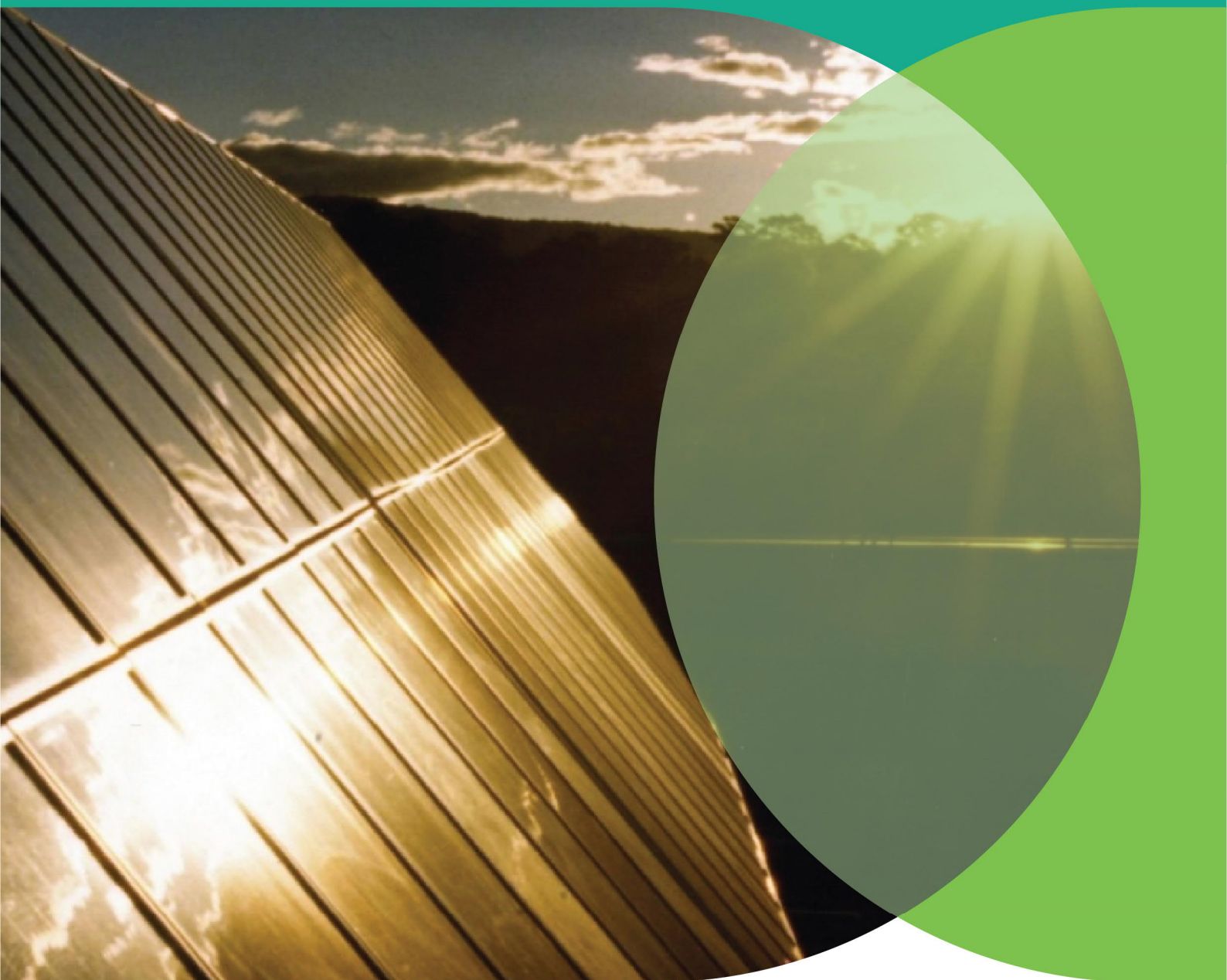


Distribution Annual Planning Report

2022 DAPR
December 2022



Disclaimer

Endeavour Energy is registered as a Distribution Network Service Provider. This Distribution Annual Planning Report (DAPR) has been prepared and published by Endeavour Energy under clause 5.13.2 of the National Electricity Rules. Its purpose is to notify Registered Participants and Interested Parties of the results of Endeavour Energy's distribution network annual planning review and it should only be used for that purpose.

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Contents

1.	Executive Summary	5
2.	Introduction	7
2.1	About Endeavour Energy	8
2.2	Endeavour Energy's Network	10
2.3	Operating Environment	13
3.0	Asset Management	20
3.1	Asset Management Philosophy	20
3.2	Asset Management System	20
3.3	Investment Management & Governance Framework	20
3.4	Investment Strategy	22
3.5	Investment Decision Making	22
3.6	Value Framework	23
3.7	Licence Conditions	23
3.8	Safety	23
4.0	Planning Approach	24
4.1	Annual Planning Review	24
4.2	Network Planning Process	24
4.3	Planning and Investing	26
4.4	Recent Changes to Planned Projects	28
5.0	Network Performance	29
5.1	Network Reliability Overview	29
5.2	Quality of Supply	33
6.0	Demand Forecasts For The Forward Planning Period	35
6.1	Forecasting Methodology	36
6.2	Forecast Input Information Sources	38
6.3	Assumptions Applied to Forecasts	38
6.4	Demand Forecast	38
6.5	Analysis and Explanation of Forecast Changes	40
7.0	Planning Coordination	41

7.1	Joint Planning with TransGrid	41
7.2	Joint Planning with Other DNSPs	43
7.3	Consideration of Non Network Alternatives in the Planning Process	44
8.0	Identified Network Needs	46
8.1	Definition of terms used in Network Needs	46
8.2	RIT-D Investigations	47
8.3	Projects That Do Not Meet the RIT-D Criteria	53
8.4	Future Network Needs	54
8.5	Impact on Transmission – Distribution Connection Points	55
8.6	Primary Distribution Feeders	56
8.7	Other Factors Impacting Network Needs and Solutions	56
8.8	Embedded Generation Connections	60
9.0	Network Investments	61
9.1	Non-network Option Screening activities in the Preceding Year	61
9.2	Active Non-Network Programs and Trials	65
9.3	Public Consultation for our Major Investments	70
9.4	Summary of Draft Project Assessment Reports	70
9.5	RIT-D Projects Completed or In Progress	73
9.6	RIT-D Projects with Public Consultation Completed	73
9.7	Asset Retirements and Potential Regulatory Investment Tests	74
9.8	Urgent and Unforeseen Investments	80
9.9	Information Technology Investment	82
	Appendices	83

1. Executive Summary

Endeavour Energy is a licenced Distribution Network Service Provider (DNSP) serving some of Australia's largest and fastest growing regional economies.

Endeavour Energy is responsible for the safe, affordable and reliable supply of electricity to more than 1 million customers or 2.6 million people in households and businesses across Sydney's Greater West, the Blue Mountains, Southern Highlands, Illawarra and the South Coast.

Due to rapid industry changes, we are transitioning from a traditional 'poles and wires' business to a customer-centred distribution system operator where energy flows in two directions and smart meters, batteries and solar generation enable customers to generate, store and sell electricity back into the grid [as we move to a clean energy future](#).

Endeavour Energy operates within regulated and unregulated markets. It is subject to the National Electricity Law (NEL) and National Electricity Rules (NER) which regulate the National Electricity Market (NEM). Endeavour Energy is also subject to the statutory and other legal requirements applied to all businesses in NSW.

The distributor's licence conditions, including the network Reliability and Performance Licence Conditions are imposed by the NSW Minister for Energy. The Independent Pricing and Regulatory Tribunal (IPART - Electricity) is responsible for administering licensing within the energy industry and monitoring compliance with licence requirements on request from the Minister of Energy. The Australian Energy Regulator (AER) ultimately determines Endeavour Energy's network revenue and network service pricing within each regulatory control period.

This Distribution Annual Planning Report (DAPR) complies with the NER clause 5.13.2. It reflects the outcomes of the annual planning review of Endeavour Energy's network. Information required for the DAPR is located within this document and the DAPR mapping portal available on <https://dapr.endeavourenergy.com.au>. The aim of the document and the portal is to inform network participants and stakeholder groups of the proposed development of Endeavour Energy's network, including potential opportunities for non-network solutions and possible investments where the Regulatory Investment Test for Distribution (RIT-D) applies.

Endeavour Energy has adopted an Asset Owner-Asset Manager-Service Provider model to deliver its asset management strategy and achieve its corporate objectives. Distribution network strategy and plans are developed in accordance with the asset management philosophy to achieve the corporate objectives. They are directed and coordinated and through the operation of the Asset Management Committee and the Investment Management Committee.

This DAPR is based on Endeavour Energy's planning processes in accordance with its asset management strategy. This planning supports Endeavour Energy's broader corporate strategy to be amongst the best performing networks in Australia as measured by safety, engagement, customer and financial performance metrics.

Endeavour Energy recognises the significant role that customers and stakeholders play in shaping the network of tomorrow and we value their insights and feedback. Our Peak Customer and Stakeholder Committee, Regulatory Reference Group and Future Grid Reference Group played an important role in helping to inform the plans set out in this report and we thank them for their valuable contributions

Key features of the planning outcomes are:

- Continued strategic focus on asset renewal, prioritised and optimised on the basis of asset condition and network risk, and integrated with growth-related investment needs;
- Demand growth, primarily concentrated in North-West and South-West Sydney which are expected to accommodate over 480,000 new dwellings and land for employment for 1,000,000 new residents over

the next 25 to 30 years, for which Endeavour Energy is planning to provide up-stream supply infrastructure;

- Joint planning with TransGrid for the provision of supply for the proposed Western Sydney Aerotropolis at Badgerys Creek;
- Continued implementation of demand management strategies and Distributed Energy Resources (DER) integration to defer planned network augmentations where it is economically feasible and practicable to do so;
- Management of reliability performance levels with targeted reliability improvement works where justified to meet licence condition obligations;
- A portfolio of 15 network-need driven projects in the next five years that require the application of the RIT-D, including consideration of non-network solutions;
- A further 15 projects where the estimated constraint date is forecast within the next five to ten years that will likely require application of RIT-D based on our current assessment;
- The identification of 63 high-voltage distribution feeders that are currently at or above maximum planned loading level, that require monitoring, remediation through augmentation, load transfers or load reductions, or combination of responses; and
- Ongoing growth in the connection of embedded solar-photovoltaic (PV) energy generation and battery storage and the integration of these and other emerging end-use demand management technologies with Endeavour Energy's network.

This DAPR provides the market with an understanding of the various investment programs and projects being undertaken by Endeavour Energy to fulfil its obligation as a licensed DNSP in the NEM. It provides a snapshot of the investment expected over the next five-year period. The details contained in this report will change over time as the consideration of new information in the planning process continues to inform planning outcomes in accordance with Endeavour Energy's corporate objectives.

2. Introduction

Endeavour Energy serves some of Australia's largest and fastest growing regional economies. Endeavour Energy owns, develops, operates and maintains electricity distribution assets in NSW, and is subject to the National Electricity Law (NEL) and National Electricity Rules (NER) administered by the Australian Energy Regulator (AER).

The NER require all registered DNSPs to:

- Conduct an annual planning review and publish a DAPR;
- Conduct economic assessments of potential project options under the RIT-D; and
- Implement a Demand Side Engagement Strategy to consult with and engage non-network providers in the development and evaluation of potential solutions to identified network needs.

The annual planning review includes the planning for all assets and activities carried out by Endeavour Energy that would materially affect the performance of its network. This includes planning activities associated with replacement and refurbishment of assets and negotiated services. The objective of the annual planning review is to deliver asset management plans which are designed in the long-term interest of customers. The planning review is also intended to identify possible future issues that could positively and negatively affect the performance of the network to enable Endeavour to plan for and adequately address such issues in an appropriate timeframe. This DAPR reflects the outcomes of Endeavour Energy's 2022 annual planning review.

Endeavour Energy is required to prepare and publish a DAPR that complies with the requirements of the NER Schedule S5.8 Distribution Annual Reporting Requirements to:

- Provide transparency of Endeavour Energy's decision-making processes and provide a level playing field for all stakeholders in the national electricity market in terms of attracting investment and promoting efficient decisions;
- Include information associated with all parts of the planning process including forecasting demand, identification of network needs and the development of credible options to address network limitations;
- To give third parties the opportunity to offer alternative proposals to alleviate constraints. These proposals may include non-network options such as demand management or embedded generation solutions;
- Set out the results of Endeavour Energy's annual planning review, including joint planning, covering a minimum five year forward planning period for distribution assets;
- Inform registered participants and interested parties of the annual planning review outcomes including asset retirement and network capacity needs for sub-transmission lines, zone substations and transmission-distribution connection points and any primary distribution feeder capacity needs that exist or are expected to emerge within the next two years;
- Provide information on Endeavour Energy's demand management activities and actions taken to promote non-network initiatives each year including plans for demand management and embedded generation over the forward planning period; and
- Assist non-network providers, TNSPs, other DNSPs and connection applicants to make efficient investment decisions.

The DAPR covers a minimum five year forward planning period for distribution network sub-transmission assets.

2.1 About Endeavour Energy

We power our customers lives and businesses and support the economic and liveable urban develop of our regions including Greater Western Sydney. Our enduring focus is providing affordable, safe, resilient, sustainable and reliable electricity to the 2.6 million people across our network, and 2.8 million by 2029.

Endeavour Energy plans, builds, operates and maintains the poles and wires and other distribution assets to provide an affordable, safe and reliable power supply to and from households and businesses across Sydney's Greater West, the Blue Mountains, Southern Highlands, the Illawarra and the South Coast.

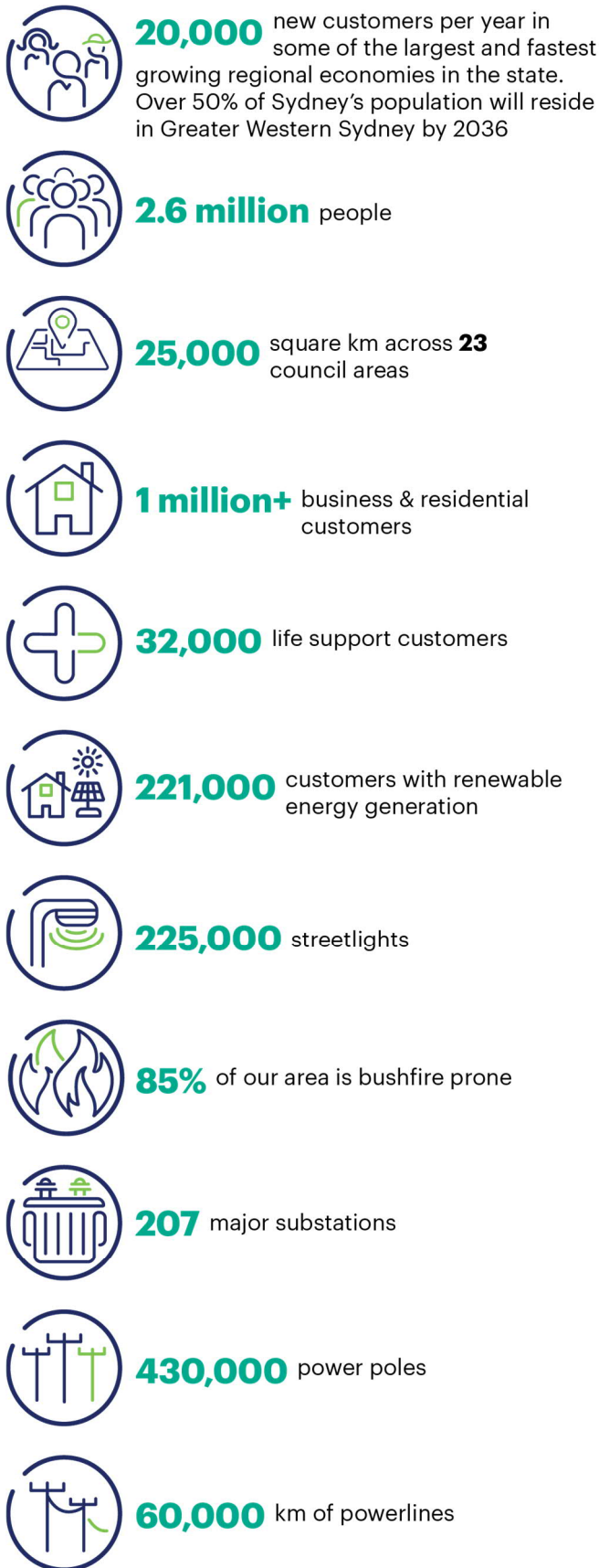
The timely and efficient provision of these services is fundamental to supporting employment growth, economic development and housing affordability across one of the fastest growing metropolitan and regional economies in Australia.

Our network services communities with some of the highest cultural and language diversity in Australia across the lands of the traditional custodians – the people of the Dharawal, Dharug, Gundungarra, Wiradjuri and Yuin nations. We recognise first peoples' continuing connection to Country, cultures and community. We pay our respect to elders past and present.

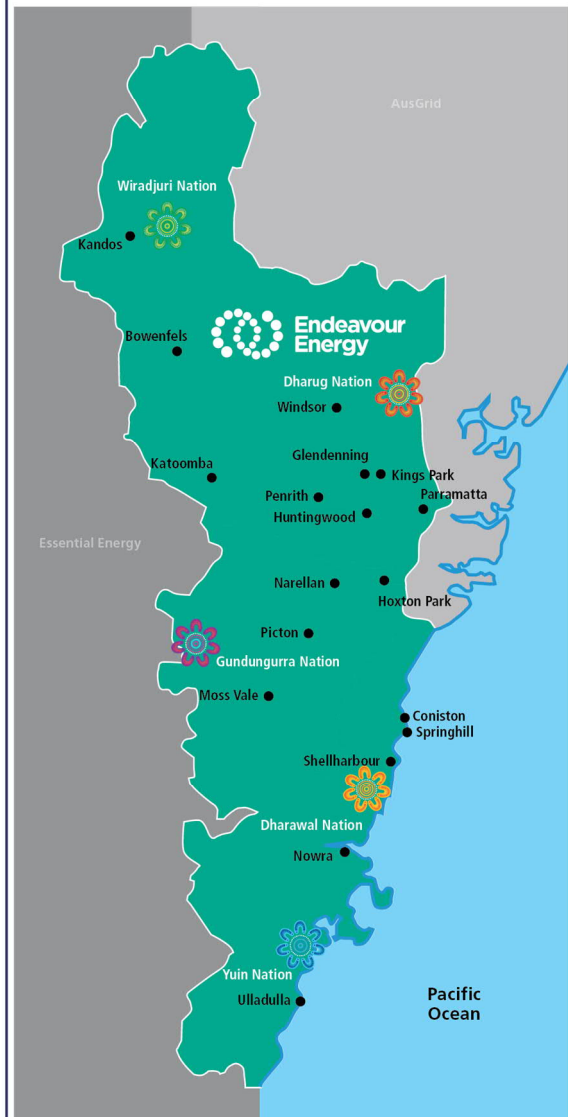
Over the next 20 years, these areas will be home to communities similar in size to Canberra. The population of Western Sydney is expected to increase by 1,00,000 by 2036 and we expect more than 20,000 new customers will connect to the network each year.

With change comes the opportunity for accelerated technological adaption, and so we welcome partnerships with government, universities and energy innovators to find new ways to optimise the use of network services to unlock value for customers.

Figure 1: Endeavour Energy's network – fast facts



- We work across the lands of five nations – the people of the Dharug, Wiradjuri, Dharawal, Gundungurra and Yuin nations.
- We operate across diverse regions in New South Wales
 - Sydney's Greater West
 - Blue Mountains
 - Southern Highlands
 - Illawarra
 - South Coast
- We recognise the diversity of our customers -their heritage, their communities and their energy needs.



2.2 Endeavour Energy's Network

In 2021/22, Endeavour Energy's network supplied 16,711 GWh of electricity to 1,082,919 network-connected customers. Endeavour Energy's distribution area is shown in Figure 1. The bulk of Endeavour Energy's supply of electricity from traditional sources is taken from the generation source through TransGrid's transmission network at 132kV and 66kV. When the energy is transferred into Endeavour Energy's network, the voltage is transformed through 36 sub-transmission and 171 zone substations and distributed to customers through a 22kV, 11kV or 12.7kV high voltage network. Distribution substations further reduce the voltage to supply customers with a 230V nominal low voltage supply in accordance with Australian Standards. Increasingly, Endeavour Energy's network is accommodating the rapid uptake of residential and industrial scale solar generation, and embedded customer, community and industrial batteries, microgrids, virtual power plants and electric vehicle charging infrastructure.

