land easements and construction cost escalation and provisions for time extension
3. **Time extension**: Extended AIS date & Project completion date respectively to accommodate delays.

Benefit of the Change

Given the recent approval of the Planning Permit, AusNet is poised to initiate construction activities in February 2025, contingent upon the execution of the Construction Delivery Partner (CDP) contract.

To expedite the project and minimize risks, the preferred solution involves securing additional easements. This approach offers several advantages:

1. **Optimal Strategic Fit**: Aligns with project objectives.
2. **Reduced Company Risk**: Mitigates delays and asset failure risks.
3. **Minimal Environmental Impact**: Reduces SF6 leak potential.
4. **Cost-Effective**: Avoids potential cost increases due to delayed contract execution.
5. **Minimal Customer Impact**: Prevents further delays and associated asset failure risks.
6. **Accelerated Implementation**: Enables timely completion of the SYTS Asset Replacement, a crucial prerequisite for future projects like WRL and MREH Stage 2.
7. **Preserved Reputation**: Aligns with the Minister for Planning's decision to de-scope the SYTS Asset Replacement from the WRL EES referral.

By securing the Planning Permit, AusNet demonstrates its commitment to timely project execution.

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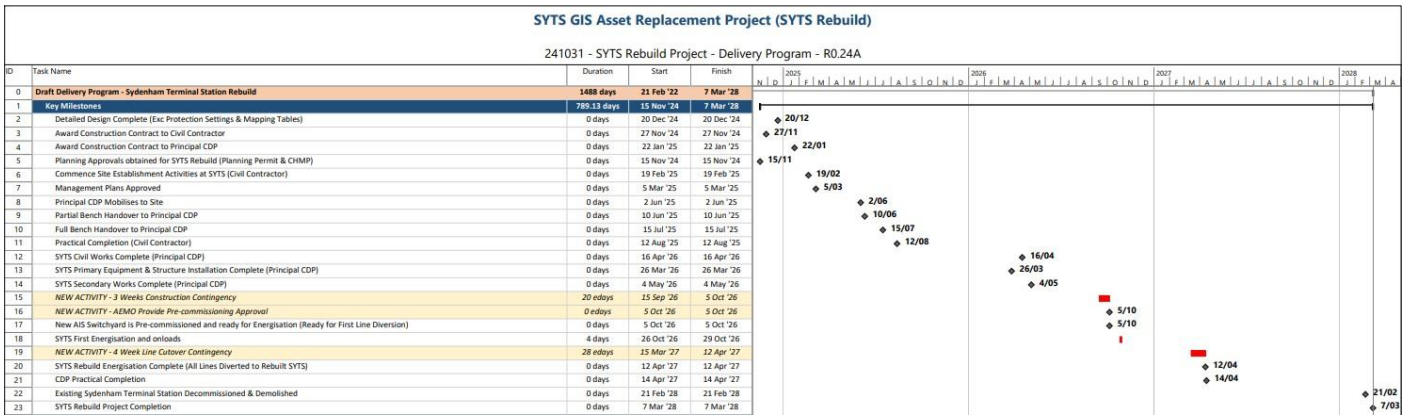
Impact of Change	**Business:** Avoiding further delays and minimise the significant reputational risk and regulatory penalties for network outage constraints. **Systems:** NA **Testing:** NA **Commercial:** The costs associated with the acquisition of easement and potential construction cost increases can be capitalised as part of the **SYTS Asset Replacement** in accordance with accounting standards. **Dependent Projects:** 1. **WRL:** Completing the **SYTS Asset Replacement** on schedule guarantees that **WRL**'s delivery timelines remain unaffected, thereby minimising its potential exposure to financial penalties and reputational risks due to its reliance on SYTS. 2. **MREH:** Completing the **SYTS Asset Replacement** as fast as possible guarantees that the facilitation of the reliable connection to **MREH.** 3. **Future 500kV Terminal Station Redevelopments:** Any delays or setbacks in the **SYTS Asset Replacement** would directly impact the viability and timeline of major and future redevelopment projects such as **SMTS**. 4. **Other:** Facilitate other new connections (load, storage or renewable) in the area.		
Author	[C.I.C]	**Submission Date**	9/12/2024