Table 1: Endeavour Energy statistics as at 30 June 2022

Statistic	Number
Distribution Customer Numbers (total)	1,082,919
Maximum Demand (aggregated system MW)	3,716
Energy Received by Distribution Network to Year End (GWh)	14,819
Energy Distributed to Year End (Residential) (GWh)	5,765
Energy Distributed to Year End (Non-Residential Including un-metered supplies) (GWh)	10,947
Energy Distributed to Year End (GWh)	16,711
System Losses (%)	4.2
Transmission Substation (Number)	36
Zone Substation (Number)	185
Bulk Supply Point (Number)	15
Distribution Substation (Number)	33,647
Sub-Transmission Overhead (km)	3,003
Sub-Transmission Underground (km)	421
High Voltage Overhead (km)	11,240
High Voltage Underground (km)	5,768
Low Voltage Overhead (km)	8,583
Low Voltage Underground (km)	10,608

Our business is changing fast. What was once a network of poles and wires delivering one-way electricity supply to customers is rapidly evolving into a multi-directional system, where DERs feature, and allow our customers to send excess power back into the grid.

The uptake of rooftop solar by Endeavour Energy's customers is unprecedented. In 2010, there were 24,430 solar systems on rooftops. Now there are over 220,000 systems connected to the network with large, industrial solar an increasing feature across Western Sydney.

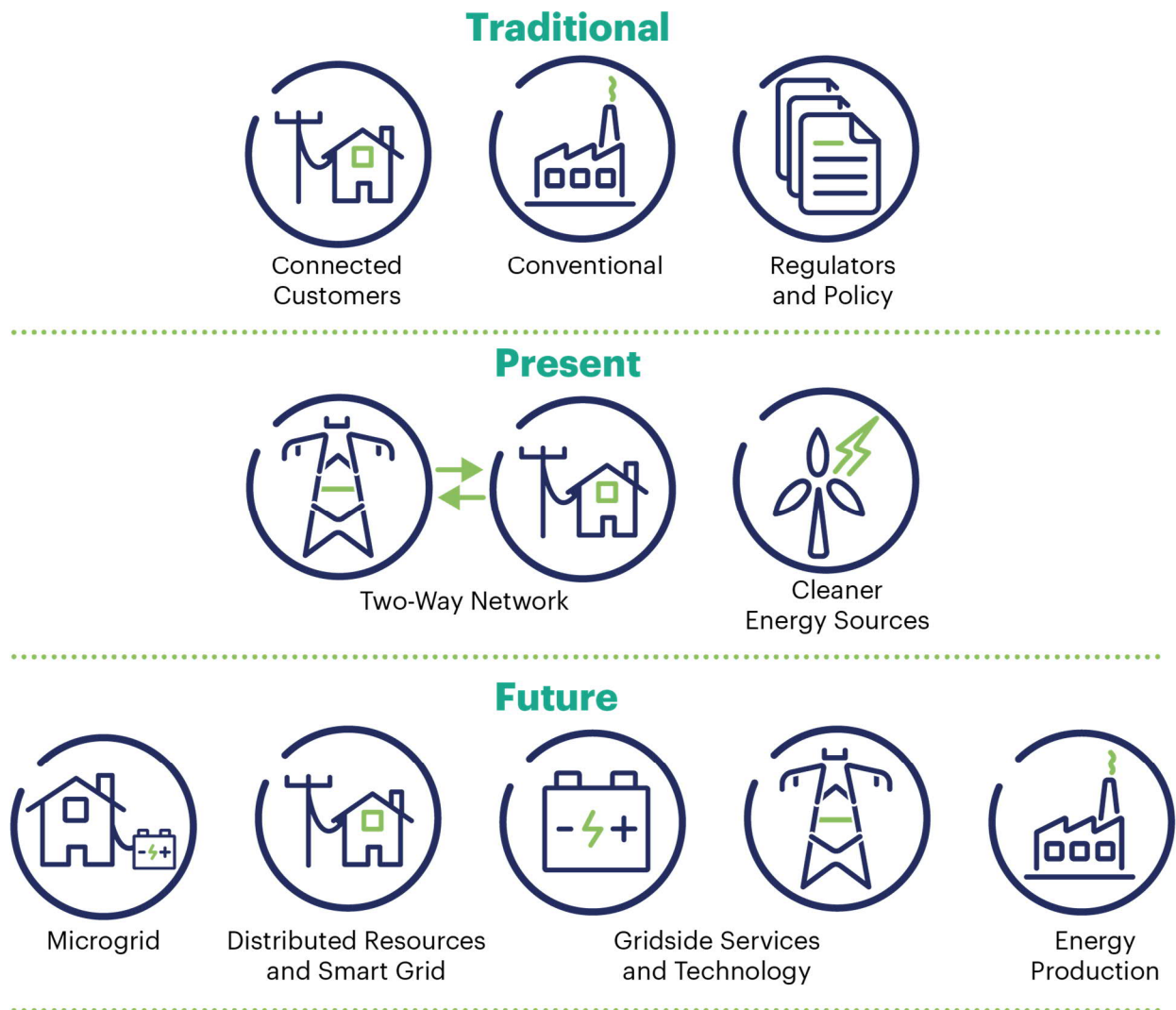
Local councils across our area have also flagged significant interest in community batteries, electric vehicle charging stations, smart street lighting, community solar gardens, microgrids and the need for a more resilient network in the face of climate change. These interests require significant changes to the way we plan for the network of tomorrow.

Rapid technological change, shown in

Figure 2 poses both significant opportunities as well as challenges for Endeavour Energy to manage the safe, affordable and reliable integration of all these distributed energy resources in the network.

If properly managed, solar and storage systems can work together to support the grid, reducing the need for investment in poles and wires infrastructure, and ultimately saving customers money on power bills.

Figure 2: Electricity Network Transformation - past, present and future



To help plan for these changes, Energy Networks Australia invited customer advocates and energy industry stakeholders to help the CSIRO map out a plan called the Electricity Network Transformation Roadmap.

Endeavour Energy's leadership chaired the group that designed the Roadmap and is committed to its implementation. More recently, the NSW Government has consulted with Endeavour Energy to ensure the smooth implementation of the NSW Government's Electricity Infrastructure Roadmap, which will see the development five renewable energy zones across NSW, with one in the Illawarra region.

Also, The Energy Security Board (ESB), in collaboration with the Australian Energy Market Commission (AEMC), the AER and other market bodies, is transitioning the NEM into a modern energy system fit to meet consumers' evolving wants and needs. The ESB proposed a suite of reforms to meet the needs of this transition. With all the reforms in place, the NEM will allow consumers to benefit from rapidly changing technologies in power system; unlock the value of flexible demand and distributed energy resources; and provide clear signals for timely and efficient investment to deliver reliable, secure, and affordable electricity for consumers.

2.3 Operating Environment

Endeavour Energy is 50.4 percent owned by an Australian-led consortium of long-term investors in the private sector operating the network under a 99-year lease. The private sector consortium comprises of funds and clients managed by Australia's Macquarie Infrastructure and Real Assets, ; AMP Capital on behalf of REST Industry Super, Canada's British Columbia Investment Management Corporation and Qatar Investment Authority.

The remaining 49.6 percent is held by the State of NSW via a corporation constituted under the *Electricity Retained Interest Corporations Act 2015*.

This change in ownership in 2017 means we continue to leverage the vast infrastructure management experience of the consortium to transform our business into a world class utility, delivering further improvements in safety, operating efficiency and customer service outcomes.

Our customers are central to our plans. We're committed to making a serious and sincere effort to deliver the best value for customers by reducing our costs, without compromising safety or services.

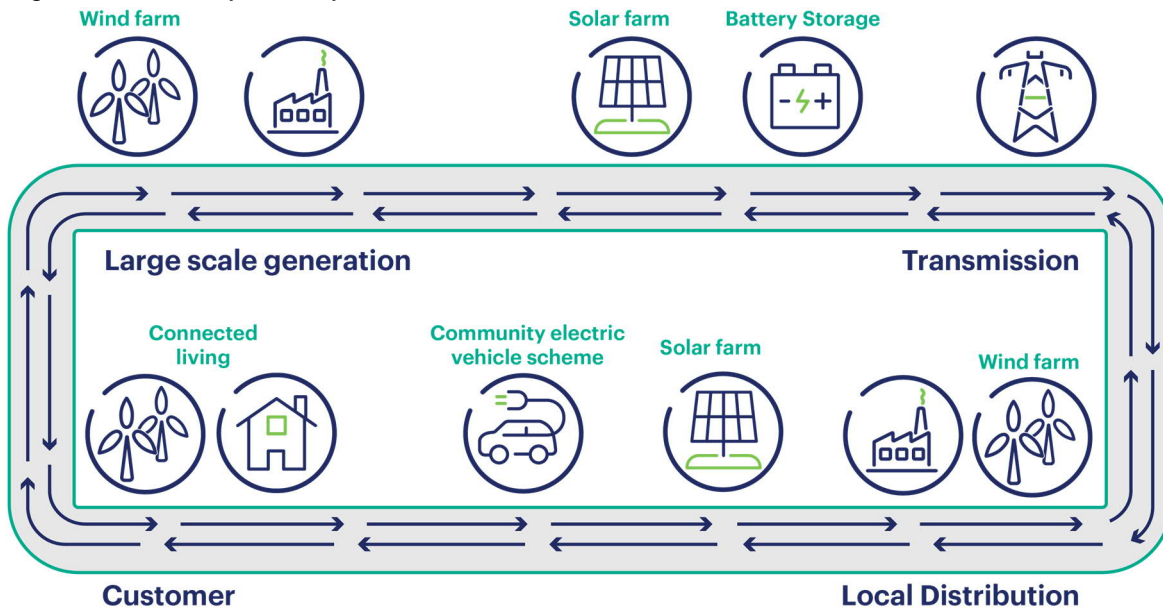
Endeavour Energy is regulated by statutory and legislative requirements including work, health & safety (WH&S), environmental, competition, industrial, consumer protection and information laws, the NEL, the NER, the NSW Electricity Supply Act 1995 and the requirements of its NSW Distribution Network Service Provider licence. Endeavour Energy complies with these laws and regulations through its internal policies, procedures, workplace instructions and industry codes and standards. We operate a common business control framework across these various instruments that allows us to fulfil our obligations through the development and implementation of plans, delegations of authority and associated controls, instruction and training, audits of compliance, and risk identification and management.

In particular, Endeavour Energy's operations are guided by a number of important policies and codes, including a Code of Conduct, a Stakeholder Engagement Framework, our Safety Policy, Environmental Code of Conduct and our Statement of Business Ethics.

Endeavour Energy is managed by a Board of Directors and a Chief Executive Officer (CEO). Endeavour Energy's CEO reports to the Board. The Board is responsible for setting the overall strategic direction and performance targets and monitoring the implementation of the strategy by the organisation. The CEO leads the Executive Leadership Team in delivering the approved strategy and achieving the performance targets set by the Board.

Within NSW, the Network Reliability and Performance Licence Conditions are imposed by the Minister of Energy. The Independent Pricing and Regulatory Tribunal (IPART - Electricity) is responsible for administering licensing within the energy industry and monitoring compliance with licence requirements on request from the Minister. Safety performance and compliance is also administered by IPART in conjunction with WorkCover NSW. The AER is the economic regulator of the distribution and transmission sectors of the NEM under the NEL and NER.

Figure 3: Electricity Industry Structure



There are significant costs in building and maintaining a distribution network of our size and complexity. Our core activities include:

- Safely maintaining distribution lines and substations to keep the lights on
- Building new substations, poles and wires, including in new suburbs
- Responding to emergencies like storms which bring down power lines and poles
- Tree trimming to maintain safety clearances, manage bushfire risk and prevent blackouts caused by falling trees
- Facilitating the connection of new customers to the network
- Researching, trialling, and installing new technology, like batteries, to use as alternatives to poles and wires
- Installing and maintaining streetlights
- Various 'user pay' services like meter testing, off-peak conversion and design certification.

2.3.1 Our Values

Endeavour Energy employees are required to understand and support Endeavour's corporate values. These five values and their associated behaviours are the basis for everything we do.



Be Safe

Put safety first. Care. Always.



Work Together

Listen. Share goals. Work together as one.



Find a Better Way

Stretch for excellence. Innovate. Challenge ourselves. Create value.



Adapt Quickly

Be nimble and flexible. Be open to learn. Embrace opportunities.



Own It

Do what you say and own the impact of what you do. See it through.

2.3.2 Our strategy

Our primary goal is fundamental and enduring; to ensure our customers have reliable access to an electricity network that is affordable, safe and sustainable, and that enables access to power in a way that suits the lifestyle and energy needs.

We work together to adapt quickly to the needs of our customers and continually strive to find better ways to power our communities.

Our corporate strategy supports the principles of the Energy Charter and is designed to promote the long term interests of our customers, shareholders, people and communities by delivering five strategic goals set out in our strategy house, below.

Figure 4: Our Strategy House.

Endeavour Energy's purpose and strategy



Our Customers

We serve a diverse population with over 1 million customers across 24,980 square kilometres. Most of our customers are households and small to medium businesses located in urban and developing rural areas. We also serve large urban areas, medical precincts and manufacturing and industrial customers who have specific needs for a safe and reliable supply, and we provide high voltage support directly to very large businesses.

Our network includes significant development areas such as the Western Parkland City and the Western Sydney International (Nancy-Bird Walton) Airport and its surrounding aerotropolis. It's also home to Sydney's North West, South West and Greater Macarthur Priority Growth sectors, planned as new release areas to house communities similar in size to Wollongong and Canberra. By 2036, half of Sydney's population will be expected to reside within Sydney's west with an additional 725,000 dwellings projected. In addition to population growth, our customers have the third highest energy density and demand density in the NEM. This means that our customers consume a relatively high amount of energy, particularly during peak times (4pm to 8pm). This is largely due to a combination of higher summer temperatures (often up to 10 degrees higher than the Sydney CBD) and energy-intensive economic activity.

As the electricity industry undergoes rapid transformation, many customers are changing the way they interact with the network and we are seeing more small-scale renewable forms of generation connecting to the network. By June 2022, approximately 225,000 customers had connected their own small scale renewable generation (mostly solar panels) to the network, representing a cumulative capacity of around 1GW. Our network will continue to play a critical role in enabling a range of customer benefits from the increasing uptake of distributed energy resources (DER). In Chapter 4, we provide more detail on the way our customers consume and produce energy is evolving.

Endeavour Energy is a signatory to the Energy Charter, an industry and customer led, world-first, whole-of-sector initiative to address customer expectations. Endeavour Energy works to deliver the five principles of the Energy Charter:

1. We will put customers at the centre of our business and the energy system
2. We will improve energy affordability for customers
3. We will provide energy safely, sustainably and reliably
4. We will improve the customer experience
5. We will support customers facing vulnerable circumstances

Our Regions

We manage our operations over three distinct geographic regions:

NORTHERN REGION (NORTH-WEST SYDNEY AND BLUE MOUNTAINS – WIRADJURI AND DHARUG NATIONS)

Most of our customers (and our network infrastructure and assets) are located in Greater Western Sydney which includes the major cities of Parramatta, Blacktown, Penrith, along with the Hawkesbury and the Hills regions located in the Northern region. Combined with other major centres in the Central region, they form the third largest economy in Australia.

Typical of urban expansion, greenfield development within Sydney is largely confined to regions on the city fringe. This suburban development has been primarily driven by the largest coordinated land release in the history of NSW. Development to accommodate this expansion has been concentrated in the North-West and South-West Sydney regions which are entirely captured by our network area. With half of Sydney's population expected to reside within Sydney's west within the next 15 years, our investment plans for the next regulatory period support required growth in these areas.

We also supply customers throughout the Blue Mountains and beyond. This is a World Heritage Area featuring dense vegetation with challenging topography. Managing bushfire risk and reliability is a key focus for this part of our network.

CENTRAL REGION (SOUTH-WEST SYDNEY AND SOUTHERN HIGHLANDS –GUNDUNGURRA, DHARUG AND DHARAWAL NATIONS)

The central area of our network incorporates the major urban centres of Liverpool, Fairfield and Campbelltown. In common with the Northern region, strong greenfield growth has been experienced in areas that were previously low-density rural communities. Large transport infrastructure investments underpin population and economic growth in the area.

This area is also home to Sydney's second international airport at Badgerys Creek, featuring development of an 'aerotropolis'. Set to open in late 2026, we are working closely with planning authorities and developers to support this and other planned development in the surrounding area.

South-west of the Sydney metropolitan region, the rural townships of Picton, Bowral, Mittagong and Moss Vale form the major regional communities of the Southern Highlands.

SOUTHERN REGION (ILLAWARRA AND THE SOUTH COAST – DHARAWAL AND YUIN NATIONS)

Most of our resources in the Southern region are focused in Wollongong and the wider Shellharbour district. After Sydney and Newcastle, Wollongong is NSW's third largest city and is home to approximately 300,000 people. Significant growth is planned for the region, led by the West Lake Illawarra area which will ultimately

accommodate an estimated 38,000 new dwellings. This region includes Port Kembla Harbour and an industrial complex that is the largest single concentration of heavy industry in Australia.

The most southern areas of our network are predominantly small coastal communities, popular with holiday tourists and retirees, and often subject to severe weather events. Our growth story extends to this area too, with an estimated 5,000 new homes possibly in the greenfield Moss Vale Road Urban Release Area in the Shoalhaven region.

Never before has the community been so focused on the affordability, reliability and security of their electricity services as the energy industry in Australia undergoes a dramatic transformation. We're committed to efficient investment and giving customers more choice and control.

The challenges to providing a safe, reliable and affordable service are evolving as the NEM is impacted by decarbonisation, decentralised generation and changing energy consumption patterns. We must evolve to keep pace with these trends in order to meet the expectations of our customers into the future.

There are key trends shaping our current and future operational landscape. These are:

- **Customer centrality:** A focus on customers' needs and experiences from high energy users to pensioners to empowered prosumers means customers play a more central role in the operation of the network as networks evolve to be platforms of energy services. Underpinned by new technologies, customer expectations and service needs will evolve. Customers will expect to help shape the direction of the business through deep engagement on regulatory proposals and beyond.
- **Trust, reputation and purpose:** The reliable delivery of an affordable crucial service underpins trust and is core to our purpose. Customers also increasingly expect organisations to align with personal and community values for environmental and social governance (ESG). Purposeful decision making, with an emphasis on ESG outcomes, will be essential to retain social licence, attract investment, and to establish and maintain a high-performance culture.
- **Western Sydney regional growth:** The NSW Government is driving the substantial and rapid growth of Western Sydney, at a rate nearly 40% higher than the rest of Metropolitan Sydney. By 2036, half of Sydney's population will reside within the city's west, supporting a new airport, new industry and manufacturing, and a new science park. This plan is akin to building a new city, from scratch.
- **Economic volatility and cost of living pressures:** International and domestic developments have contributed to rapidly rising inflationary pressures, including in energy prices, with rising concerns about a possible slowdown in the Australian economy. Cost of living pressures are increasingly centre of mind now for all customers small and large. Transitioning the grid to ensure long term value for money services as customers make increasing energy choices in the most efficient way requires balancing in the short and long-term.
- **Climate change and extreme weather events:** Climate modelling suggests that extreme weather events will continue to increase in both frequency and intensity over the coming decades. Climate change-related events damage, destroy and/or compromise the performance of infrastructure, and increase risks to the reliable supply of electricity.
- **A changing grid in a low carbon economy:** The pursuit of a net zero economy will transform the way we generate and consume energy. As customers take up technologies such as solar, batteries and electric vehicles, the network will need to evolve to allow for two-way flows and active participation from customers and third parties. Over time, more sophisticated digital platforms will seek to interact with a more dynamic, integrated network that orchestrates the low carbon energy system.

- **Efficient and effective service in the digital age:** Introduction of digital technologies and enhanced data capabilities create significant operational efficiencies, while transforming the risk, roles, required skills and location of the future workforce. At the same time, cyber-attacks become more frequent and sophisticated, targeted at the disruption of energy supply.

Western Sydney regional growth

NSW population industrial growth has focused on the urban expansion of Sydney's Greater West. This strategic expansion will drive the substantial and rapid growth of the region, at a rate nearly 40% higher than the rest of Metropolitan Sydney. By 2036, half of Sydney's population will reside within the city's west, centred around new 'satellite cities'. Projections suggest the need for an additional 725,000 dwellings, in a region that is also planned to cater for a new airport, new industry, rejuvenation of manufacturing, and a science park. We will be part of building a new city, from scratch.

Endeavour Energy is responsible for the expansion of the distribution network to facilitate this growth and industry, and to support the NSW Government's planning and development of liveable, productive and sustainable communities that thrive. This focus has been a driver of our investment for several years and it will continue to be in the foreseeable future. To continue to accommodate this growth, new networks must be planned and delivered in a way that both facilitates this vision and futureproofs the network. For residents, small and large business and emerging needs such as datacentres and hydrogen hubs. This requires a focus on:

- **Planning for the future:** This predicted expansion of the asset base is occurring at the same time as the changing nature of the grid. Endeavour Energy will need to work with developers and government to ensure greenfield developments are future-proofed, efficient and remain cost-effective.
- **Ensuring network infrastructure is not a barrier to growth:** The roll-out of new infrastructure across Western Sydney will require significant investment, and the expansion cannot occur without this supporting infrastructure in place. Endeavour Energy will need to work with the Government to ensure the infrastructure expansion meets the growth of the of the community.

3.0 Asset Management

3.1 Asset Management Philosophy

Endeavour Energy applies a lifecycle approach to managing its network and the assets that comprise it. The lifecycle approach involves two aspects:

- Considering individual assets and asset populations on a whole-of-life basis in order to achieve optimal outcomes across their entire lifecycle e.g. considering how the cost-benefit trade-off between asset management decisions made at the design and procurement stage may later impact the maintenance stage of the asset lifecycle; and
- Considering the network as a whole in all asset management decisions i.e. will the decision made in relation to any individual asset or asset population result in the best outcomes for the network as a whole.

We develop network and asset plans, proposed investment programs, develop asset standards and management policies, and strategically monitoring and manage network capability and performance.

3.2 Asset Management System

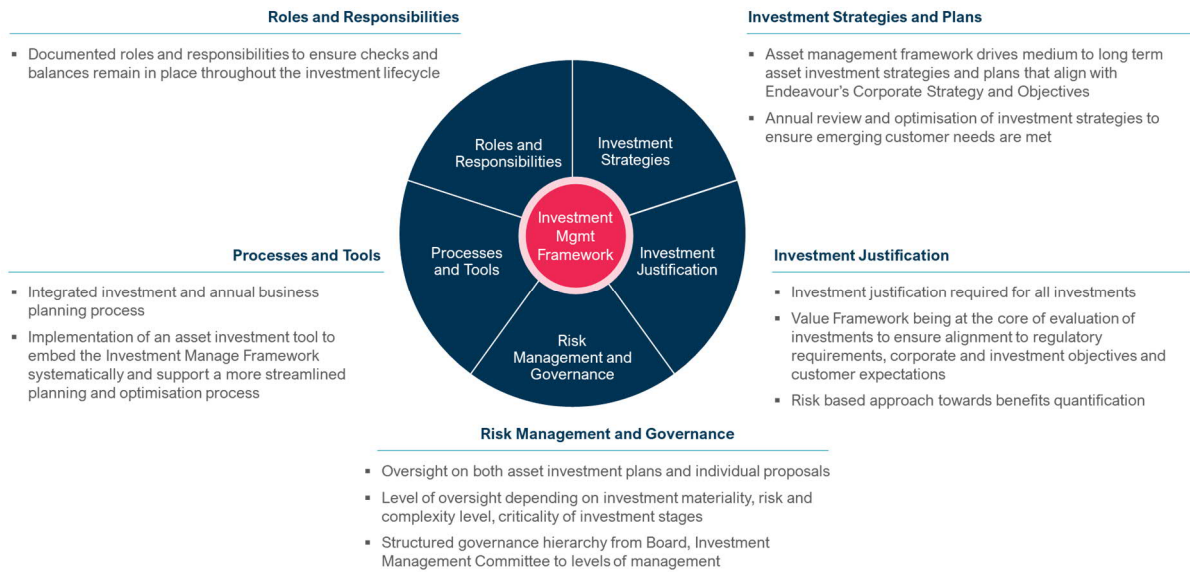
Endeavour Energy maintains an Asset Management System that provides a framework for effectively managing the network and its assets through the complete asset life cycle of planning, program development, design, construction, operation, maintenance, renewal and disposal in accordance with ISO 55001.

The Asset Management System defines the key documents used to coordinate asset management decision making and ensuring asset management activities are aligned to the organisational objectives.

3.3 Investment Management & Governance Framework

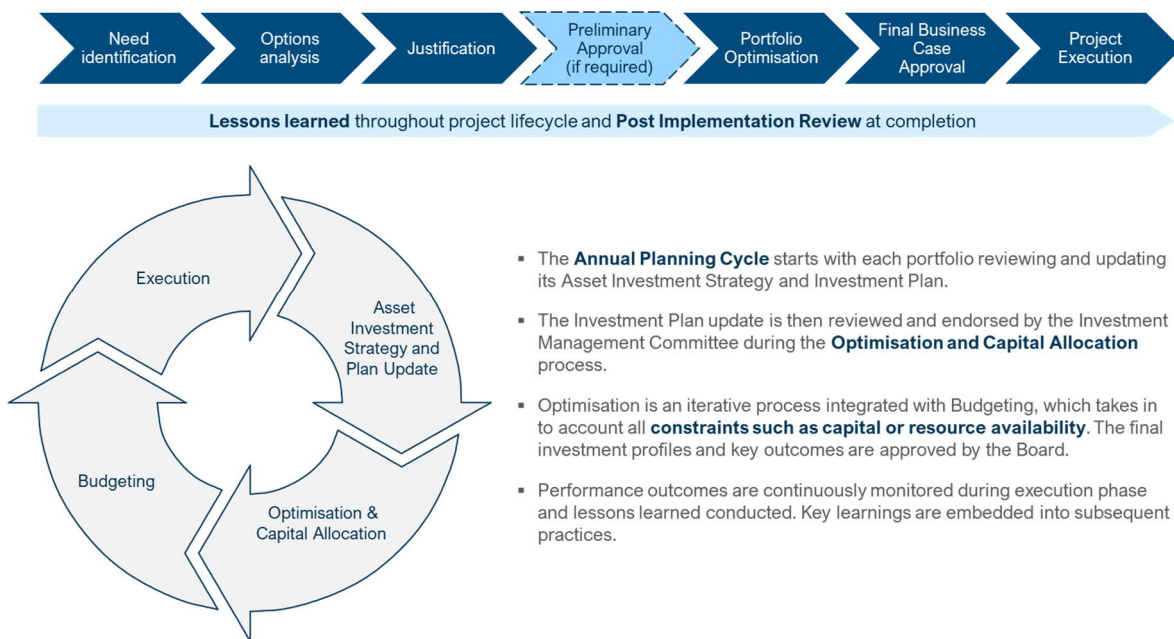
Endeavour Energy's Investment Management Framework has been revised to ensure best-in-class customer investment outcomes and business governance and to adopt our new digital transformation platforms. This includes risk-based approaches to economic benefits quantification and alternative options, risk and uncertainty management.

Figure 5: Investment Management Framework



An annual planning and investment cycle oversees key capital allocation from a management level for optimisation.

Investment Lifecycle



3.4 Investment Strategy

Our investment strategy is based on four priority themes that balance affordability for customers with their long-term interests.

The four themes are below:

- A **Meeting core customer expectations for a safe, affordable and reliable electricity supply:** We invest in the replacement and renewal of assets across our network to ensure they continue to meet our customers' expectations for a network that is safe for our workers and the community, provides a reliable electricity supply to our customers and is affordable.
- B **Supporting the sustainable growth of our communities;** As the ongoing transformation of Western Sydney and our regions continues to drive growth across the Endeavour Energy network, we need to align our investments with other lead infrastructure provisions by facilitating grid technologies that will be adaptable to the evolving needs of businesses and communities.
- C **Providing a resilient network for the community adapting to changing climate and external hazards:** Endeavour Energy defines resilience as the ability to anticipate, withstand, quickly recover and learn from major disruptive events. As the effects of climate change become real, our infrastructure needs to meet our high levels of service in an increasingly challenging environment. Our organisation needs to be prepared, enabling our trained personnel to respond to incidents and provide support services to those in need.
- D **Enabling customers' future energy choices;** As customers seek to connect more distributed energy resources and increasingly use sophisticated digital platforms, the network and its management must evolve. Our objective is to enable customers' future energy choices for a sustainable future, moving use towards the future integrated and low carbon energy system.

3.5 Investment Decision Making

Our investments are implemented through our Investment Decision-Making (IDM) process which aligns with our Investment Management Framework (IMF) and is a key driver of our Asset Management Framework (AMF). Individual plans in the key network investment areas are developed and supported by detailed analysis that explicitly takes into account:

- externally imposed obligations and requirements including service standards, design standards, safety and environmental obligations, and specific asset performance targets;
- information about the network system including loading, condition of assets, performance variability, current capacity, age and the criticality of key assets;
- forecasts of demand growth and connections by location; and
- inputs obtained from stakeholder engagements.

3.6 Value Framework

To optimise the mix of investments, we apply a consistent approach to quantify risk and benefits, and determine the timing for investments based on the need and the best overall value provided by the portfolio.

This is the basis of the value framework and is underpinned by:

- Using a rational economic approach to allow the comparison of dissimilar investments.
- Using a consistent and repeatable approach to assess all the benefits, risks, and cost of the investment.
- Ensuring that both financial and non-financial benefits are included, where their contributions are aligned to a common scale, and
- Measuring its alignment to the organisation's corporate strategy & risk appetite.

3.7 Licence Conditions

Our licence conditions have a material impact on our asset management framework and capex requirements. As the compliance regulator, IPART conducts frequent audits to demonstrate ongoing compliance with our obligations. These include:

- Distribution reliability and performance conditions: set overall reliability, individual feeder performance and customer service standards that we must comply.
- Critical infrastructure licence conditions: set out requirements regarding our management and operational presence in Australia and data security requirements including privacy of customer information.
- Management systems; our asset management system must be consistent with International Standard (ISO) 55001 and our environmental management system must be consistent with ISO 14001. Our safety management systems must also comply with Australian Standard (AS) 5577 in accordance with the NSW Electricity Supply (Safety and Network Management) Regulation 2014.

3.8 Safety

Continuing advances in workplace health and safety are driving a more integrated view of contributing factors to workplace safety and the business's obligation to ensure a safe place of work. In this regard, safety considerations including safety in design are overtly considered in asset management strategies. Furthermore, Endeavour Energy has a specific strategic plan for Safety and Environment that considers the broader safety and environmental initiatives across the business.

4.0 Planning Approach

4.1 Annual Planning Review

The NER requires that the annual planning review includes the planning for all assets and activities carried out by Endeavour Energy that would materially affect the performance of its network. This includes planning activities associated with the replacement and refurbishment of assets and negotiated services. The objective of the annual planning review is to identify possible future issues that could negatively affect the performance of the distribution network to enable DNSPs to plan for and adequately address such issues in an appropriate timeframe. This DAPR is the outcome of the annual planning review and summarises the findings of our planning review processes.

The DAPR provides an insight into the planning process as well as providing information to registered participants and interested parties regarding the nature and location of emerging constraints within Endeavour Energy's sub-transmission and 22kV and 11kV distribution network. The timely identification and publication of emerging network constraints provides an opportunity for the market to identify potential non-network solutions to those constraints and allows Endeavour Energy to develop and implement appropriate and timely solutions.

4.2 Network Planning Process

Endeavour Energy operates in accordance with the legislative and regulatory framework applicable to electricity DNSPs in NSW.

The network planning and development process for the distribution network is increasingly shaped by extensive customer and stakeholder engagement and is carried out in accordance with the NER Chapter 5, Network Connection Access, Planning and Expansion.

Endeavour Energy carries out network planning at both a strategic and a project level. Endeavour Energy's investment governance process provides continuous review and ongoing assurance that the Company's capital investment is both prudent and efficient as well as being consistent with the longer term strategic planning objectives.

Endeavour Energy's planning process is designed to identify the most efficient ways of ensuring the network business meets customer needs and network performance obligations. Endeavour Energy places emphasis on the planning and project identification stage, assessing our customers' short term and longer-term supply needs, and coordinating these with asset renewal requirements. We are then able to identify and select the optimal solution to meet those needs in a coordinated, risk-optimised way.

All credible options, including non-network alternatives, are considered in determining how to meet our network performance obligations and the objectives of the NEL. A robust selection process is implemented that explicitly trades off alternative expenditure options using quantified estimates of credible option costs and benefits to identify the optimum solution to address the identified need.

In accordance with NER obligations, network investment and non-network options are assessed impartially, using a consistent process for reviewing the costs of each option against the benefits they would deliver. Non-network solutions are evaluated for the extent to which they can facilitate the deferral of network investment or obviate it altogether. This allows various combinations of non-network solutions and deferred investment options to be assessed.

The first stage of the planning process involves gathering the data required to inform the investment process. This includes:

- Recorded actual electricity demand;
- The preparation of demand forecasts;
- The examination of network capacity limits;
- The assessment of asset condition and asset performance data;
- The forecast of new customer connection requirements; and
- The consideration of applicable statutory and regulatory obligations.

The capability of the network is assessed against key criteria which include:

- Meeting statutory and regulatory requirements relating to the safe operation of the network and to environmental impact;
- Addressing capacity constraints to achieve a level of supply security commensurate with reasonable customer expectations;
- Reliability performance against the reliability performance standards set out in the Licence Conditions;
- Asset condition; and
- Customer connection requirements.

When emerging network limitations are identified, a range of credible options are developed to address the need to ensure that supply security is maintained at a level appropriate to maintain reliability of supply. Options considered include both network and non-network solutions. The costs of these options are compared against the risk costs associated with the base case option of doing nothing.

A review including public consultation with interested stakeholders then selects the most economic option (or options). Each major investment is required to be consistent with Endeavour Energy's longer-term network plans and network standards as well with the NEO.

This DAPR document forms part of public consultation and provides notification of the expected future network requirements. It also indicates the required timeframe to address these needs to allow for appropriate corrective network investment or non-network alternatives or modifications to connection facilities to be developed and undertaken. Providing visibility of network requirements prior to starting the RIT-D process allows for development of more mature non-network solutions.

Capital investment requirements in the distribution network are forecast in line with network needs and constraints across the network area.

The spatial demand forecast is a critical process which supports the planning and development of the forecast augmentation investment program. The forecasting process is carried out twice a year and is a critical input into the planning process to identify and understand the capacity needs of the network. The summer and winter loading conditions are analysed to provide understanding of the seasonal variations which are important for identifying optimal network solutions.

Losses are considered when comparing credible options. Endeavour Energy complies with RIT-D guidelines and assesses the cost of losses for each option where the losses are materially different between the options. An increase in network losses makes a negative contribution to the market benefits of a credible option, while a decrease in network losses makes a positive contribution.

4.2.1 Probabilistic Planning Approach

Endeavour Energy applies probabilistic planning techniques to assess supply security constraints. Deterministic (N-1) criteria are used only as a trigger for further investigation. The probabilistic planning approach includes:

- An assessment of the likelihood of failure of network elements;
- An assessment of the consequence in the failure event. This includes expected outage duration and expected unserved energy. The unserved energy can be monetised by applying a Value of Customer Reliability (VCR). Safety risks are also assessed and monetised by applying a value of statistical life (VSL);
- Consideration of back-up capacity at other voltage levels (for example HV distribution feeder capacity when analysing zone substation contingencies);
- A sensitivity analysis for key parameters such as load growth, cost, rate of return and discount rate; and
- A determination of economic timing for network augmentation and renewal and the net present value of options based on demand forecasts and the economic benefits provided by each option.

For greenfield residential development, probabilistic techniques tend to result in a staged approach to provision of supply capacity including the use of distribution feeders, single transformers and temporary and mobile substations being adopted.

4.3 Planning and Investing

Growth in Endeavour Energy's network is being driven principally by new customer connections arising from greenfield development across our regions, but principally across Western Sydney and Greater Macarthur in Sydney's north-west and south-west priority growth areas. Augmenting the network to provide for the growth in demand in these areas at the right time is important to ensure that development can proceed and that significant infrastructure investment by the State Government in water, roads and rail in greenfield areas are not left stranded.

Endeavour Energy evaluates staged options for network augmentation and/or extension in response to developer requests for supply. Further augmentation is undertaken when load growth projections are realised. In some cases, the minimum viable solution may involve a temporary mobile substation that can be moved on to the next greenfield development when its capacity has been outgrown. As the cost and capability of emerging technology solutions improve there is potentially a larger role to play for these technologies in the staged approach of network augmentation. The staged approach to network augmentation provides more optionality for consideration of non-network solutions to meet network needs.

Endeavour Energy has plans in place to utilise mobile or temporary substations where appropriate. The ability to stage investment in infrastructure for growth depends on the rate of growth. In an area which is expected to see a rapid increase in new load (e.g. commercial and industrial subdivisions, or a large new town centre) a staged option may not be economically efficient. Conversely, an area with a lower projected rate of growth (low-density residential only), the onset of the risk of insufficient capacity can take longer thereby facilitating the exploration of lower-cost operational and non-network options to manage this risk.

In general Endeavour Energy identifies limitations in its network capability against an 'N-1' level of supply security at the sub-transmission and zone-substation level, however small or temporary substations (noted above) may operate in a 'non-secure' manner. This approach only serves to identify preferred future network

development options should future limitations be unable to be mitigated through operational response (such as load transfer) or demand management initiatives.

The actual investment timing is confirmed through a probabilistic assessment of the network risk and the optimisation of the economic benefits of any proposed development.

Non-network strategies play a significant role in Endeavour Energy's plans to service the growth in demand, especially in constrained supply areas. Demand management and non-network strategies have a higher likelihood of success in brownfield development locations compared with greenfield release areas due the potential to reduce load from the existing customer base.

4.3.1 Planning and Investing for Asset Renewal

Endeavour Energy takes a risk-based approach to asset renewal planning that matches the investment in the network to the risks posed by individual assets or groups of assets approaching the end of their useful lives.

Risks to the safety of personnel and to the continuity of the electricity supply to our customers as a result of asset failures are quantified and decision is made to retire from service assets which present excessive risk. Assets proposed to be retired are assessed for the ongoing need for the service they provide. Where that service is still required, an assessment is made as to whether that can be provided by a credible non-network solution or whether replacement of the asset is required. Where asset replacement is required the optimum timing of the replacement of the asset is based on the balance between the annualised cost of replacement and the annualised cost of servicing the asset.

Furthermore, the risk to the operational management of the network arising from multiple asset failures occurring during a short period of time is factored into the assessment of whether particular classes of assets should be considered for replacement as they near their end of life or whether they are only replaced after they fail in service.

These considerations lead to an approach where an asset group that has non-catastrophic failure modes and an adequate level of network redundancy are more likely to be renewed in a reactive manner after failure. Other asset groups whose failure modes present safety or unacceptable supply security risks, or where the cost of reactive replacement significantly outweighs the cost of planned replacement, are renewed in a planned manner prior to their failure.

Further, some individual programs and projects within the asset renewal investment program are informed by advanced condition monitoring technology allowing for the targeted and efficient replacement of assets just prior to failure. This technology and the transition to the risk-based economic assessment of the value of each of the elements of our renewal program is resulting in significant reductions in renewal expenditure compared to historic values whilst maintaining risk and performance outcomes.

4.3.2 Planning and Investing for Reliability

Endeavour Energy has adopted a Reliability Strategy of maintaining existing levels of reliability, and rectifying poor-performance outliers that have been identified as per Endeavour Energy's Licence Conditions. Targeted investment leverages new technology such as distribution feeder automation schemes, where analysis shows that these can be a cost-effective way of improving the Company's response to faults meeting our customers' expectations for network reliability.

4.4 Recent Changes to Planned Projects

Significant changes to planned projects compared to the previous DAPR are detailed in Table 2 below.

Table 2: Significant changes to Planned Projects Compared to the Previous DAPR

RIT-D Project	Change	Comments
South Penrith ZS	Project deferred for several years	Due to a combination of a possible Grid Battery solution and changes in the demand forecast and the underlying network need in the project location this project has been deferred by several years.
Southern Macarthur 66kV constraints	Project likely to not require a RIT-D process	Due to major customer funded connection works in the local area, it is likely that the RIT-D process will not be required, however Endeavour Energy may issue a non-network options report in the future.