2. Time Change Requested

☐ Not applicable

Original BC Approved AIS	30/09/2025
Original BC Project Completion Date	31/12/2025
Current Approved AIS date	30/09/2025
New AIS date	30/04/2027
New Project Completion Date	7/03/2028

SYTS Asset Replacement Schedule (Gantt Chart – Level 2) as below:



ID	Task Name	Duration	Start	Finish
0	**Draft Delivery Program - Sydenham Terminal Station Rebuild**	**1488 days**	**21 Feb '22**	**7 Mar '28**
1	**Key Milestones**	**789.13 days**	**15 Nov '24**	**7 Mar '28**
2	Detailed Design Complete (Exc Protection Settings & Mapping Tables)	0 days	20 Dec '24	20 Dec '24
3	Award Construction Contract to Civil Contractor	0 days	27 Nov '24	27 Nov '24
4	Award Construction Contract to Principal CDP	0 days	22 Jan '25	22 Jan '25
5	Planning Approvals obtained for SYTS Rebuild (Planning Permit & CHMP)	0 days	15 Nov '24	15 Nov '24
6	Commence Site Establishment Activities at SYTS (Civil Contractor)	0 days	19 Feb '25	19 Feb '25
7	Management Plans Approved	0 days	5 Mar '25	5 Mar '25
8	Principal CDP Mobilises to Site	0 days	2 Jun '25	2 Jun '25
9	Partial Bench Handover to Principal CDP	0 days	10 Jun '25	10 Jun '25
10	Full Bench Handover to Principal CDP	0 days	15 Jul '25	15 Jul '25
11	Practical Completion (Civil Contractor)	0 days	12 Aug '25	12 Aug '25
12	SYTS Civil Works Complete (Principal CDP)	0 days	16 Apr '26	16 Apr '26
13	SYTS Primary Equipment & Structure Installation Complete (Principal CDP)	0 days	26 Mar '26	26 Mar '26
14	SYTS Secondary Works Complete (Principal CDP)	0 days	4 May '26	4 May '26
15	*NEW ACTIVITY - 3 Weeks Construction Contingency*	*20 edays*	*15 Sep '26*	*5 Oct '26*
16	*NEW ACTIVITY - AEMO Provide Pre-commissioning Approval*	*0 edays*	*5 Oct '26*	*5 Oct '26*
17	New AIS Switchyard is Pre-commissioned and ready for Energisation (Ready for First Line Diversion)	0 days	5 Oct '26	5 Oct '26
18	SYTS First Energisation and onloads	4 days	26 Oct '26	29 Oct '26
19	*NEW ACTIVITY - 4 Week Line Cutover Contingency*	*28 edays*	*15 Mar '27*	*12 Apr '27*
20	SYTS Rebuild Energisation Complete (All Lines Diverted to Rebuilt SYTS)	0 days	12 Apr '27	12 Apr '27
21	CDP Practical Completion	0 days	14 Apr '27	14 Apr '27
22	Existing Sydenham Terminal Station Decommissioned & Demolished	0 days	21 Feb '28	21 Feb '28
23	SYTS Rebuild Project Completion	0 days	7 Mar '28	7 Mar '28

3. Scope Change Requested

☐ Not applicable

Key Changes to Scope	Material	CAPEX attributing for the additional land easement acquisition is assigned against project Material increase. The proposed design for the transmission line augmentation necessitates an extension of existing easements on both the western and eastern sides of **SYTS** (highlighted in pink on **Figure 1**).
	Design	Integrated design with **WRL** & Implementation of IEC61850 secondary system protocols
	Build	Required to be built together with components of **WRL SYTS Phase 1**

3.1. Previously Approved Scope

Item No.	In Scope
IS-1	Construct a new outdoor 500 kV switchyard to replace the existing outdoor gas insulated (GIS) switchyard at SYTS
IS-2	Turn the existing 500 kV transmission lines into the new outdoor switchyard and integrate with the new 500 kV Western Vic line connections
IS-3	Retire old 500 kV GIS

3.2. New/Updated Scope

Item No.	New/Updated Scope
NS-1	The original project scope remains unchanged. Additionally, the acquisition of additional transmission line easements on No. 1 Holden Road Land is now required.