5.0 Network Performance

5.1 Network Reliability Overview

Reliability of supply is a key measure of the performance of the electrical network. System Average Interruption Duration Index (SAIDI) is the measure of the number of minutes on average that Endeavour Energy's customers are without electricity each year due to unplanned events. The following two metrics of SAIDI are used to understand reliability performance of the network:

- Normalised SAIDI which excludes incidents which occur on major event days, and incidents that are eligible for exclusion under the AER guidelines; and
- Unnormalised SAIDI which does not exclude any incidents and is representative of the customer felt experience.

Major Event Days are typically associated with adverse weather conditions and are excludable when reporting normalised reliability results. Figure 7 and Figure 8 shows the total SAIDI and SAIFI trend (includes major event day reliability) as well as normalised SAIDI and SAIFI.

Figure 6: Organisational SAIDI Trend (Total and AER Normalised)

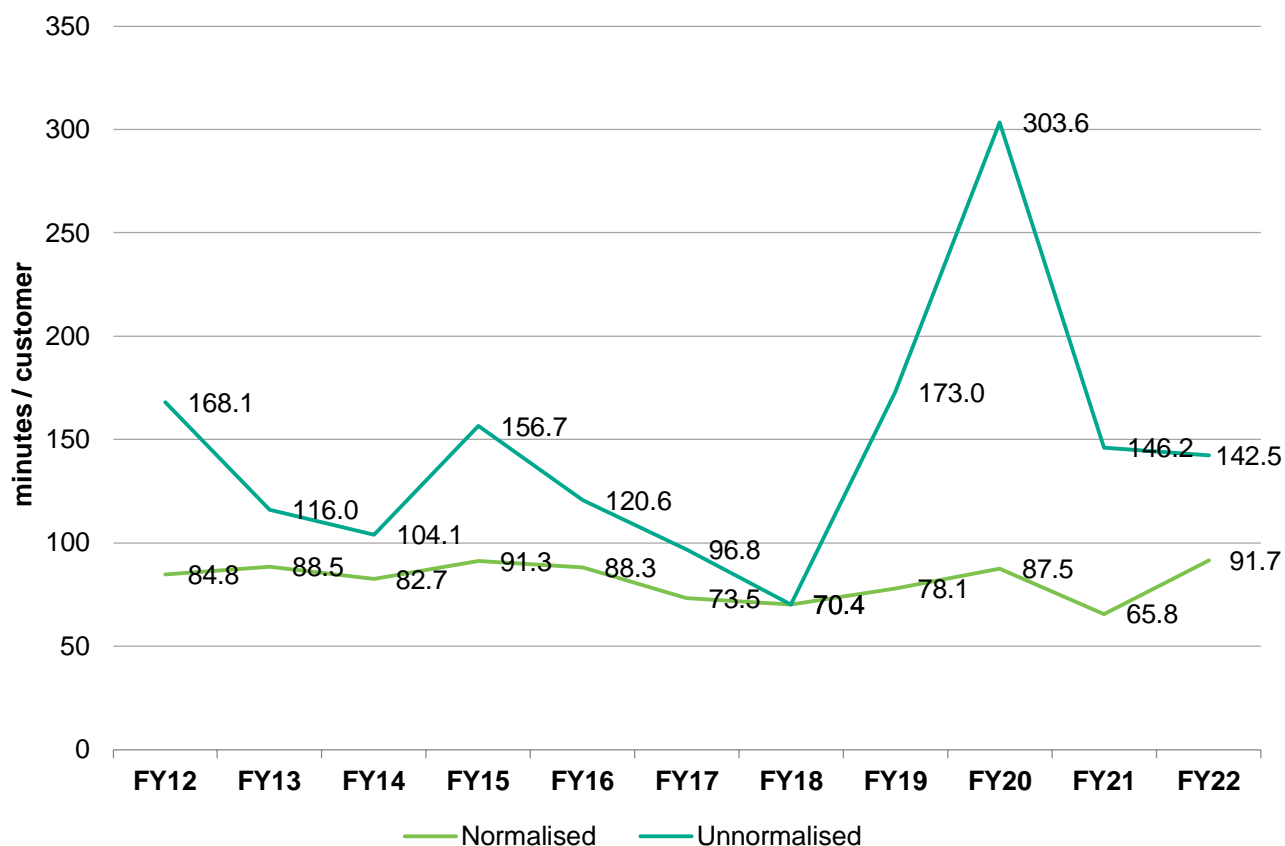
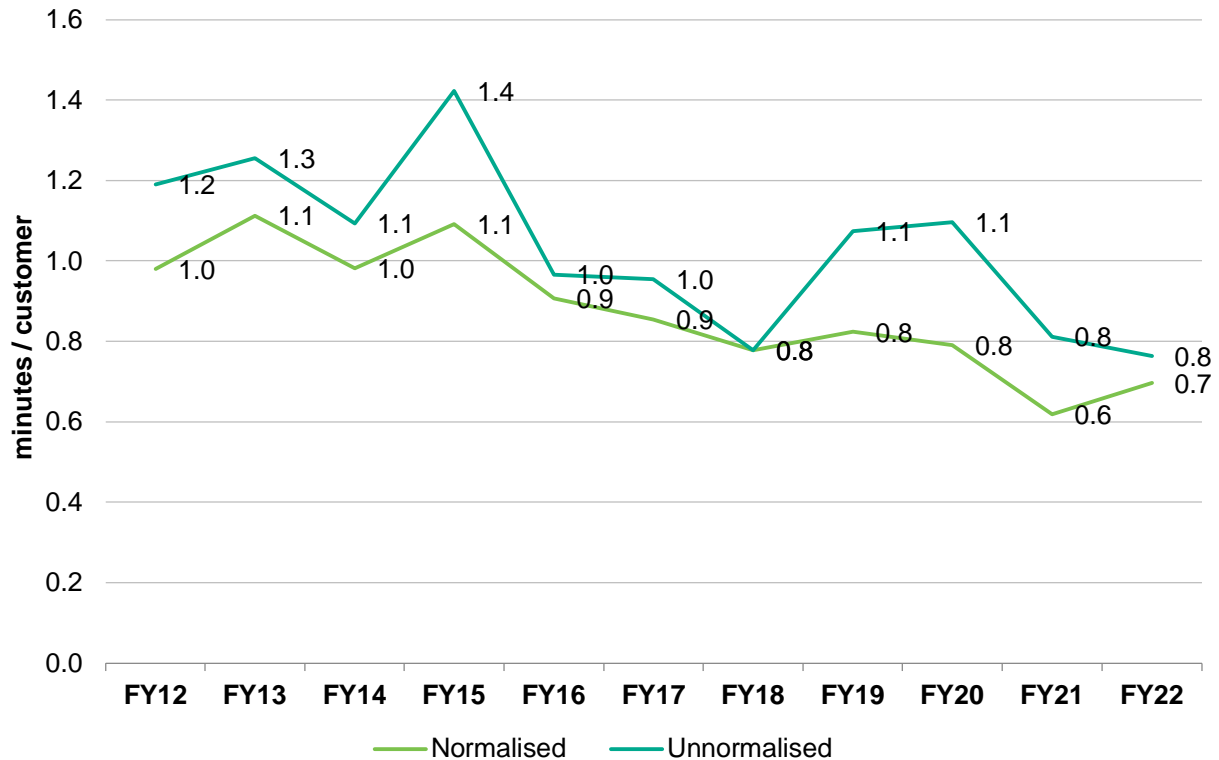


Figure 7: Organisational SAIFI Trend (Total and AER Normalised)



Endeavour Energy's AER normalised and unnormalised SAIFI performance exhibits a stable and improving trend in recent years. However, recent unnormalised SAIFI has seen a deterioration in performance from FY19 to FY22 over previous years due to an increase in the frequency of major climate events.

5.1.1 Trends in Reliability Target Performance

The NSW Minister for Energy first imposed licence conditions for the distribution network service providers on 1 August 2005 covering design planning standards, reliability, individual feeder and customer service standards. The conditions were designed to give guidance to the distributors regarding the performance levels expected by the NSW Government.

The current licence conditions were imposed on 7 July 2017, with a minister's variation in February 2019. Table 3 provides the reliability performance information required by licence conditions 7.3 including:

- Performance against the SAIDI average standards and SAIFI average standards by feeder type, disregarding excluded interruptions; and
- Reasons for any non-compliance by the licence holder with the reliability standards and plans to improve performance.

The data listed in Table 3 is the 'normalised' data set i.e. the overall data with 'excluded' interruptions deducted. 'Excluded' interruptions are defined in Schedule 4 of the licence conditions and are primarily outages of less than three-minute duration or outages caused by directed load shedding, planned maintenance, failure of the shared transmission system or 'major event day' outages.

Table 3: FY22 Annual Network Reliability Performance

		Whole Network and Feeder Category				
		Network *	CBD +	Urban	Rural Short	Rural Long
Customer numbers (Average over Year to Date)		1,102,471	N/A	785,739	316,732	317
SAIDI	Actual	91.1	N/A	45.3	205.0	N/A
	Standard from Licence Conditions	N/A	N/A	80	300	N/A
SAIFI	Actual	0.695	N/A	0.447	1.312	N/A
	Standard from Licence Conditions	N/A	N/A	1.2	2.8	N/A

* Refers to the average performance of the Endeavour Energy's network overall. This measure does not form part of the licence conditions but is needed to calculate the overall NSW result.

+ The definition of a "CBD" area is a formal technical definition in the Reliability and Performance Standards against which Endeavour Energy is required to report. Key commerce centres at Parramatta, Liverpool, and Penrith which are supplied by Endeavour Energy do not fall into the official "CBD" category and hence there are no statistics against this category.

SAIDI is calculated from the sum of the duration of each sustained customer interruption (measured in minutes), divided by the total number of customers (averaged over the year) of the licence holder.

SAIFI is calculated from the total number of sustained customer interruptions divided by the total number of customers (averaged over the year) of the licence holder.

The Australian Energy Regulator (AER) introduced a Service Target Performance Incentive Scheme (STPIS) for NSW electricity distributors in 2014/15. This scheme encourages continuous improvement in reliability performance by offering financial incentives or penalties based on improvements or deterioration in performance from benchmark levels set in a prior period. From 2019/20 to 2023/24 Endeavour Energy's reliability performance is measured against average performance achieved in the 2013 - 2018 period.

Endeavour Energy has a corporate objective of outperforming the expected target under the AER's STPIS incentive scheme.

- Endeavour Energy invests in targeted reliability improvement works where justified to meet its licence conditions obligations.
- Endeavour Energy is leveraging new technology and modernising its network. In 2021, Endeavour Energy commissioned an Advanced Distribution Management System (ADMS) which has the capability to perform automated Fault location, Isolation and Service Restoration (FLISR). This system will leverage available remote operable switches on the distribution network to isolate and restore supply to

customers following faults in a faster manner. FLISR is expected to be progressively enabled across the network commencing early 2023.

5.1.2 Service Target Performance Incentive Scheme

Management of reliability under a STPIS regime requires consideration of desired reliability outcomes as well as the interactions between expenditure and STPIS bonuses or penalties and the overall impact of these on customer prices. Therefore, Endeavour Energy's approach is to focus on improvements to fault response efficiency, asset and defect management practices as well as to leverage modern technology solutions when assets are end of life and require replacement.

The SAIDI and SAIFI unplanned performance results (excluding major events) compared to the STPIS targets for Endeavour Energy are shown in the Table 4 below.

Table 4: SAIDI and SAIFI STIPIS Targets vs 2021/22 Actuals

Category	SAIDI Actual	SAIDI Target	SAIFI Actual	SAIFI Target
Urban	45.3	60.1	0.447	0.716
Rural	205.0	172.0	1.312	1.493

5.2 Quality of Supply

Quality of supply refers to the performance of the network in terms of steady state voltage, sags and swells, voltage unbalance, harmonic distortion, and rapid voltage variation (or flicker).

The quality of supply performance of the network is impacted primarily by the characteristics of customer loads as well as by network events and by the configuration and operation of the network. In recent years steady state voltage has become the most pressing and challenging quality of supply parameter to manage due to the increased adoption of DER, particularly solar PV, which causes reverse power flows in many parts of the network.

Harmonic distortion and rapid voltage variation (or flicker) is managed through detailed assessments of significant customer load applications, particularly commercial/industrial loads and other high voltage customers are formally assessed and provided power quality allocations in accordance with the NER, relevant Australian Standards and ENA Guidelines.

5.2.1 Quality of Supply Standards

Endeavour Energy's adopts limits for power quality parameters as per the planning levels in the AS/NZ61000 series of standards as referred to in the national electricity rules. Emissions allocations are provided to larger customers on a site-specific basis upon receipt of a connection application.

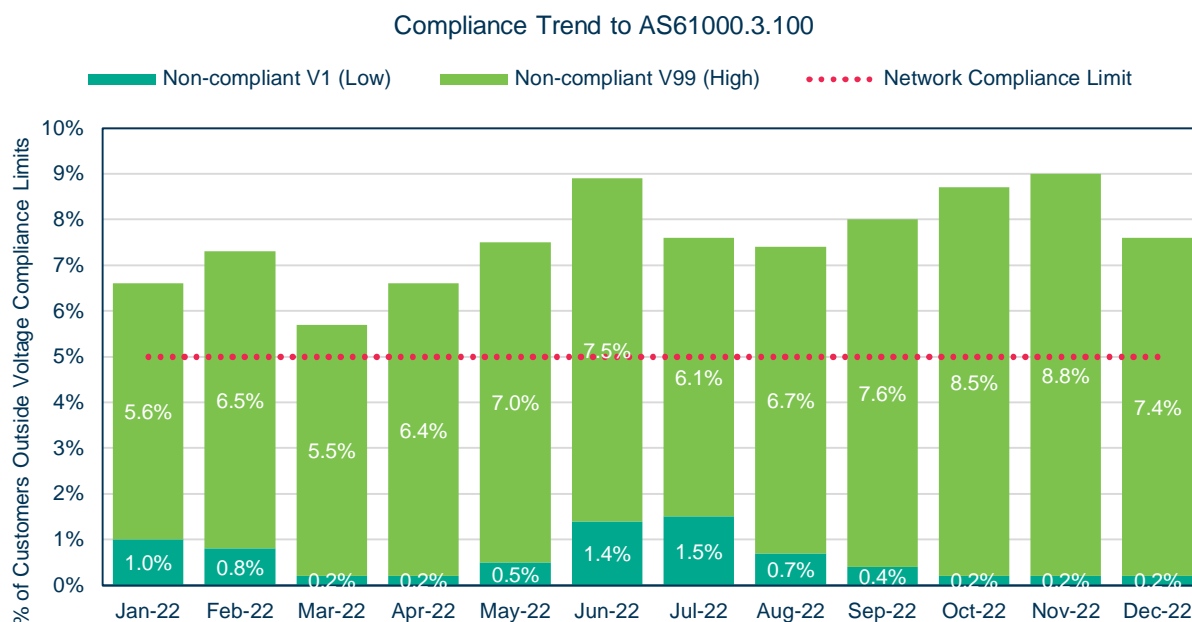
5.2.2 Quality of Supply Compliance

Steady State Voltage

Endeavour Energy has increased its access to power quality data from customer smart meters significantly in the 2022 calendar year. This data is available from Meter Data Providers under commercial terms. Currently Endeavour Energy is accessing voltage data from some 50,000 customer meters across the network franchise area.

This smart meter data is being processed by an Analytics platform to automatically track and calculate compliance to the steady state voltage limits per AS61000.3.100. Under this standard, a network is determined to be compliant if less than 5% of customers are outside of the steady state voltage limits. Figure 6 below shows Endeavour Energy's compliance results per month across 2022.

Figure 6: Compliance to AS61000.3.100 for 2022



Based on this sample of customer smart meter data it is evident that Endeavour Energy is non-compliant from a network overall level to the limits of AS61000.3.100. However the data has a bias to data from solar customers given this is the most common trigger for a smart meter to be installed. Therefore it is likely that the non-compliant high (V99) levels are biased and negatively impacting on the compliance assessment.

Nevertheless, there are several active programs to improve this compliance, including:

- Utilising LV Analytics to target proactive distribution transformer tap changing as well as adjustment of zone substation voltage settings to improve compliance.
- Commenced implementation of a Dynamic Voltage Management System (DVMS) at 116 of Endeavour's 185 Zone Substations. This dynamically reduces the target voltage at the zone substation in the daytime to compensate for voltage rise from solar PV reverse power flows.
- Investing in new LV technology to improve poor performing LV networks. This includes the deployment of LV STATCOMs as well as trialling LV network support batteries.

6.0 Demand Forecasts For The Forward Planning Period

The Endeavour Energy transmission and zone substation peak demand forecasts are provided in the DAPR Mapping Portal <https://dapr.endeavourenergy.com.au>, covering the peak demand forecast by season for the 2022 – 2026 period. The peak demand forecasts provide Endeavour Energy with the basis for identifying network limitations and commencing the RIT-D process to identify and evaluate the credible network and non-network options to address those limitations. They also feed into the Portfolio Investment Plan (PIP) which documents the capital and operating investment expected to be required for a rolling ten-year period.

Growth in peak demand is a key driver of network-capability related capital investment. In the previous decade the growth in demand was fundamentally driven by an increase in residential, commercial and industrial development areas within the priority growth areas of Western Sydney and the Illawarra. In some cases, it may also be a driver for asset renewal investment.

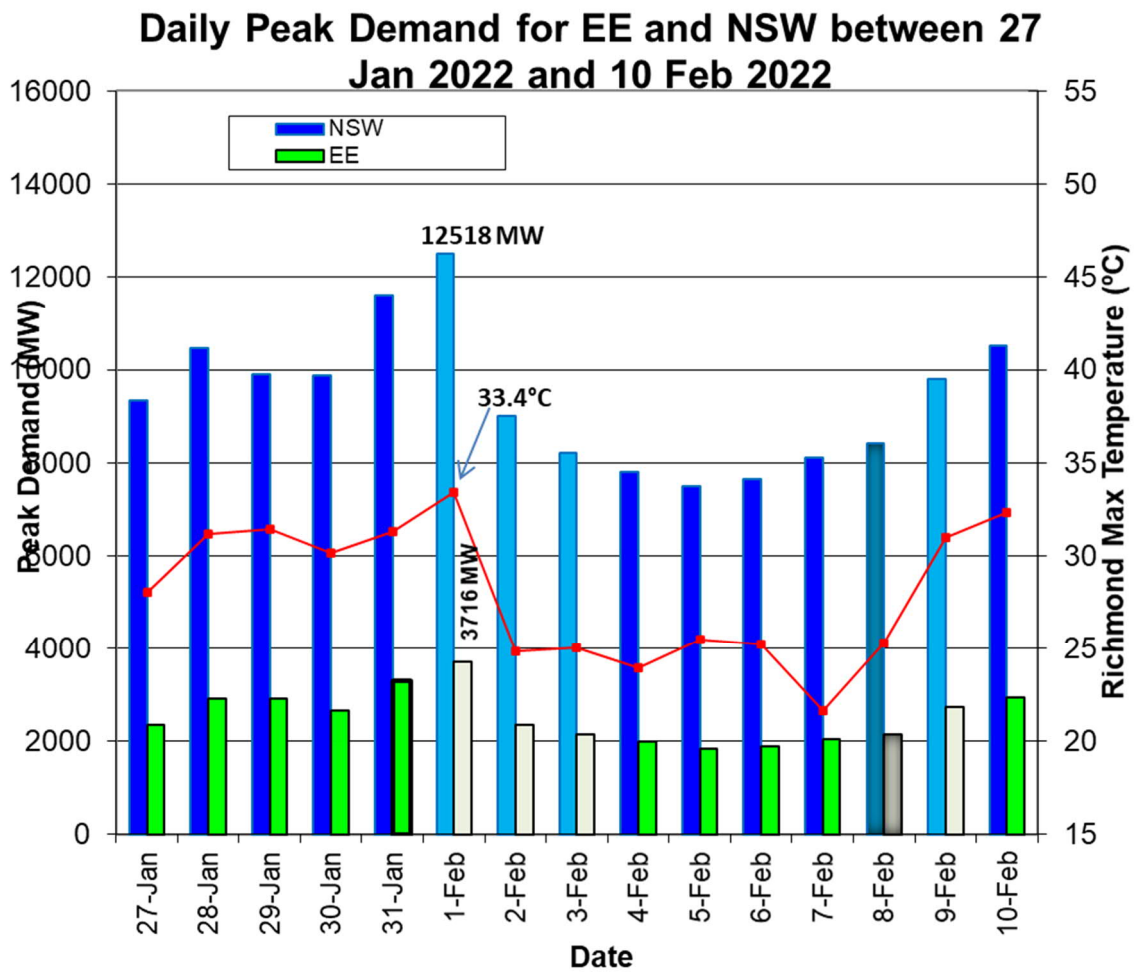
In recent years the penetration of air-conditioning appears to have reached saturation point in some areas of our network. As a consequence, peak demand growth from existing connections no longer presents a significant driver of network expenditure. Furthermore, demand in recent years has seen a decline due to the effect of energy efficiency measures, the roll-out of roof-mounted photovoltaic systems and reductions in the demand from large industrial customers. It is further expected the energy efficiency measures and the installation of photovoltaic systems, coupled with the forecast increase in battery installations, will continue to influence a reduction in demand over the forecast horizon for established areas. However, the rate of adoption of electric vehicles in the medium term will change the demand profile and could lead to growth in peak demand again.

Demand growth is primarily concentrated in North-West and South-West Sectors of Western Sydney. Widely regarded as the fastest-growing corridor in the state, priority growth areas in Western Sydney are expected to accommodate up to 480,000 new dwellings and land for employment for around 1,000,000 new residents over the next 25 to 30 years. Strong economic growth is expected in the growth centres over the forecast period, with a series of major transport, health and education projects planned for the region. Development of Sydney's second airport at Badgerys Creek and the establishment of a third city has commenced and will drive further demand growth in the future. The North West Rail Link has also created new high density residential and commercial development in the North-West Growth Sector. Similar developments are expected in the Glenfield to Macarthur rail corridor.

The Endeavour Energy Network total demands for the 2021/22 (2022) summer peaked at 3,716 MW at 15:30 on 1 February 2022 (Tuesday) while the temperature recorded at Richmond was 33.2 °C at 15:30 on that day. The maximum temperature recorded at Richmond was on 18 December 2021 and demand at this time was 3,367 MW.

Figure 8 shows the time series of the daily maximum temperatures at Richmond and the peak demands on the Endeavour Energy network and NSW during the 2022 summer peak demand period.

Figure 8: Daily Peak Demand for Endeavour Energy and NSW Between 27 Jan 2022 and 10 Feb 2022



Note: Peak demand during non-working days are shown in lighter colours.

6.1 Forecasting Methodology

Peak demand forecasts are prepared for both the summer and winter season. Summer is defined as the five-month period between November and March while winter consists of the four-month period from May to August. The forecast method is based on a bottom-up approach and provides maximum MVA, MW and MVA_r loads and the power factor expected for the summer and winter peak periods.

The forecasts are prepared for each zone substation and major customer substation, each transmission substation and TransGrid's Bulk Supply Points (BSP) that supply the Endeavour Energy network. The total Endeavour Energy network peak demand is also forecast.

The forecasts consider planned load transfers, expected spot loads, land release developments and re-developments in the area under consideration. Loads supplied by generation embedded in the network are also incorporated into the calculation of the maximum demand forecasts.

Historical and forecast peak demands at the Endeavour Energy total, bulk supply point, transmission substation and zone substation levels are corrected to normalised figures that represent a specific weather

condition. Temperature Corrected Maximum Demand (TCMD) is the estimate of the likely peak demand that could be expected in the reference conditions with 10% and 50% Probability of Exceedance (PoE).

Weather correction is applied to the peak demands at substations where there is a strong relationship between demand and temperature. Summer demands at zone substations in the Blue Mountains and demands of all high voltage customers are not subject to any weather normalisation. However, the Blue Mountains substations are subject to weather normalisation for winter peak demands.

A weather normalisation methodology based on a simulation approach is used to normalise peak demand forecasts for Endeavour Energy's network area. Two reference weather stations are employed for temperature correction of the maximum demand for summer. A weather station at Nowra is used for the South Coast area which covers the Dapto BSP Region and the Richmond weather station is used for the remainder of the network. The temperature correction method utilises two steps:

- Development and updating of a regression model for estimating the relationship between demand, weather and periodic pattern (calendar effects) of demand; and
- Simulation of the demand using multi-years of historical weather data to produce 10% and 50% normalised demand values.

For the summer peak, the regression model uses the most recent six years of daily maximum demand and temperature values to determine the relationship between demand, weather and periodic patterns of demand. Various input parameters are employed in the model. Day-of-the-week variables account for the difference between the daily peak by day of the week and by workday/non-workday. A set of holiday variables are included to describe the load reductions associated with holiday periods. Separate variables are used for special days such as: New Year's Day, Australia Day, and Christmas Day. In addition, a school holiday variable captures the reduced loads which occur in residential Western Sydney during the school holiday period in December and January and the commensurate increase in demand seen in some south coast zone substations during the same period. Monthly and bi-monthly variables capture the key seasonal demand variations. Year variables describe the changes in base load level for each year. Previous hot day effect variables are also included to explain the impacts of successive hot days on the daily peak demand.

From the regression model, daily demands are estimated using 24 years of daily weather data available from the reference weather stations. Annual seasonal maximum demands are derived from the calculated daily demands. The 10% and 50% demand values are computed from the distribution of annual seasonal maximum demands to give the 10% and 50% PoE TCMD values. The TCMD values for the latest year are the starting points for the peak demand forecasts.

The peak demand forecast considers the growth or decline from the existing customers as well as the new customer connections. The forecasting process has two major steps:

- Incorporating the network planner's inputs into the base level forecast.

The inputs include new developments planned to occur (lot releases), new load increases expected from customer applications (spot loads) and information regarding the transfer of load between zone or sub-transmission substations (load transfers).

- Applying post model adjustments (PMA).

PMAs are applied to each year of the forecast for each zone substation based on the zone substation's residential, commercial and industrial customer mix and its peak demand for the season. PMAs are designed and used to capture future changes in the peak demand resulting from solar generation, battery energy storage, electric vehicles and from different state and national energy policies/programs, such as the Minimum Energy Performance Standards (MEPS), NSW Energy Savings Scheme (ESS) and changes to the building code.

The final forecasts for all zone substations are reviewed for consistency with expected demand growth based on local knowledge of load transfers, embedded generation, proposed spot-loads and lot release information.

The forecast at transmission substations and bulk supply points is based on the rolled-up zone substation forecast and calculated using the corresponding historical diversity factors.

The diversity factor is considered to be the ratio between the summation of the individual peak demands of the lower level substations and compared to the measured peak demand of the higher-level substation for the same period.

6.2 Forecast Input Information Sources

Demand and temperature data is sourced from Endeavour Energy's Historian databases. Data from the SCADA system is used as a substitute where gaps exist in the available metering data in Historian. Where neither metering nor SCADA data is available, the measured current flow readings from the current transformers on individual circuit breakers are used.

6.3 Assumptions Applied to Forecasts

The following probability of exceedance (PoE) parameters have been adopted:

- 1 in 10-year event (corresponding to 10% PoE); and
- 1 in 2-year event (corresponding to 50% PoE).

A 10% PoE figure is estimated to be exceeded once in every ten seasons on average whilst a 50% PoE figure is likely to be exceeded every two years on average.

The installed and firm capacity of each substation and the capacity of the sub-transmission system are shown in the forecast tables are indicated by a single figure. This figure is the summer rating for the sub-transmission system and each substation.

The determination of the load transfer capability for each substation involves the analysis of individual distribution feeders and their ability to carry additional load after network switching occurs. Consequently, this is only performed for substations that are experiencing limitations and may need to be offloaded. The analysis involves determining the load that could potentially be transferred away from the constrained network on a permanent basis.

6.4 Demand Forecast

The capacity, forecast demand and any network limitation on each of the transmission and zone substations on the Endeavour Energy network and on the associated sub-transmission networks are listed in the DAPR Mapping Portal <https://dapr.endeavourenergy.com.au>. The RIT-D level identified network needs are summarised in Table 6 and Table 7 in the DAPR report.

Limitations are referenced to the design level of supply security at each substation. In general Endeavour Energy assesses its network capability on the basis of providing an "N-1" level of supply security at the sub-transmission and zone-substation level, however small or temporary substations may operate in a non-secure manner and these are marked as limited to N. Generally, these have maximum demands of less than 10 MVA. This approach serves to identify preferred future network development options should future limitations be unable to be mitigated through Demand Management initiatives. The actual investment timing is confirmed through a probabilistic assessment of the network risk and the optimisation of the economic benefits of any proposed development.

The substation total (installed) capacity is the maximum load able to be carried by the substation with all elements in service. The secure capacity of a substation is the capacity with one major element (such as a power transformer or sub-transmission feeder) out of service. This is often referred to as its “Firm” or N-1 rating.

Transmission substations are considered to be constrained when the load exceeds the secure capacity. Suburban zone substations are considered to be constrained when the demand exceeds the firm capacity which is the trigger point for commencing investigations for cost-effective options to address the limitation. The exception are substations whose rating is limited by underground feeders or where exceeding secure capacity will result in the thermal rating of apparatus being exceeded in its normal configuration. In these situations, the load may not exceed the secure capacity of the substation for any period of time.

The voltage levels of Endeavour Energy’s sub-transmission substations (termed ‘Transmission substations’) are nominally 132kV on the primary and either 66kV or 33kV on the secondary. The voltage levels of Endeavour Energy zone substations are nominally 132kV, 66kV or 33kV on the primary and 22kV or 11kV on the secondary.

The forecast is prepared following the end of each peak season. The zone substation rating changes have only been included where the associated project(s) which are influencing the rating have been given approval and are committed at the date of preparation of the forecast.

The forecast power factor readings correspond to the power factor at time of peak load. A dash in this field indicates that the particular transformer was either not commissioned at the time of measurement or is normally unloaded.

Forecast demands for the sub-transmission feeder network are based on its ‘N’ rating, summer or winter, and the ‘N-1’ loading, that is, the worst condition load that would appear on the feeder with an adjacent feeder out of service compared to the thermal rating of the smallest conductor or cable on that feeder.

The ‘95% Peak Load Exceeded (hours)’ figure in the Transformer Rating and Substation Details table represents the number of hours the load is above the 95% level of actual peak demand. It is an indication of how peaky the load profile is which is important for designing an effective non-network option.

The ‘Actual (MVA)’ figure that appears in the summer and winter demand forecast tables is not temperature corrected. It is the actual recorded load. The forecast loads are based on temperature corrected actuals.

The ‘Embedded Generation’ figure that appears in the Transformer Rating and Substation Details table provides the estimated aggregate level of embedded generation connection to the network supplied from that substation. It includes residential and commercial PV and customer generation. Customer details are withheld for privacy reasons.

The summer 2022 refers to the 2021/22 summer.

The transmission-distribution connection points are termed Bulk Supply Points (BSP) and are owned by TransGrid, the NSW transmission company.

Endeavour Energy evaluates the capability of its sub-transmission network on the basis of load flows modelling different contingencies and network operating configurations. The sub-transmission forecast tables in this document are desktop estimates derived from zone substation load forecasts and are based on an assumed operating configuration and on the present-day network. The loads presented are indicative of the load on the stated feeder in the event of the most likely contingency. Hence, the sub-transmission forecast tables should therefore be treated as indicative loading data in the event of a credible contingency event.

6.5 Analysis and Explanation of Forecast Changes

There have been minor changes occurring within the customer groups that has an effect on demand on the network and the demand forecast. These include:

- An increase in areas prioritised for development by the NSW government. This is reflected in our Growth Servicing Strategy.
- The Western Sydney Aerotropolis showing increased load growth from 2022 onwards.
- continuing focus on redevelopment of existing areas especially along rail corridors; and
- A number of large customer applications and connections in the Western Sydney area, particularly data centres, which has dramatically increased demand forecasts in this area.

Certain areas in the priority growth areas have accelerated their lot release projections as well as densities resulting in increased levels of demand growth. However, all lot release projections are diversified to account for the lag in housing development.

There has been unprecedented and significant rezoning of employment lands, particularly in and around the aerotropolis precinct which needs to be closely monitored together with the electrification plans for commercial vehicle fleets.

7.0 Planning Coordination

7.1 Joint Planning with TransGrid

Endeavour Energy and TransGrid have a formal joint planning charter between the two companies. The joint planning working group is overseen by an executive steering committee.

Joint planning is carried with TransGrid on a biannual basis or as required. Agreed actions are minuted and action plans developed by each company as required.

Areas where network limitations and/or network developments affect the electricity networks of Endeavour Energy jointly with TransGrid are discussed below.

7.1.1 Process and Methodology

Endeavour Energy confers with TransGrid on technical matters relating to Endeavour Energy's connections with TransGrid at bulk supply points (TransGrid connection points). These matters include:

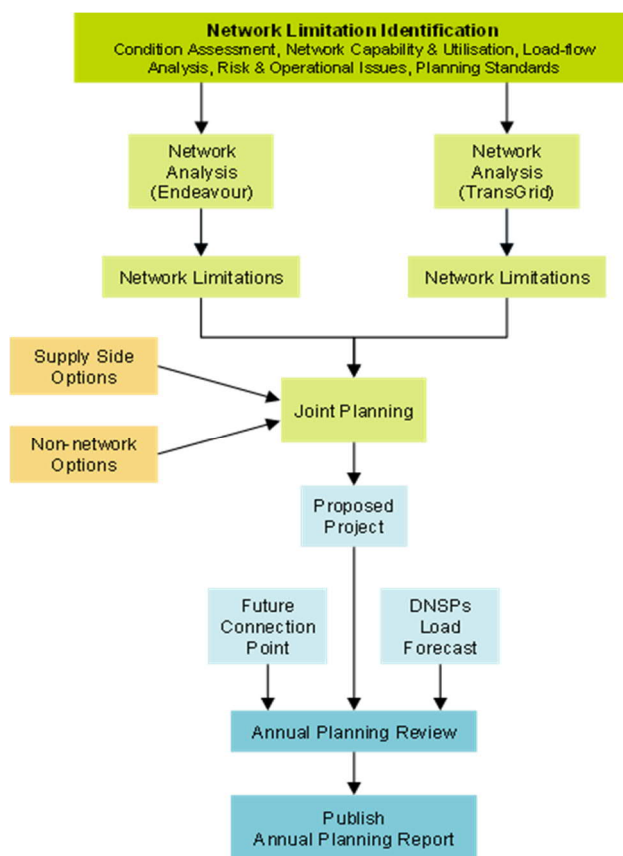
- Forecast loads for all BSPs supplying Endeavour Energy's network;
- Supply capability at all BSPs supplying Endeavour Energy's network;
- Exchange of system modelling data;
- Coordination of loading requirements on individual BSPs and across other BSPs;
- New BSP requirements and connection arrangements;
- Coordination of communication, protection and control requirements; and
- Coordination of other operational requirements.

Clause 5.14.1 of the NER sets out the planning process and consultation requirements and includes requirements on forecasting, annual reviews, regulatory tests and consultations. The principal inputs to the planning process are:

- DNSP supply point load forecasts;
- Review of network capacity and utilisation;
- Planning criteria and indicators;
- Condition, operational and risk assessments;
- Transmission network load-flow analysis; and
- TransGrid planning reviews.

The relationship between the various elements in the planning process is shown in Figure 9.

Figure 9: Joint planning process with TransGrid



Note that Endeavour Energy does not have any assets that are classed as “dual function assets” under the NER.

7.1.2 Overview of Bulk Supply Investments

7.1.2.1 Vineyard 132kV Switchbay (Box Hill Supply)

A project requiring a switchbay at Vineyard Bulk Supply Point for supply to Box Hill is required in 2023.

7.1.2.2 Macarthur 66kV Switchbay (Menangle Park Supply)

A 66kV switchbay required at Macarthur Bulk Supply Point has been built by TransGrid to supply the proposed Menangle Park Zone substation. Menangle Park Zone Substation is now connected to Macarthur 66kV Bulk Supply Point.

7.1.2.3 Macarthur 66kV Switchbay (Mt Gilead Supply)

A 66kV switchbay will be required at Macarthur Bulk Supply Point to supply the proposed Mt Gilead Zone Substation by 2028. The project is development driven.

7.1.2.4 Sydney West Switchbay for South Erskine Park Zone Substation

One 132kV switchbay at Sydney West Bulk Supply Point to connect the South Erskine Park Zone Substation is under construction. South Erskine Park Zone Substation is now connected to Sydney West BSP via a 132kV switchbay.

7.1.2.5 Sydney West Switchbays for Large Customer Supplies

Two 132kV switchbays at Sydney West Bulk Supply Point to facilitate connections to a number of large customers have been constructed.

7.1.2.6 Sydney West Switchbays for Large Customer Supplies

Endeavour Energy is conducting discussions with TransGrid for further 132kV switchbays at Sydney West Bulk Supply Point to facilitate connections to a number of large customers.

7.1.2.7 Macarthur 66kV BSP Augment

A second 330/66kV transformer at Macarthur Bulk Supply Point is scheduled to be installed by TransGrid in 2023.

7.1.2.8 Macarthur 132kV BSP Augment

Joint Planning has determined that Macarthur BSP will require a second 330/132kV transformer to address emerging constraints in the supply region between Macarthur and Sydney West. Further joint planning is being conducted in conjunction with the need to establish a bulk supply point at Kemps Creek, as certainty of forecast loads in the area matures, to establish firm need dates which is currently estimated as 2025 under a central growth scenario.

7.1.2.9 Sydney West BSP Augment

The current levels of applications for large data centres in the Sydney West supply area requires augmentation of Sydney West by 2027.

7.1.2.10 Bulk Supply Point for Western Sydney Priority Growth Area at Kemps Creek

Joint Planning has determined that a new bulk supply point will need to be established at TransGrid's Kemps Creek 500/330 kV substation by 2031 according to current predictions under a central growth scenario. Further joint planning is being conducted to advance this project.

7.1.2.11 Other Future Investments

Discussions are continuing with TransGrid in relation to:

- Managing Voltage, Power Factor and reverse power flows in relation to minimum demand at a number of connection points, notably Vineyard and Macarthur.
- Joint Planning investigations are underway with TransGrid to recommence the deferred Tomerong Bulk Supply point project due to emerging constraints in the South Coast supply network. Joint Planning investigations are underway to address constraints on TransGrid's network under certain outage scenarios that will impose voltage constraints at Vineyard Bulk Supply Point.
- Joint Planning discussions have been initiated with TransGrid to investigate the feasibility of establishing a Bulk Supply Point at Appin to address emerging constraints in Endeavour Energy's 66kV network in the area arising from a need to service substantial new residential developments.
- Protection changes required at TransGrid substations in relation to new zone substations that Endeavour Energy will be commissioning within between Sydney West and Macarthur connection changes.

7.2 Joint Planning with Other DNSPs

Joint planning between Endeavour Energy and Ausgrid and Endeavour Energy and Essential Energy follow the same principles as applied to the joint planning process with TransGrid. However, due to the limited number of dependencies between the companies' networks, joint planning meetings are generally conducted on a needs basis.

7.2.1 Process and Methodology

Formal joint planning meetings between the planning groups of the companies form the basis of the joint planning process as per the planning process with TransGrid.

7.2.2 Joint DNSP Planning Completed in Preceding Year

Endeavour Energy did not conduct formal joint planning meetings with Ausgrid during the year. A project to connect two of Ausgrid's zone substations to Endeavour Energy's Camellia sub-transmission substation is underway with two of the four 33kV connections now commissioned.

Endeavour Energy did not conduct joint planning with Essential Energy during the year.

Endeavour Energy held joint planning meetings with Sydney Trains mainly in relation to sharing of information relating to connection points and identifying any opportunities of mutual benefit.

7.2.3 Planned DNSP Joint Network Investments

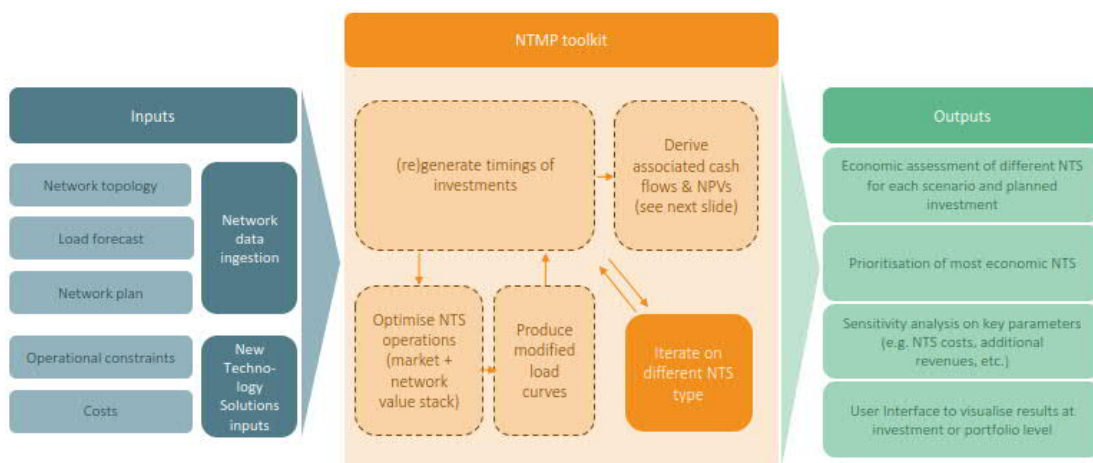
There is currently a project to supply Ausgrid's Auburn and Lidcombe zone substations from Endeavour Energy's Camellia Transmission Substation.