4. Changes to approved Funding

☐ Not applicable

4.1. MR Drawdown only

NA

4.2. Additional Budget

Project Expenditure for approval (nominal)	Calendar year (first 5 years)						PCR Total	Previous Business Case	Variation
	2023	2024	2025	2026	2027	2028			
Direct Capital	13,092,635	6,837,968	26,341,530	25,216,378	24,550,765	6,204,602	102,243,879	75,808,743	26,435,136
Overheads	913,718	418,042	1,322,345	1,265,862	1,232,448	311,471	5,463,886	3,070,254	2,393,632
Capitalised Finance Charges	352,832	841,640	1,547,739	2,844,753	768,709	110,819	6,466,492	10,550,941	(4,084,449)
Project Delivery Budget (SAP Capex budget)	**14,359,185**	**8,097,650**	**29,211,614**	**29,326,994**	**26,551,922**	**6,626,892**	**114,174,257**	89,429,938	24,744,319
CDP Incentive	-	-	-	-	-	3,741,675	3,741,675	-	3,741,675
Baseline - Management Reserve	-	-	-	-	1,900,000	-	1,900,000	1,900,000	-
Additional Management Reserve	-	-	-	-	1,160,202	1,407,417	2,567,619	-	2,567,619
Utilized Management Reserve	-	-	-	-	-	-	-	-	-
Management Reserve	-	-	-	-	**3,060,202**	**5,149,091**	**8,209,293**	1,900,000	6,309,293
Total Capex for Approval (incl risk, CFCs & OHs)	**14,359,185**	**8,097,650**	**29,211,614**	**29,326,994**	**27,712,124**	**8,034,309**	**122,383,550**	**91,329,938**	**31,053,612**
Baseline - Project Opex spend to date	-	-	-	-	-	-	-	-	-
Baseline - Project Opex delivery budget remaining	-	-	-	-	-	-	-	-	-
Additional Project Opex	-	-	100,000	102,700	-	-	213,794	-	213,794
Total Project Opex for Approval	-	-	**100,000**	**102,700**	-	-	**213,794**	-	**213,794**
Written down value of assets retired/sold	-	-	289,923	-	-	-	**289,923**	**297,751**	**(7,828)**
Total New Estimated Expenditure for Approval (nominal)	**14,359,185**	**8,097,650**	**29,601,537**	**29,429,694**	**27,712,124**	**8,034,309**	**122,887,267**	**91,627,689**	**31,259,578**

Changes to Approved Delivery Budget	CAPEX	PROPEX	TOTEX
Current Approved Baseline (Including all PCRs to date)	89,429,938.0	-	89,429,938.0
Requested Change (Additional budget requested in this PCR Incl. CFCs & OHs)	24,744,319.0	213,793.6	24,958,112.6
New Baseline (Delivery Budget post-change incl. CFCs & OHs)	**114,174,257.0**	**213,793.6**	**114,388,050.6**

Changes to Approved Management Reserve	
Current Approved Management Reserve	1,900,000.0
Additional Management Reserve Requested for construction	2,567,618.8
Less Management Reserve to be utilised	-
New Total Management Reserve	**8,209,293.4**

Estimate at Completion (EAC)	$122.89 M
New CY Profile Forecast ($)	a. Spent to date plus CY2024 Forecast: ~$22.46 M b. CY2025 Forecast: ~$29.21 M c. CY2026 Forecast: ~$29.33 M d. CY2027 Forecast: ~$26.55 M e. CY2027 Forecast: ~$6.63 M
Impact on Ongoing Opex ($)	$0.2 M ($0.1M per annum for BAU O&M)

4.3. Accounting Considerations

Given distinct treatment of overheads and CFCs for land, a separate (parallel) project for **SYTS** easement acquisition will be created (once this PCR is approved) under which the CAPEX cost of easement acquisition will be Sarcoded.