7.3 Consideration of Non Network Alternatives in the Planning Process

Endeavour Energy considers non-network alternatives as an integrated part of network planning. When considering network investments in meeting demand growth, new connections or asset replacement, non-network alternatives are considered to identify opportunities to defer or avoid network investment.

Endeavour screens potential network investments for non-network and new technology solutions to identify and evaluate credible solutions.

Figure 10: New Technology Master Plan Input and Output Model



The NTMP tool allows us to assess network support options such as embedded generation, virtual power plants, grid-scale batteries, commercial customer direct load control and residential behavioural demand response.

This tool integrates existing network data and enables the efficient exploration of the net-benefits of various non-network solutions at a pre-feasibility stage, considering the various uncertainties and sensitivities.

The NTMP tool furnishes Endeavour Energy with the knowledge and business capabilities that will allow for the effective identification of new technology options as potential non-network alternatives.

The NER requires DNSPs to investigate non-network options by utilising a consultation process as part of the planning for major network investments. This is the RIT-D process shown in Figure 11.

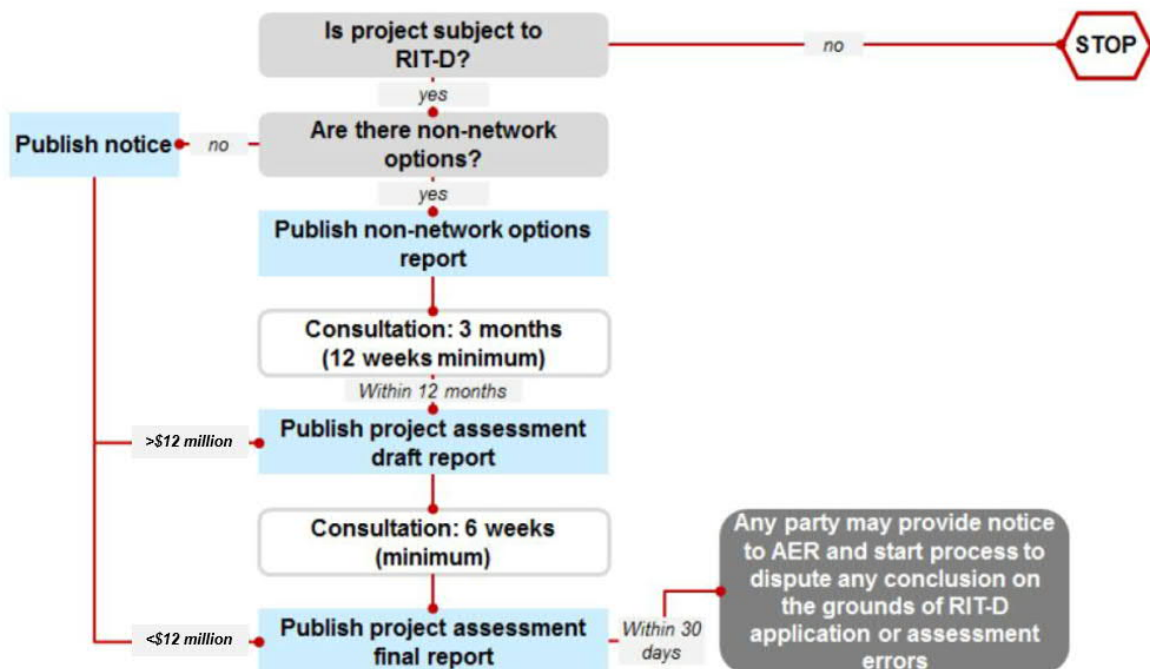
This provides the opportunity for all interested parties and the community to submit options, ideas and comments allowing for the development of cost effective demand management and support non-network alternative options.

Our RIT-D non-network option investigation process is comprised of the following stages:

- A planning review to identify the emerging network constraints and credible network options;
- Screening for non-network options supported by the use of our New Technology Master Plan tool;
- Publish a Non-Network Options Report as part of a market consultation process to obtain proposals for alternative options from interested parties where a demand management approach is determined to be feasible;
- Evaluation of submissions to identify cost-effective credible non-network options;
- Evaluation of all credible options (network and non-network) to identify the most cost-effective option or combination of options; and
- Negotiations with proponents of the successful proposal to implement the program if a non-network option is identified as the most cost-effective option.

All parties registered on Endeavour Energy's register of interested parties are notified when a RIT-D document is published.

Figure 11: Regulatory RIT-D Process



8.0 Identified Network Needs

Identifying network needs is a key element of the network planning process through:

- Network analysis using the latest demand forecasts to identify emerging network capacity or supply security limitations; and
- Asset condition or performance assessments to identify assets approaching their end-of-life.

Network needs that have been identified as being subject to the RIT-D process are outlined in Table 6 and Table 7 and given in Section 8.2. These are within the 5-year planning horizon.

Projects that do not meet the RIT-D criteria and that will be investigated for non-network options are listed in Table 9.

Future network needs that are beyond the 5-year planning horizon have also been identified and presented below. These future network needs are dependent upon demand growth and progress in proposed developments prior to any commitment to network investment. Future network needs are listed in Table 11.

8.1 Definition of terms used in Network Needs

Table 5 below provides definitions of the terms used in the Identified System Limitations tables in Sections 8.2, 8.3 and 8.4.

Table 5: Terms Used in Identified Network Needs

Term	Definition
Critical Season	The season of most critical peak demand (summer or winter) in terms of network limitation.
Existing Capacity (firm)	The firm capacity that the network element can supply with one element of redundancy available. In the case of the 11kV network it is the firm capacity whilst preserving the appropriate level of backup.
Demand Forecast	The next year forecast of peak demand for the most critical season.
Capacity Limitation Rating Reached	Indicates that the load at risk has reached unacceptable limits being either cyclic or emergency rating exceeded or the expected energy at risk is above acceptable limits in the next following year.
Limitation Date	Indicates when both the firm rating of the network supplying the load (F) and its corresponding capacity limitation rating (C) is exceeded.
RIT-D Start Date	The year in which Endeavour Energy anticipates options investigation to commence. RIT-D start is timed to meet capacity limitations.
Load Transfer Potential	The load in MVA that could potentially be transferred away from the constrained network, through the existing network, on a permanent basis. This analysis is performed for constrained assets only.
Required Load Reduction	The required level of load reduction to achieve a one-year deferral of the network limitation.
Potential Solutions	The currently identified credible options to resolve the network limitation including network and non-network solutions (subject to public consultation or a feasibility review).
Asset Retirement	The removal of an asset from service due to the asset reaching its end of life or a condition where the asset can no longer service the network due to performance or safety risks.

8.2 RIT-D Investigations

This section presents the RIT-D augmentation and replacement projects in the 5-year planning horizon that Endeavour Energy will investigate. Endeavour Energy reviews its network needs at least annually and the dates shown may be adjusted from year to year as the underlying customer demand and network need change over time.

Listed in Table 6 are the identified augmentation RIT-D projects and Table 7 details the retirement or replacement RIT-D Projects. The Endeavour Energy project identification number has been included to allow matching to our other regulatory reporting. Identified needs based on place names may change over time and place names are determined by other statutory authorities.

Table 6: Identified Network Need – Augmentation RIT-D Projects

RIT-D Project Name	Critical Season	Existing Capacity (firm) (MVA)	2023/24 Demand Forecast (MVA)	Capacity Limitation Rating Reached	Limitation Date	RIT-D Start Date	Load Transfer Potential (MVA)	Required Demand Reduction (MVA)	Potential Solutions
Lowes Creek NPR-000044	S	45.0	46.0	Yes	(F) Nov 23 (C) Nov 26	Jul 2023	0	10.0	1.New ZS 2. NNO
West Dapto NPR-000013	S	11.0	8.0	No	(F) Nov 27 (C) Nov 28	Jul 2025	0	5.0	1.New ZS 2. NNO
Berrima Junction ZS NPR-000060	S	3.0	6.0	Yes	(F) Nov 23 (C) Nov 25	Oct 2022	0	14.0	1.New ZS 2. NNO
Northern Gateway ZS NPR-000067	S	15.0	17.0	Yes	(F) Nov 23 (C) Nov 25	Sep 2022	0	14.0	1.New ZS 2. NNO
Menangle Park NPR-000061	S	6.0	6.0	Yes	(F) Nov 25 (C) Nov 26	Nov 2023	0	11.0	1.Augment ZS 2. NNO
Mt Gilead NPR-000049	S	8.0	3.0	No	(F) Nov 26 (C) Nov 27	Jul 2024	0	8.0	1.New ZS 2. NNO
North Kemps Creek NPR-000805	S	90.0	69.0	No	(F) Nov 26 (C) Nov 27	Jul 2024	0	23.0	1.New ZS 2. NNO
Culburra Beach NPR-000008	S	5.0	5.0	Yes	(F) Nov 28 (C) Nov 28	Jul 2025	3.0	5.0	1.New ZS 2. NNO
East Parramatta ZS NPR-000451	S	90.0	72.0	No	(F) Nov 27 (C) Nov 27	Jul 2024	0	14.0	1.Augment ZS 2. NNO
Austral NPR-000053	S	50.0	53.0	Yes	(F) Nov 26 (C) Nov 26	Jul 2023	0	30.0	1.New ZS 2. NNO
Box Hill Augmentation NPR-000070	S	36.0	17.0	No	(F) Nov 28 (C) Nov 28	Oct 2025	0	7.0	1.Augment ZS 2. NNO
East Riverstone NPR-000048	S	95.0	75.0	No	(F) Nov 26 (C) Nov 27	Nov 2024	0	31.0	1.New ZS 2. NNO
Parramatta 132kV capacity constraints NPR-000533	S	93.0	72.0	No	(F) Nov 26 (C) Nov 26	Jul 2024	0	10.0	1.New Feeder 2. NNO
Cambewarra NPR-000052	S	2.0	1.0	No	(F) Nov 28 (C) Nov 28	Oct 2025	0	2.0	1.New ZS 2. NNO

RIT-D Project Name	Critical Season	Existing Capacity (firm) (MVA)	2023/24 Demand Forecast (MVA)	Capacity Limitation Rating Reached	Limitation Date	RIT-D Start Date	Load Transfer Potential (MVA)	Required Demand Reduction (MVA)	Potential Solutions
North Agribusiness NPR-000068	S	3.0	0.0	No	(F) Nov 27 (C) Nov 27	Oct 2024	0	10.0	1.New ZS 2. NNO

Table 7: Identified Network Need – Retirement or Replacement projects

RIT-D Project Name	Existing Capacity (firm) (MVA)	2023/24 Demand Forecast (MVA)	Retirement or Replacement Date	RIT-D Start Date	Retirement or Replacement Details
Parramatta area 132kV oil insulated cables	NA	NA	2029	Feb 2026	End of life of multiple aged oil filled cables 9J8, 22U, 22W, 226, 228 and 233.

Table 8 provides the RIT-D process timetable for each proposed project. Additional details for these RIT-D projects are provided in the DAPR Mapping Portal <https://dapr.endeavourenergy.com.au>.

Details are provided for each identified project including the constraint and the time frame over which a non-network investigation and program implementation would be expected to operate to successfully address the constraint.

If a screening test identifies that a non-network option is feasible then Endeavour Energy will issue a Non-Network Options Report. All registered participants on Endeavour Energy's register of interested parties will be notified of the release of the document.

If a screening test identifies that non-network options are not feasible, Endeavour Energy will publish a notice of the screening result on its website and all registered participants will be notified.

Table 8: RIT-D Projects Timetable

RIT-D Project Name	Constraint or Network Need	Timetable		Constraint
RIT-D Augmentation Projects				
Lowes Creek NPR-000044	New residential development area in south west Sydney requiring increased supply and connection capacity.	Investigate Results Decision	Jul 2023 Mar 2024 Jul 2024	Nov 2026
West Dapto NPR-000013	Growing residential area to the west of Lake Illawarra requiring increased supply capacity.	Investigate Results Decision	Jul 2025 Mar 2026 Nov 2026	Nov 2028
Berrima Junction ZS NPR-000060	New industrial development with demand exceeding the capacity of the existing single transformer ZS.	Investigate Results Decision	Jul 2022 Jun 2023 Oct 2023	Nov 2025
Northern Gateway ZS NPR-000067	Enterprise zoned area in the Northern Gateway precinct of the Western Sydney Aerotropolis requiring supply capacity.	Investigate Results Decision	Jul 2022 Feb 2023 Apr 2023	Nov 2025
Menangle Park NPR-000061	Residential and employment lands with enterprise land use requiring an augmentation to the existing temporary mobile zone substation.	Investigate Results Decision	Nov 2023 Jun 2024 Oct 2024	Nov 2026
Mt Gilead NPR-000049	New residential development area in south west Sydney requiring increased supply and connection capacity.	Investigate Results Decision	Jul 2024 Mar 2025 Jun 2025	Nov 2027
North Kemps Creek NPR-000805	Growth in the enterprise area at North Kemps Creek requiring increased supply and connection capacity.	Investigate Results Decision	Jul 2024 Mar 2025 Jun 2025	Nov 2027
Culburra Beach NPR-000008	Residential land release requiring increased supply and connection capacity.	Investigate Results Decision	Jul 2025 Mar 2026 Jun 2026	Nov 2028
East Parramatta ZS NPR-000451	Growth in the Parramatta CBD and surrounding area requiring augmented supply and connection capacity at the existing switching station site.	Investigate Results Decision	Jul 2024 Mar 2025 Jun 2025	Nov 2027
Austral NPR-000053	New residential development area in south west Sydney requiring increased supply and connection capacity.	Investigate Results Decision	Jul 2023 Mar 2024 Jun 2024	Nov 2026
Box Hill Augmentation NPR-000070	Growth in the residential development area in addition to enterprise land use requiring augmented supply and connection capacity at the existing substation site.	Investigate Results Decision	Oct 2025 Jun 2026 Sep 2025	Nov 2028
East Riverstone NPR-000048	Growth in residential development area in north west Sydney requiring increased supply and connection capacity.	Investigate Results Decision	Nov 2024 Jun 2025 Aug 2025	Nov 2027

RIT-D Project Name	Constraint or Network Need	Timetable		Constraint
Parramatta 132kV capacity constraints NPR-000533	Growth in the Parramatta CBD and surrounding areas requiring increased supply at 132kV into the area to support distribution.	Investigate Results Decision	Jun 2024 Mar 2025 Jun 2025	Nov 2026
Cambewarra NPR-000052	Growth in the Bomaderry area requiring increased supply and connection capacity.	Investigate Results Decision	Oct 2025 Mar 2026 Jun 2026	Nov 2028
North Agribusiness NPR-000068	Agribusiness enterprise area in the Western Sydney Aerotropolis precinct requiring increased supply and connection capacity.	Investigate Results Decision	Oct 2024 Mar 2025 Jun 2025	Nov 2027
RIT-D Retirement or Replacement Projects				
Parramatta area 132kV oil insulated cables NTM-000009	End-of-life Replacement of aged oil filled cables supplying parts of the Parramatta area.	Investigate Results Decision	Jun 2026 Jul 2027 Sep 2027	Jun 2029

8.3 Projects That Do Not Meet the RIT-D Criteria

Endeavour Energy also plans to investigate non-network options for some network needs that are below the RIT-D threshold of \$6 million these are shown in Table 9.

If a non-network option investigation identifies that a demand management option is feasible for a project below the RIT-D threshold, Endeavour Energy may issue a public tender document to provide interested stakeholders and service providers the opportunity to submit proposals to address the need. All registered participants on Endeavour Energy's register of interested parties will be notified when a tender document is issued.

The timetable associated with these projects are shown in

Table 10.

Table 9: Identified Network Needs – Projects That Do Not Meet The RIT-D Criteria

Project Name	Critical Season	Existing Capacity (firm) (MVA)	2023/24 Demand Forecast (MVA)	Capacity Limitation Rating Reached	Limitation Date	Load Transfer Potential (MVA)	Required Load Reduction (MVA)	Potential Solutions
Eastern Creek Augmentation NPR-000771	S	45.0	56.5	Yes	(F) Nov 22 (C) Nov 25	0	14.0	1. DM 2. Augment ZS

Table 10: Investigation Timetable – Projects That Do Not Meet The RIT-D Criteria

Project Name	Constraint or Network Need	Investigate Results Decision	Timetable	Constraint
Eastern Creek Augmentation NPR-000771	Continuing growth in the Eastern Creek enterprise area will require an increase in supply capacity to the existing Eastern Creek zone substation service area.	Investigate Results Decision	Jun 2023 Dec 2023 Feb 2024	Nov 2025

8.4 Future Network Needs

Endeavour Energy's future network needs presented below are major supply requirements in the 5 to 10 year ahead planning period.

In the early stages of these developments the proposed timing is uncertain, however the estimated constraint date is based on the best available information. These identified future network needs are shown in Table 11.

Table 11: Future Network Needs

Project Name	High Level Description of Network Need	Estimated Constraint Date
Catherine Park ZS Augmentation NPR-000054	Growth in residential area requiring augmented supply capacity from the temporary mobile ZS on the site.	Nov 2031
Nepean ZS Augmentation NPR-000055	Growth in the local area requiring augmented supply capacity.	Jul 2032
Calderwood ZS Augmentation NPR-000063	Growth in residential area requiring augmented supply capacity from the temporary mobile ZS on the site.	Nov 2032
South Penrith ZS NPR-000047	Continued growth in the Penrith CBD and surrounding areas from business and residential customers will require increased supply and connection capacity.	Nov 2029
West Appin ZS NPR-000069	New residential release area requiring increased supply capacity – Development dependent project.	Nov 2030
South Gilead ZS NPR-000051	New residential release area requiring increased supply capacity – Development dependent project.	Nov 2031
Bringelly ZS Augmentation NPR-000050	Growth in the local area requiring augmented supply capacity.	Nov 2031
North Rossmore ZS NPR-000045	New residential release area requiring increased supply capacity – Development dependent project.	Nov 2031
Bradfield City ZS NPR-000007	Provide supply to the Bradfield City CBD – likely to require establishment of ZS.	Jul 2031
East Wollongong ZS NPR-000062	Provide increase in supply capacity to the Wollongong CBD and surrounding areas.	Jun 2031
Westmead Augmentation NPR-000065	Growth in Westmead area including the hospital, health and allied services precinct and increasing medium and high density residential housing will require and augmentation to existing supply to the area. Likely to require establishment of a new ZS in proximity to the growth areas.	Jun 2031
Tomerong BSP Connection Works NPR-000074	Provide connection of Transgrid's proposed BSP to the local area and customer base.	Nov 2032
North Catherine Fields ZS NPR-000046	Growth in residential development in the south west area of Sydney requiring increased supply and connection capacity. Likely to require establishment of a new ZS.	Nov 2032

Project Name	High Level Description of Network Need	Estimated Constraint Date
Kemps Creek BSP Connection Works NPR-000043	Provide connection of Transgrid's proposed augmentation of their Kemps Creek BSP to the local area and customer base. Likely to provide connection to the Aerotropolis area and the South West Sydney residential growth area.	Jul 2029
Vineyard BSP Minimum Demand Constraints NPR-000873	Address the minimum demand condition related constraints in relation to power factor and voltage management.	Jun 2030

8.5 Impact on Transmission – Distribution Connection Points

Table 12 details constraints in the network which impact on the capacity of transmission – distribution connection points.

Table 12: Transmission – Distribution Connection Point Constraints

Network Constraint	Constraint Date	Impact on Transmission-Distribution Connection Point
The two Nepean TS 132/66kV transformers are overloaded for an outage on the single 330/66 kV transformer at Macarthur BSP.	Existing	This constraint limits the firm capacity of the 66kV system supplied from the single 330/66kV transformer at Macarthur BSP. This project is addressed by the project known as 'Southern Macarthur 66kV Network'.
Under certain outage scenarios, TransGrid has modelled voltage issues and possible voltage collapse at Vineyard Bulk Supply Point	2025	Possible voltage collapse at Vineyard BSP for an outage of one TransGrid feeder to Vineyard BSP.
Connection of additional load overloads Feeder 9L1 and Macarthur 330/132KV transformer in contingency situations.	2025	Macarthur 330/132kV transformer will be overloaded.
Connection of major customers and additional load to Sydney West Bulk Supply Point will cause Sydney West BSP to exceed firm capacity in future	2025	Firm capacity at Sydney West exceeded, followed by installed capacity exceeded 3-4 years later.

8.6 Primary Distribution Feeders

For any primary distribution feeders for which Endeavour Energy has prepared forecasts of maximum demands and which are currently experiencing an overload situation, or are forecast to experience an overload within the next two years, Endeavour Energy must set out:

- The location of the primary distribution feeder;
- The extent to which demand exceeds, or is forecast to exceed, 100% of the normal cyclic rating (240A) of the feeder (or a lesser percentage of the cyclic rating of the feeder where maximum utilisation factors are employed), under normal conditions during summer and/or winter periods;
- Endeavour Energy employs a utilisation factor of 80% for the distribution feeder cables exiting a zone substation to allow 20% of the thermal rating of the feeder to be available for transfer of load from an adjacent feeder under first level emergency conditions;
- The types of potential solutions that may address the constraint or forecast constraint; and
- Where an estimated reduction in forecast demand would defer the constraint for a period of 12 months, including:
 - An estimate of the year and month in which the constraint is forecast to occur;
 - A summary of the location of relevant connection points at which the estimated reduction in forecast demand would defer the constraint; and
 - The estimated reduction in demand required to defer the forecast constraint.

Options that are considered for all forecast constraints include:

- Non-network solutions;
- Augmenting the network;
- Rearranging the network by switching and load transfers; and
- Monitoring the situation if the forecast constraint is not significant.

Details of Endeavour Energy's primary distribution feeders which are currently overloaded can be located in the DAPR mapping portal <https://dapr.endeavourenergy.com.au>.

8.7 Other Factors Impacting Network Needs and Solutions

There are a number of factors that are impacting network needs and solutions that go beyond the traditional and well established business as usual practices of operating the network.

Each of these factors are further discussed below.

8.7.1 The evolving grid within a low carbon economy

Governments, businesses and communities are setting increasingly ambitious emissions reduction targets to limit the impacts of climate change.

This requires fundamental changes to the way we produce and consume energy and changes the nature of the energy system. Our electricity networks will underpin this evolution, and we must keep pace with the change.

In the coming years, our network needs to cater for the growing customer uptake of clean and distributed energy resources such as solar PV, battery storage, and electric vehicles. As our customers take up these technologies they will participate more actively in the energy market and unlock more value from their investments.

Sophisticated digital platforms will increasingly underpin and automate more responsive users, coordinated by energy 'aggregators' such as virtual power plants. These changes form part of the solution to limit the

impacts of climate change, and the augmentation of our network must reliably and affordably deliver the capability to balance dynamic, responsive, bi-directional flows.

These new technologies, and the changes to the way our communities will choose to use and share electricity, will change the role of the network. Open, real-time data sharing will become critical to the successful operation of a network, allowing and incentivising customers and third-parties to use their technologies to help balance the system. The network will become a platform of energy trade, and underpin the modern, low carbon way of living.

Below we provide more detail on these new technologies and how each of them impact our network.

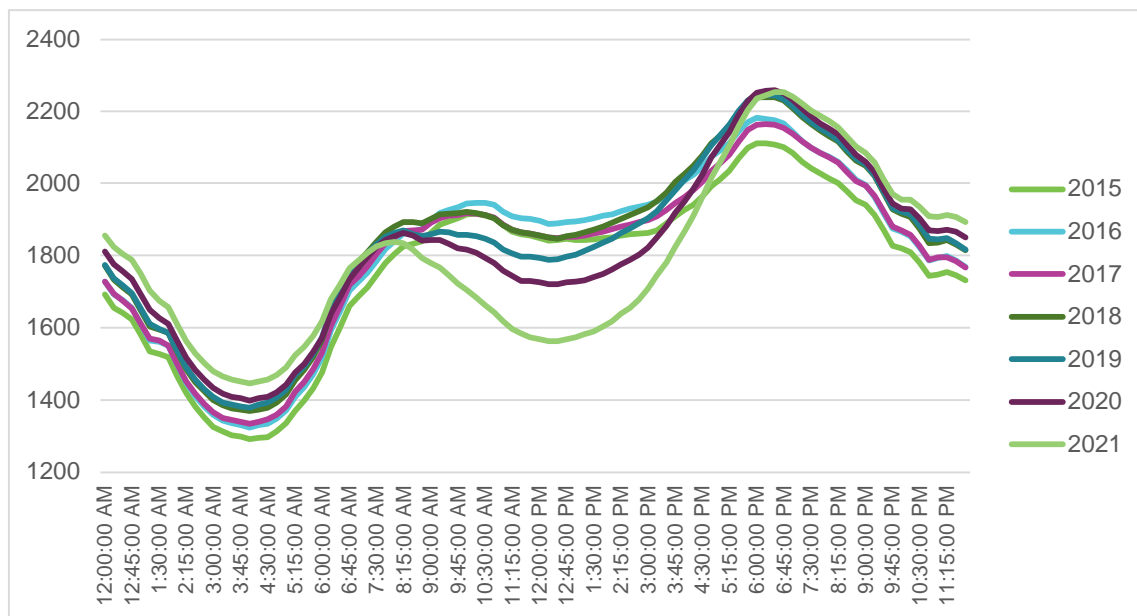
8.7.2 Solar Photovoltaic (PV) Generation

The uptake of Solar PV systems by households and businesses on Endeavour Energy's network is forecast to increase rapidly in the coming years. Currently, more than 20% of Endeavour Energy's customers have installed Solar PV systems to supplement their energy requirements. By 2030, this figure is projected to reach 55%.

The changing profile as a result of the high penetration of solar PV creates network wide and localised issues which will need to be addressed. At the network scale, this includes the “duck curve” whereby solar input reduces the demand for electricity during the day at the same time as growth in electricity use increases night time peaks.

PV systems can also impact the quality of supply. Traditionally, distribution networks were designed to accommodate voltage drops arising from the flow of power in one direction, from the high voltage system through to the low voltage system and connected customers. However, the large volumes of rooftop solar PV connected at customer's premises in some locations results in power flows in the reverse direction from the LV to HV at times of peak solar generation and overall low system demand. This reverse power flow situation is often not predictable and can lead to both voltage rise and voltage drop situations in various parts of the network having to be managed simultaneously to ensure voltage at the customer's premises remains within statutory limits.

Figure 12: Endeavour Energy average network demand profile changing over time



8.7.3 Battery Energy Storage Systems

As more variable renewable energy sources feed into the grid, such as solar PV, energy storage will play an increasing and crucial role to balance supply and demand. As costs of battery energy storage technology decline the installation of battery storage is expected to increase rapidly across our network.

Storage will be delivered at the household, local and grid-scale, and will be a vital contributor to the management of seasonal, daily and micro variations in supply and demand. These services can only be delivered via the active participation of customers and third parties, which requires a dynamic and digital capability and necessitates the more central role of the grid.

Household

As the costs of battery storage decline, more customers are choosing to install privately-owned, behind the meter storage systems. In its simplest use, battery storage allows customers to store the solar energy otherwise fed into the grid during the day and consume that energy at night when it is needed.

Grid-scale

There are several energy storage solutions that are becoming increasingly viable at the system level, from Battery Energy Storage Systems to the Seasonal Hydrogen Storage Systems. These technologies enable distributors to more accurately manage the demand and supply of energy across the network.

Aggregation and Virtual Power Plants (VPPs):

Sophisticated digital platforms and energy 'aggregators' (such as VPPs) unlock value for households by accessing wholesale markets. This transforms households into energy market participants, responding to price signals and delivering market services. However, this can create local network capacity issues, as households become orchestrated in their supply and demand from networks

A residential battery energy storage system trial completed in 2019 demonstrated that battery systems provide opportunities for Endeavour Energy to utilise stored energy during critical peak times to defer investment in the augmentation of the network. Several battery systems can be aggregated into a single or multiple virtual power plants (VPP) in order to deliver the network capacity required. The capacity from the VPP can be dispatched using third party aggregation platforms.

8.7.4 Electric Vehicles

Endeavour is closely monitoring the current and projected uptake of electric vehicles and the impact on demand levels across the network both in aggregate and locationally specific to ensure that adequate supply capacity is in place to cater for this major change towards the electrification of transport. The electrification of transport, in many ways, is similar to the rise of air conditioning in the past few decades where the widespread adoption led to the need to cater for this with widespread augmented network supply capacity.

The electrification of transport will have impacts on the distribution network both due to the large demand when the vehicles are being recharged and also for the potential for the batteries in the vehicles to be used to support the electricity network during periods of peak network demand.

Endeavour has assisted the NSW Department of Planning, Industry and Environment in the development of an EV charging infrastructure map to support the objectives laid out in the NSW Electric and Hybrid Vehicle Plan. The objective of the map is to inform the market about potential locations for EV fast charging infrastructure. Preferred locations include those with adequate network capacity for fast charging stations.

Endeavour is a DNSP partner in a large scale electric vehicle trial led by a retailer and funded by the Australian Renewable Energy Agency (ARENA). The trial aims to assess the value of EV charging orchestration using managed smart chargers installed in participants' homes. Two emerging EV

orchestration technologies that have significant commercial potential, Vehicle-to-Grid (V2G) and Vehicle Application Programming Interface (API) integration, will also be assessed as part of the trial.

By 2029 there are 200,000 EVs expected in households connected to the Endeavour Energy network, up from 2,000 currently.

EVs are an emerging consumption on the network, and a changing profile of demand. The contribution of 200,000 EVs to peak load increase from 1MW in 2022 to approximately 60MW by 2029. This will result in requests for new connection points and will likely require network augmentations and many local levels.

However, EVs will also represent the opportunity for mobile (battery) storage. The rise in EVs will rapidly enhance the flexibility of consumption and will form a crucial component of the dynamic architecture of the future network. They will become a very useful tool to balance loads, but will require sophisticated, transparent, digital capabilities operating with a proliferation of third-parties to optimise this value.

8.7.5 Demand response and flexible demand

When managing the capacity of the grid, the focus has historically fallen on the energy generators to ensure the supply to the grid matches demand. But with changes in consumer behaviour affecting when, where and how people access the grid, there's a growing opportunity to manage capacity by tackling the demand for energy.

A shift to a more dynamic and transparent tariff regime will further incentivise these behaviours. In a system with abundant, but variable, renewable energy, households and businesses will benefit from the ability to reduce demand or transition to more flexible operations. This is part of the solution to balancing the low carbon, variable energy system.

Demand response is the voluntary reduction or shift in the customer's use of electricity. This is typically achieved by financially incentivising consumers to switch their use of power to off-peak periods to ease the demand on the network.

Flexible load refers to the coordination of electricity consumption used for existing loads. For households this includes water heaters, air-conditioning systems and pool pumps. For business and industry, this includes flexible production which can lower individual production costs and balance loads on the network.

The role of the network is to facilitate the ability of customers to participate in such a way. In this light, the value of the network shifts more in favour of its capacity to allow participation, rather than the electricity demanded. This change requires re-consideration of tariff structures to reflect the alternative value of the network (such as capacity charges).

8.7.6 Large Scale Renewable Energy Generation

Decarbonising Australia's economy will be challenging, involve a variety of alternative fuels developed through multiple different pathways, and approaches will vary within and across industries and use cases based on needs and opportunities. Hydrogen, which is very similar to natural gas and can be produced from renewable electricity, represents one such option.

The NSW Government through its Electricity Infrastructure Roadmap and Hydrogen Strategy is aggressively pursuing the activation of new renewable energy zones to drive decarbonisation of its electricity generation and establishment of a hydrogen industry, for both domestic and export markets. This will drive significantly more variable renewables into the generation mix and may add considerable load to the distribution network.

The scale of electricity generation associated with large-scale hydrogen production dwarfs that of Australia's current demand. NSW is targeting 12GW of renewables to deliver 110,000 tonnes per annum of hydrogen by 2030. It is focusing on production in two key hubs, Illawarra and the Hunter Valley (with Wagga Wagga considered a strategic location mainly for transport).

The wave of renewables will create system challenges, but also new opportunities. Hydrogen may act as a flexible way to lift minimum demand and store excess energy. It may also play a role in decarbonising gas networks, with localised production, storage and potentially generation, supporting grid stability.

However, with the commercial pathway to hydrogen production still some way off, we will need to prepare for scenarios where we see large scale electrification, a hydrogen economy emerge, or something in between.

8.7.7 Microgrids and Stand Alone Power Systems

Microgrids and Stand-Alone Power Systems (SAPS) are essentially a group of localised energy sources and loads that are capable of functioning autonomously in times of need. Thus, they require less or no connection to the traditional electricity network, mitigating the need for new, or significant augmentation or replacement of existing, connections to communities. The transformation of the grid will lead to a more 'compartmentalised' network, with many localised networks functioning like microgrids, and interacting in a broader system.

The increasing value that can be derived from microgrids and SAPS is two fold. Firstly, with the decreasing cost of distributed generation and storage technologies, as well as the increasing costs of providing traditional network connection, SAPS are becoming more commercially feasible. Secondly, and in addition to the potential commercial value, SAPS can avoid the need for long, stringy connections. In the face of increasing extreme weather events, this will reduce the risks to the safety and reliability of the network.

In addition to these two benefits, microgrids can offer communities a chance to help co-design their energy system, specifically creating elements for their unique values and needs.

For Endeavour Energy, microgrids, in particular, present new opportunities to deliver growth and replace assets more affordably, with lower risks. With a huge range of different areas for our network to cover, and that creates many different challenges for both existing locations and newly developing areas, designing and maintaining a network that is safe and reliable, but also makes best use of all locally generated renewable energy is what we are striving to achieve with microgrids.

However, any use of SAPS and microgrids will need to align with the guidance from the AEMC and AER regarding appropriate distributor-led use.

8.7.8 Asset Ratings

Endeavour Energy investigates potential cyclic or emergency rating of assets to identify the actual capacity of the network and to accurately forecast the emergence of constraints. This ensures optimal utilisation of existing network assets and presents opportunities for deferral of investment in augmentation of the network.

8.8 Embedded Generation Connections

Our non-network option consultation process will provide an opportunity for embedded generation proposals to be submitted and considered for each constrained location.

During 2022 we received 309 applications for non-micro embedded generator connections and 34,472 micro embedded generator connection applications. We had an average turnaround time for micro embedded generator applications of less than 1 day.

At the end of 2022, there was a total of 237,276 PV generators connected to Endeavour Energy's network with a total combined capacity of over 1,275 MW.

There were no significant issues recorded as arising from the connection of these generators to Endeavour Energy's network.

Endeavour Energy received six large embedded generation connection applications and enquiries in 2022.

9.0 Network Investments

Endeavour Energy's major network investments follow the RIT-D process and include a screening process to identify feasible non-network options.

This section provides detail on the major network investments evaluated in the previous year.

9.1 Non-network Option Screening activities in the Preceding Year

Endeavour Energy screens all major network investments for non-network options.

9.1.1 Screening for Non-Network Options

Endeavour Energy investigates non-network options as part of planning for major network augmentations and asset replacements. This includes determining whether non-network options will be technically and economically feasible in deferring or avoiding network investments and also to utilise market and public consultation in sourcing possible non-network options.

In support of this determination we have conducted feasibility testing of non-network options using the New Technology Master Plan (NTMP) tool.

When screening for non-network options Endeavour Energy considers the following:

- Any measure or program targeted at reducing peak demand, including:
 - Improvement to or additions of automatic control schemes such as direct load control and air conditioner cycling;
 - Energy efficiency programs that target appliances that contribute to peak demand;
 - The installation of smart meters to accommodate a demand response program;
 - Existing load transfer capacity;
 - Installation of technology capable of reducing peak demand; and
 - Load curtailment, load shifting or demand response
- Increased local or distributed generation/supply options including:
 - Capacity for standby power from existing or new embedded generation;
 - Capacity of micro embedded generation; and
 - Capacity of energy storage systems.

Endeavour Energy understands that credible solutions may include a variety of different measures combined to form one integrated program when determining whether a non-network option could constitute or be part of a credible option.

In determining the feasibility of a non-network option, the analysis focuses on the following areas:

- The ability to address the identified need in terms of the level and timing of demand reduction;
- Commercially feasibility;
- Technical feasibility; and
- Implementation timeframe to meet the network need.

9.1.2 Screening Tests

The network needs and investments screened for non-network options during 2022 are shown in Table 13 below.

Table 13: Screening Test Results

Network Need	Description of Network Need	Screening Test Result	Notice date
Supply to the Westmead Health Precinct	Provide augmented supply capacity to the Westmead Health Precinct including the major hospital and allied health services in the local area.	Non-network options deemed feasible. Publish Non Network Options Report.	March 2022
Supply to the North Camellia area	Provide supply capacity and connection for major customers in the North Camellia area, a dedicated industrial and enterprise area with traditional heavy industry and being redeveloped for new enterprise use.	Non-network options deemed not feasible. Screening Notice published.	April 2022
Supply to the Luddenham, Kemps Creek and Badgerys Creek area	Provide high capacity supply to the Luddenham, Kemps Creek and Badgerys Creek areas and augment the existing 33kV supply in the area.	Non-network options deemed not feasible. Screening Notice published.	May 2022
Supply to the Sydney Science Park	Provide supply to the Sydney Science Park area.	Non-network options deemed not feasible. Screening Notice published.	June 2022
Supply to the Aerotropolis Core Precinct	Provide supply to the Aerotropolis Core Precinct in the development area to the north of the proposed Bradfield CBD.	Non-network options deemed not feasible. Screening Notice published.	October 2022
Supply to the Badgerys Creek Enterprise Precinct	Provide supply to the Badgerys Creek enterprise precinct including a major business park and a water recycling facility.	Non-network options deemed not feasible. Screening Notice published.	December 2022

9.1.3 Screening Test Result Details

The following section summarises the screening test results.

9.1.3.1 Supply to the Westmead Health Precinct

The Westmead Health Precinct includes the Westmead public hospital, the Children's Hospital and allied health and medical services. The precinct is undergoing a major expansion which will result in increasing demand for electricity supply. Endeavour determined that non-network options may be feasible and a Non Network Options Report was issued which provided the requirements for a non-network option. No responses were received. Endeavour Energy will proceed with a network augmentation that will increase supply to the Westmead Health Precinct.

9.1.3.2 Supply to the North Camellia area

The Camellia-Rosehill precinct is an older industrial area with major customer connection requests from different industries and initial plans for high density housing. Based on a NSW government strategy, the precinct will play an important role as an industry and employment hub within the Greater Parramatta and Olympic Peninsular Economic Corridor. The NSW Department of Planning and Environment (DPE) has released the Camellia-Rosehill Place Strategy which aims to revitalise the precinct through significant growth in high density dwellings and commercial and light industry land use, in particular the planned Camellia Town Centre close to the Parramatta Light Rail and Sydney Metro West stations.

By 2041, it is forecast that the area will host up to 10,000 dwellings and 14,500 new jobs.

The identified need for this investment is 'reliability corrective action' because the investment is required to comply with our NER obligations to connect customers.

Our screening test concluded that a non-network solution is unlikely to form a potential credible option on a standalone basis, or form a significant part of a potential credible option in the Camellia supply area. This is due to the extent of forecast demand in the area, the expected cost of non-network options and the capacity of the existing network to facilitate non-network technologies.

9.1.3.3 Supply to the Luddenham, Kemps Creek and Badgerys Creek area

The supply to the Luddenham, Kemps Creek and Badgerys Creek areas is constrained in its ability to supply the Western Sydney Aerotropolis and major customers who require supply at 33kV.

The Western Sydney Aerotropolis area is a greenfield development and is a Priority Growth Area for the NSW State Government. The region covers around 11,000 hectares around the planned Western Sydney International 'Nancy-Bird Walton' Airport. The development will contribute towards 200,000 new jobs in the Western Parkland City in industries such as technology, logistics, science, creative industries and agribusiness. The NSW Department of Planning and Environment (DPE) estimates this region will be home for 1.1 million people by 2036.