5. Benefits Impact / Re-validation

☐ No impact to benefits identified.

☒ Impact to benefits value or benefit realisation dates as below

Note: Refer to original BC for original benefit declaration.

#	Benefit Category (Strategic Objective)	Sub-Category (Strategic Priority)	Benefit Name (& description)	Benefit Start to Full Realisation Date	Measure - Baseline, Metric and Target	Business Benefit Owner	Financial Benefit Details
	Duplicate benefits must be avoided in the Benefit Assessment.	*Use one of the existing categories below.*	*Provide a short benefit name and a description of what benefit is being provided by the program, project or initiative.*	*When can benefits (i) start to be tracked (date after key milestone) and (ii) when will they be fully realised?*	*What is the baseline, metric used and the result expected.*	*Who stands to gain the most from the benefit? (e.g. Business Owner) Must be role specific*	*Is there a direct bottom line budget impact. If Yes please provide Cost centre and amounts*
2	Customer Centricity *Improve customer experience and enhance network reliability or Invest in communities and enable sustainable choices*	Improve Customer Experience and Enhance Network Reliability Choose an item.	The project will reduce the risk of an asset failure and the consequent market impact.	1. Benefit will be realised at completion of the project by Q2 2027	The likelihood of an asset failure is small (0.3%) but has a significant market impact ($148 M pa). The market impact cost includes increased generation fuel cost when network constraints result in non-optimal generation dispatch. Multiple asset failure at SYTS will have a more significant impact ($260 M pa) on the NEM	Laura Walsh	☐ Yes / ☒ No Cost Centre: CPX: OPX: $
3	**Operational Excellence**	Improve Asset Mgmt & Systems and Process Simplification	It is expected that Opex will increase over time if the GIS is not replaced in the next five years. Proceeding with the project will ensure that	Benefit will be realised after completion of the project and over the	The project will avoid increased operation and maintenance cost but is unlikely to allow for		☒ Yes / ☐ No Cost Centre: CPX: $ OPX: $ No reduction in Opex

#	Benefit Category (Strategic Objective)	Sub-Category (Strategic Priority)	Benefit Name (& description)	Benefit Start to Full Realisation Date	Measure - Baseline, Metric and Target	Business Benefit Owner	Financial Benefit Details
			Opex does not increase over time.	45-year expected asset life.	reductions to be made to existing Opex budgets.		budget is being proposed with this business case.
5	**Mission Zero** *Benefits that provide a safer working environment for staff, our customers and the community*	Safety – General	The project will mitigate the risk of asset failure, thereby reducing potential hazards to personnel and the environment associated with SF6 gas leaks.	AIS date, i.e. 30 Apr 2027	The likelihood of an asset failure is small (0.3%) buthas a significant market impact ($148 M pa). The market impact cost includes increased generation fuel cost when network constraints result in non-optimal generation dispatch. Multiple asset failure at SYTS will have a more significant impact ($260 M pa) on the NEM	Laura Walsh	☒ Yes / ☐ No

6. Impacts to previously approved baseline

Complete this section where there are impacts to the Approved Project Financial Baseline.
e.g., Changes requiring additional budget and/or impacts to financial benefits.

☐ Not applicable

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Options considered *

I. BAU – proceed with the approved budget funding.

BAU will no longer viable as cannot deliver against the original business case due to mainly increased construction costs post-COVID 19.

Additional time is required due to pursuing a separate planning approvals post WRL decoupling and subsequent delays to the initial construction delivery timeframes.

II. Option 1 – Freehold purchase of entire land

Initial planning advice indicated that acquiring **No. 1 Holden Rd** Land (the **Land**) and rezoning the entire **SYTS** site through a Planning Scheme Amendment (**PSA**) was the optimal approach. However, a recent amendment to the Victorian Planning Scheme in April 2024 eliminated the need for freehold acquisition.

In November 2024, AusNet secured formal planning approval for the construction activities associated with the **SYTS Asset Replacement** and **WRL SYTS Phase 1** projects.

III. Option 2A – Extending with additional easements. (*Recommended*)

To expedite the **SYTS Asset Replacement**, acquiring additional easements was identified as the most effective approach, given the urgent nature of the project.

Cost benefit assessment of all options considered as below.

Option Considered	Land Price	Recover from WRL & probability	CFC Impact	Total Likely SYTS Asset Replacement Cost Impact
Option 1:	$18M	$1.5M (75%-100%)	NA	$18M
Option 2A: **Easement acquisition only** with no delay Preferred (Recommended)	$2M (Easement Only)	0	0	$2M
Option 2B: **Easement with compulsory acquisition** up to 19 months delay	$2M (Easement Only)	0	0	$2M

IV. Option 2B – Exercising Compulsory Acquisition Powers

Pursue securing the necessary land easements through negotiation with landowners. If negotiations are unsuccessful, explore the option of compulsory acquisition powers as a last resort. Given the extensive engagement period already served to date, the project team is in the view that the compulsory acquisition can be concluded by Jun 2025.

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Assumptions / Issues / Risks *	**Assumptions:** I. Investigative activities such as the site contamination assessment and easement valuation for the Land. (already achieved) II. Planning approvals secured in November 2024 (already achieved). III. Landowner commitment for additional easements secured in March 2025 IV. WRL project will proceed as planned and approval for initial funding coverage for **WRL SYTS Phase 1** project which must be delivered with **SYTS Asset Replacement**, will be achieved in April 2025 so that AusNet can give Notice to Proceed with interdependent construction activities associated with **WRL SYTS Phase 1** separable works at **SYTS**. Any delay of reaching approval to this funding could put **SYTS Asset Replacement** at risk of further delays. V. If negotiations are unsuccessful for additional easements, exercise the compulsory acquisition powers, and additional easements secured in Jun 2025. VI. Connection Agreement for **MREH Stage 2** can be reached by April 2025 so that AusNet can give Notice to Proceed with interdependent construction activities associated with **MREH Stage 2** separable works at **SYTS**. Any delay of reaching approval to this funding could put **SYTS Asset Replacement** at risk of further delays. **Issues:** The **SYTS Asset Replacement**, **WRL SYTS Phase 1**, and **MREH Stage 2** projects are now inseparably linked and cannot be delivered independently. The **MREH** connection at **SYTS**, initially planned to be temporarily linked to the existing GIS switchyard via an augmented KTS line, now requires a more permanent solution. This necessitates the relocation of the KTS line from the GIS to the AIS, involving the installation of new 500kV switch bay equipment and cable connections. Furthermore, the completion of the 500kV bus section within the (**future) WRL** footprint, as outlined in the **WRL EES re-referral**, is essential to connect the **SYTS Asset Replacement** and **MREH Stage 2** works. Consequently, securing approvals for both the **WRL EES** and **MREH Stage 2** projects has become a prerequisite for completing the **SYTS Asset Replacement** and subsequent decommissioning of the existing GIS switchyard equipment at **SYTS.** **Risks:** • **Land Acquisition Delays:** Failure to secure additional easements through negotiation or compulsory acquisition could significantly impact the project timeline. • **WRL Funding Delays**: Delayed approval for **WRL SYTS Phase 1** funding for construction category could result in substantial cost (**i.e. > $24M**) overruns for the **SYTS Asset Replacement** project. • **MREH Stage 2 Funding Delays**: Delayed approval for the **MREH Stage 2** connection agreement could impact the **SYTS Asset Replacement** timeline and incur additional costs (i**.e. >$1.4M** for Civil bench works along). • **Project Delays**: Any delay in the **SYTS Asset Replacement** could impact the broader **WRL** project, leading to potential financial penalties and reputational risks and implications for the Victorian Transmission Network and the **NEM**. • **KTS Line Relocation**: Any constraints on relocation of KTS line over to AIS switchyard extending **SYTS Asset Replacement** and decommissioning of existing GIS Switchyard assets further and subsequently prolonging SF6 gas leaks to the environment.

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Impacted Stakeholders *	• AusNet • AEMO (both **SYTS Asset Replacement** and **WRL** projects) • Equis Australia (**MREH** project) • Department of Planning and the Minister for Planning, State Government of Victoria • Current Landholders who own the **Land**
Cost Impact Assessment *	☒ Yes – NPV attached in Appendix. ☐ No Impact – Change to non-financial Benefits only
Corporate Accounting Assessment *	Changes to Assets to be created Integrates new easements into existing transmission easement assets at SYTS and follow the exsting easement management practices at **SYTS.** Changes to Asset Retirements No change
Impact on Resources *	The project team will assume responsibility for managing the expanded scope, time and budget, which includes: • Project Management. • AusNet Reporting and Administration. • Landowner liaison and facilitation of land transfer. • Engagement with the Department of Planning and the *Minister for Planning,* for the exercising compulsory acquisition powers in needed.
Comments	Planning experts and the Department of Planning and the Project Team recommend rezoning the **SYTS** site, encompassing the **Land**, and following a **PSA** process as the most efficient approach for the **SYTS Rebuild**.

7. Change Request Approval

Type	Name	Title	Approval/ Signatures	Date approved	Comments
Endorsement	[C.I.C]	Project Initiator	Via Email	11/12/2024	
	[C.I.C]	GM Network Management (Transmission)	Via Email	10/12/2024	
	[C.I.C]	GM Project Delivery (Transmission)	Via RPF	16/12/2024	
	[C.I.C]	Finance Manager - Distribution	Via RPF	16/12/2024	
	[C.I.C]	GM Group Engineering & Asset Management	Via RPF	16/12/2024	

Additional Approvals below for impacts to the Approved Project Financial Baseline

Impacts to previously approved baseline	Endorsement / DoA Approvals				
	[C.I.C]	EGM Group Operations	Via RIC	20/12/2024	
	[C.I.C]	EGM Transmission	Via RIC	20/12/2024	
	[C.I.C]	Chief Financial Officer	Regulated Investment Committ	20/12/2024	
	Board	Board	Final approved CR - SYTS Rebuild.pdf	10/05/2025	

8. Appendices

8.1. Attachments

Attach documents below where there are impacts to the Approved Project Financial Baseline

Original BC and NPV Model	TD-0008033 SYTS Rebuild Business Ca SYTS NPV ModelV1.xlsm
Previously approved change requests	N/A
Updated NPV Model / PCR Slide Pack	TD-0008033 SYTS 500kV GIS Replacem SYTS%20NPV%20Model%20V5%202.12.24
Summary project schedule	241031 - SYTS Rebuild Project - Deliv
Other Documents	TD-0008033 SYTS GIS Summary SYTS G TD-0008033 SYTS GIS Summary SYTS G TD-0008033 SYTS GIS Summary SYTS G TD-0008033%20SYTS%20GIS%20Summary

Approved documents only.

8.2. Project Change History

Approval Step	Approval Date	Scope Change	Budget Change	Time Change	Benefit Change	AIS date	Summary Comment on PCR Cause
Original BC	15 Nov 2021	N/A	N/A	N/A	N/A	30 Sep 2025	
PCR01	Pending	Yes	Yes	Yes	Yes	12 Apr 2027	Acquisition of additional easements at **SYTS** to the project scope. Additional delivery budget & time extension.