The identified need for this investment is 'reliability corrective action' because investment is required to comply with our NER obligations to connect customers.

Our screening test concluded that a non-network solution is unlikely to form a potential credible option on a standalone basis, or form a significant part of a potential credible option for the area. This is due to the extent of forecast demand in the area, the expected cost of non-network options and the capacity of the existing network to facilitate non-network technologies.

9.1.3.4 Supply to the Sydney Science Park

The Sydney Science Park is zoned by Government with a mixture of commercial, educational, residential and industrial land uses. It is being developed to create an internationally recognised epicentre for research, development, education, commercialisation and innovation.

The initial development can be serviced by available capacity at the Luddenham zone substation, but this capacity is expected to be exceeded by 2024/25.

The identified need for this investment is 'reliability corrective action' because investment is required to comply with our NER obligations to connect customers.

Our screening test concluded that a non-network solution is unlikely to form a potential credible option on a standalone basis, or form a significant part of a potential credible option for the area. This is due to the extent of forecast demand in the area, the expected cost of non-network options and the capacity of the existing network to facilitate non-network technologies.

9.1.3.5 Supply to the Aerotropolis Core Precinct

The Aerotropolis Core Precinct is within the Western Sydney Aerotropolis with close proximity to the Western Sydney Airport. It is located approximately 2km south of the Western Sydney Airport's southern boundary.

Based on the proposed land use and zoning it is planned to contain a dense urban development centred around a new central business district (CBD) including the proposed Aerotropolis Metro station. It will incorporate commercial, enterprise, light industry and residential developments with retail and education centres.

The identified need for this investment is 'reliability corrective action' because investment is required to comply with our NER obligations to connect customers.

Our screening test concluded that a non-network solution is unlikely to form a potential credible option on a standalone basis, or form a significant part of a potential credible option for the area. This is due to the extent of forecast demand in the area, the expected cost of non-network options and the capacity of the existing network to facilitate non-network technologies.

9.1.3.6 Supply to the Badgerys Creek Enterprise Precinct

The Badgerys Creek Enterprise Precinct is within the Western Sydney Aerotropolis. It is located to the east of the Western Sydney Airport's eastern boundary.

The precinct is zoned for enterprise land use and will not include any new residential development. This is primarily due to the area being exposed to aircraft noise in the area close to the east of the airport.

The area is expected to include transport and logistics warehouses and light industry based on the close proximity to the new airport for interstate and international air freight and also proximity to major motorways (M4, M7 and planned M12). The area also includes the planned location of a major water recycling facility.

The identified need for this investment is 'reliability corrective action' because investment is required to comply with our NER obligations to connect customers.

Our screening test concluded that a non-network solution is unlikely to form a potential credible option on a standalone basis, or form a significant part of a potential credible option for the area. This is due to the extent of forecast demand in the area, the expected cost of non-network options and the capacity of the existing network to facilitate non-network technologies.

9.2 Active Non-Network Programs and Trials

Endeavour Energy had numerous non-network programs and trials active during 2022, they are listed below:

- Business Park Demand Management Program
- PowerSavers - Digital Customer Engagement Platform
- Off Peak Plus - Albion Park
- Stand Alone Power Supply Trial
- Bawley Point & Kioloa Community Microgrid
- Western Sydney Microgrid Blueprints
- Dynamic Operating Envelopes
- E-Bus Depot Energy Management
- Community Batteries

These are summarised below.

9.2.1 Business Park Demand Management Program

A demand management program was implemented in the Oakdale Industrial Development Area in 2019. The program concluded in FY22. The program was based on conducting energy audits at industrial customer sites within the target area to identify peak demand reducing initiatives. A customer financial incentive payment was available to customers who implement peak demand reducing initiatives and is based on the level of demand reduction achieved. The service provider for the program was procured from the Non-Network Options Report issued in 2018. The program aimed to defer the construction of South Erskine Park ZS and manage the supply security for the area.

A total of 13 energy audits were completed with approximately 2 MVA of demand reduction opportunities identified which was insufficient to meet the 8.1 MVA target demand reduction and the program ended in March 2022. The program provided customers with education on reducing their peak demand and the impact on network investment. The program also provided Endeavour Energy with insight into customer behaviour and attitudes in large business parks in the transport and logistics business activities and help inform network planning and future demand management programs in the enterprise area of the Western Sydney Aerotropolis.

9.2.2 PowerSavers - Digital Customer Engagement Platform

PowerSavers introduced a Digital Customer Engagement Platform featuring a web portal, and custom-branded iPhone and Android mobile application and trialled this as an innovative approach using a single platform to improve customer engagement, recruitment and management of our portfolio of residential demand management programs.

The PowerSavers program for residential customers has been established to manage a range of smart load devices including air-conditioning units, water heaters, EV chargers and assets comprising solar and battery unit combinations.

The expected outcomes include:

- Well developed understanding of participants' interest in the program and the penetration of controllable devices across the Endeavour Energy network;
- Capturing actual/estimated energy reduction per customer and the prevailing weather conditions during Event days;
- Confirming average and total energy reduction for all participants;
- Identifying any issues captured during the Event period including those who discontinued their participation and archiving of all raw data collected; and
- Suitability of the application to be applied more widely across the Endeavour Energy network to manage system demand efficiently with our existing network support resources and services.

The trial went live on 31 March 2022 and will operate over a number of years.

Our total customers enrolled in PowerSavers is over 1,300, exceeding the original target of 1,000. For the behavioural demand response program, the average energy reduction per participant achieved was 4.6kWh. For the battery energy storage program, on average, each battery dispatched 5.38kWh of energy during four-hour peak demand periods and each air conditioner control program participant on average saved 5.2kWh per event day throughout the summer period.

9.2.3 Off Peak Plus - Albion Park

In 2021 we launched our Off Peak Plus pilot project, which was a collaboration between a metering provider and ten retailers to proactively transition off peak hot water customers in the Albion Park Zone Substation supply area to smart meters, offering excellent customer benefits while saving investment in old ripple control technology.

We provided a financial incentive to the meter provider / retailers to expedite the bulk meter exchange on the basis that it avoided network investment in a replacement load control system as well as enabled additional benefits such as hot water solar soaking and improved network visibility.

This project transitioned hot water control from a network owned ripple control system to the smart meter. The ripple control system is used to turn on/off all units connected to a zone substation together as a batch with the same time schedule used for all.

Smart meter control allows for more flexible control of the heating times at the individual customer level by sending control signals direct to each meter through the meter providers remote API control interface. Both the network and retailer have access to control each meter, allowing both network management and retailer delivered market services (allowing for new customer offers).

The Off Peak Plus program provides tremendous benefits to customers by soaking up excess solar energy during the day, providing a discount tariff. In addition to the benefits that solar soaking can provide this investment is also an alternate to:

- replacing like for like end-of-life off peak ripple control systems in existing substations
- installing new ripple control systems in a new substation that partially supplies an existing brownfield area where not all customers have transitioned to smart meters yet.

This initiative is scalable to other services such as EV charging and provides us with smart meter information to help guide future investment.

9.2.4 Stand Alone Power Supply Trial

Endeavour Energy is trialling Stand Alone Power Supply systems in relation to emergency response in rural and remote locations impacted by bushfires and storms and also for end-of-life network asset replacement alternatives following economic evaluation. A trial is being conducted in a National Park at Kandos supplying remote holiday accommodation. A supplier for this system has been procured using a non-network options report issued to our register of interested parties. The remote location of the site and the issues of conducting civil and electrical works in a National Park have been key lessons learnt in the trial.

9.2.5 Bawley Point & Kioloa Community Microgrid

The Bawley Point, Kioloa and Termeil communities are located at the southern part of Endeavour Energy's franchise area. The area is a popular tourist destination, and this means that energy demand can increase four to five-fold during peak holiday periods.

Demand has increased to near capacity with regional permanent population movements, in part due to COVID-19. Additionally, the network is voltage constrained – facing low voltage during peak periods, and high voltage during the low demand periods, which will in the longer-term result in poor power quality and curtailment of customers' DER.

To assist in addressing emerging network needs, Endeavour Energy had previously installed a 1MVA diesel generator between Bawley Point and Kioloa to supplement the existing network, but this solution faces ongoing operational costs and is aging.

The increasing capabilities and viability of DER - both at a residential and community level - have since made an alternative new technology solution credible when compared to a traditional network solution. This alternative solution would involve the development of a microgrid, with elements co-funded and co-designed with the community.

The major features of the project involve:

- Community co-design, and integration of community owned assets;
- Turnkey supply and installation of a new ~3MVA/3MWh Battery Energy Storage System;
- Roll out of residential batteries and solar (funded through the NSW Government's Bushfire Livelihoods Economic Recovery program);
- A Distributed Energy Resources Management System (DERMS) to enable control of local generation and storage; and
- Demand management programs (smart streetlights, smart metering and Off-Peak Plus), and the integration of larger customer assets to assist in supporting the network.

The aims of the program include:

1. Address the vulnerability of the Bawley Point and Kioloa communities' network reliability and resilience, and to address the growing demand requirements.
2. Demonstrate new planning approaches, including how we can partner and work closely with our customers and communities, and utilise participatory design processes.
3. Accelerate decarbonisation, through accessing and incentivising sustainable and renewable energy in our network.
4. Establish the first microgrid in Endeavour Energy's network as a new technology solution for edge-of-grid customers, and apply learnings to opportunities in diverse and metropolitan environments.
5. Develop a cornerstone project that combines multiple Future Grid technologies such as DERMS, VPPs and community-scale grid batteries.

Endeavour Energy has commenced a number of parallel work streams to progress the project for complete commissioning in mid-2023:

- Community workshops for consultation and behind the meter asset participation design (March 2022 – Ongoing).
- Expressions of interest for subsidised battery or solar systems will close end of August 2022. Installation is expected to start in December 2022.
- Procurement and supply of the grid scale BESS (~3MW/3MWh) to be commissioned early 2023.
- DERMS, Off-Peak Plus and energy efficiency program expecting implementation early 2023.

9.2.6 Western Sydney Microgrid Blueprints

Endeavour Energy commissioned the development of blueprints and project definitions for microgrids with two major clients in Western Sydney. Using a co-design approach with the clients, sustainable and innovative microgrid project definitions were produced. The blueprints explored the interaction between the customer owned and operated energy assets with the network and how a two way flow of energy could be managed to meet the objectives of the clients. The microgrid blueprints have informed the design and provision of network assets in the Western Sydney area to support major customer's objectives for their own sustainability and innovation objectives.

9.2.7 Dynamic Operating Envelopes

The project comprises multiple trials and demonstrations to eventually calculate and publish operating envelopes for all DER connected to the distribution network.

Endeavour Energy implemented and tested the operating envelope platform in July 2021. Endeavour Energy intends to set real-time operating envelopes for its customer DERs by deploying the software applications and associated services developed.

The aim of the program is to efficiently manage residential customer smart load devices and generation devices by applying operating envelopes to protect the security of the distribution network.

The expected outcomes include:

- The potential to embed the applications and services in the Endeavour Energy Operational Technology environment to support the publishing of operating envelopes for the range and extent of DER across the Endeavour Energy network; and
- Common methods to communicate with owners and service providers of virtual power plants (VPP) as they enter the Endeavour Energy franchise area.

The trial commenced in FY20 and concluded on 30 June 2022.

9.2.8 E-Bus Depot Energy Management

Endeavour Energy is collaborating with partners on an innovative trial to integrate electric bus charging with signals from the energy grid. As more electric vehicles join the road, demand for electricity increases, putting added pressure on the grid.

Endeavour Energy has committed to installing 17 distribution transformer monitors to gain full real-time visibility on the upstream low voltage and high voltage network.

This project aims to explore the possibility of dynamically allocating load limits to customers (also known as dynamic operating envelopes), a capability that is only possible with real-time visibility of the network.

The bus depot Vehicle Energy Management and Optimisation (VEMO) software will receive live network data from Endeavour Energy monitoring devices via an API and they perform the calculation of the dynamic operating envelope within the control system.

By implementing smart charging algorithms, the grid can be better utilised to avoid network augmentations, which will help keep downward pressure on the price of electricity for our customers.

9.2.9 Community Batteries

Endeavour is developing partnerships with third parties to investigate options to install smart grid batteries in neighbourhoods to support the network and to provide shared access to customers for storage of rooftop solar generation.

Endeavour is also studying the regulations and guidelines applying to community batteries in a way to bring the benefits of locating community shared batteries into the neighbourhoods of our customers and allowing them to share their own generated electricity.

9.3 Public Consultation for our Major Investments

The public consultation for our major network investments occurs through the RIT-D process which includes the issuing of the following reports:

- Non-Network Options Report;
- Draft Project Assessment Report; and
- Final Project Assessment Report.

9.3.1 Summary of Non-network Options Reports

The network needs where a Non-network Options Report was published in 2022 are shown below in Table 14.

Table 14: Non-network options reports

Network Need	Description of Network Need	Non-Network Options Issue Date	Timing of Constraint	Load Reduction (MVA)	Defer Years
Supply to the Westmead Health Precinct	Provide augmented supply capacity to the Westmead Health Precinct including the major hospital and allied health services in the local area.	March 2022	FY2024	10.0	1 or 2 year deferral was sought in the Non Network Option Report.

9.4 Summary of Draft Project Assessment Reports

The Draft Project Assessment Reports (DPAR) that were published in 2022 in accordance with the RIT-D regulatory requirements are detailed in Table 15 below.

Table 15: Draft Project Assessment Reports

Network Need	Description of Network Need	Preferred Option in the Draft Project Assessment	Status	Notice Date
Supply to the Luddenham, Kemps Creek and Badgerys Creek area	Provide high capacity supply to the Luddenham, Kemps Creek and Badgerys Creek areas and augment the existing 33kV supply in the area.	Proposed Establishment of a 132/33kV Transmission Substation on Elizabeth Drive.	Published	May 2022
Supply to the North Camellia area	Provide supply capacity and connection for major customers in the North Camellia area, a dedicated industrial and enterprise area with traditional heavy industry and being redeveloped for new enterprise use.	Proposed Establishment of a 132kV Switching Station at North Camellia.	Published	April 2022
Supply to the Westmead Health Precinct	Provide augmented supply capacity to the Westmead Health Precinct including the major hospital and allied health services in the local area.	Proposed Augmentation of the existing Westmead ZS with additional 132/11kV transformer	Published	June 2022

and incoming 132kV feeder.

Supply to the Sydney Science Park	Provide supply to the Sydney Science Park area.	Proposed Establishment of a 132/22kV Zone Substation.	Published	June 2022
Supply to the Aerotropolis Core Precinct	Provide supply to the Aerotropolis Core Precinct in the development area to the north of the proposed Bradfield CBD.	Proposed Establishment of a 132/22kV Zone Substation.	Published	October 2022
Supply to the Badgerys Creek Enterprise Precinct	Provide supply to the Badgerys Creek enterprise precinct including a major business park and a water recycling facility.	Proposed Establishment of a 132/22kV Zone Substation.	Published	December 2022

9.4.1 Summary of Final Project Assessment Reports

The Final Project Assessment Reports (FPAR) that were published in 2022 are detailed in **Table 16** below.

Table 16: Final Project Assessment Reports

Network Need	Description of Network Need	Preferred Option in the Final Project Assessment	Status	Notice Date
Supply to the Luddenham, Kemps Creek and Badgerys Creek area	Provide high capacity 33kV supply to the Luddenham, Kemps Creek and Badgerys Creek areas to support major customer connections	Proposed Establishment of a 132/33kV Transmission Substation on Elizabeth Drive with the location central to major customer connections and the areas of Luddenham, Kemps Creek and Badgerys Creek.	Published	Jul 2022
Supply to the North Camellia area	Provide supply capacity and connection for major customers in the North Camellia area, a dedicated industrial and enterprise area with traditional heavy industry and being redeveloped for new enterprise use.	Proposed Establishment of a 132kV Switching Station at North Camellia.	Published	Jul 2022
Supply to the Westmead Health Precinct	Provide augmented supply capacity to the Westmead Health Precinct including the major hospital and allied health services in the local area.	Proposed Augmentation of the existing Westmead ZS with additional 132/11kV transformer and incoming 132kV feeder.	Published	Oct 2022
Supply to the Sydney Science Park	Provide supply to the Sydney Science Park area.	Proposed Establishment of a 132/22kV Zone Substation.	Published	Oct 2022

9.5 RIT-D Projects Completed or In Progress

9.5.1 Projects in Progress

Table 17 below provides a summary of the RIT-D projects which are currently in progress.

Table 17: RIT-D Projects in Progress – Summary

RIT-D Project	RIT-D Status	Cost of Preferred Option (\$M)	Construction Timetable	Credible Options
Supply to the Northern Gateway precinct	Plan to release public consultation documents in early 2023.	30.0	FY23-FY25	Construction and commissioning of a new 132/22kV zone substation with 22kV distribution network to supply the development area. A number of 132kV substation configurations being considered in the network options.
Supply to the Berrima Junction development area	Plan to release a non-network options report in early 2023	16.0	FY23-FY25	Will be seeking non-network options and evaluate a feasible deferral of Endeavour's preferred network option.

9.6 RIT-D Projects with Public Consultation Completed

The consultation process for RIT-D projects where a Final Project Assessment Report was issued in the preceding year is considered to be complete. These projects are detailed in Table 18.

Table 18: RIT-D Projects Completed – Summary

RIT-D Project	Cost of Preferred Option (\$M)	Planned Commissioning Year	Preferred Option	Net economic Benefit (\$M)
Supply to the Luddenham, Kemps Creek and Badgerys Creek area	41.9	FY24	Proposed Establishment of a 132/33kV Transmission Substation on Elizabeth Drive with the location central to major customer connections and the areas of Luddenham, Kemps Creek and Badgerys Creek.	296,000
Supply to the North Camellia area	13.3	FY24	Proposed Establishment of a 132kV Switching Station at North Camellia.	88,000
Supply to the Westmead Health Precinct	12.5	FY24	Proposed Augmentation of the existing Westmead ZS with additional 132/11kV transformer and incoming 132kV feeder.	49.5
Supply to the Sydney Science Park	27.4	FY25	Proposed Establishment of a 132/22kV Zone Substation.	5,498.0

9.7 Asset Retirements and Potential Regulatory Investment Tests

9.7.1 Asset Retirements (Project Based)

Endeavour Energy has a range of project based planned asset retirements which will result in a system limitation or de-rating. Table 19 below summarises these planned asset retirements for the forward planning period. Some of these needs may be addressed by options that are yet to be determined and which could trigger the requirement to undertake a RIT-D assessment.

Table 19: Asset Retirements (Project Based)

Reference	Asset	Location	Rationale for Retirement	Retirement Date	Change to Retirement Date
RTM028	132kV oil insulated cable	Guildford/Merrylands/Parramatta	Sheath oil leaks and dissolved gas levels indicating end of life of the cables: 9J8, 22U, 22W, 226, 228, 233.	2028/29	Deferred
RTM134	Wollongong - Port Kembla copper pilot cables	Wollongong – Port Kembla	Increased experience of failures at joint boxes leading to failures of the high speed 33kV feeder protection schemes. Risk to public safety due to slow clearing of feeder faults.	2028/29	No.
RTS167	Carlingford Transmission Substation control building replacement	Carlingford	Failure of roof of control building. Deterioration of protection and control services. Asbestos contamination of control building. Risk of loss of protection and control. WH&S risks.	2022/23	No. Project work commenced following RIT-D completion.

9.7.2 Asset Retirements (Program Based)

The following list of programs will result in the retirement of various asset types across the Endeavour Energy network. The rationale for the retirement for some asset classes is defined by an economic evaluation in a case for investment and for other asset classes by Endeavour Energy Standards which set out conditions and health indices used to determine the need for the retirement of those assets.

Table 20: Asset Retirements (Program Based)

Reference	Asset	Location	Rationale for Retirement	Retirement Date	Change to Retirement Date in 2022
RAU004	Substation SCADA Remote Terminal Units	Zone and sub-transmission substations	Increasing likelihood of failures leading to loss of control of the substation. Reliability risk.	2022/23 - 2030/31	No.
RDS005	Distribution poles	Across the network	Inspection and test criteria indicating risk of failure Safety risk to the public. Reliability risk.	2022/23 - 2030/31	No.
RDS006	LV CONSAC distribution cables	Across the network	Failures of joints in pillars and columns and of the CONSAC cable. Shock hazards to the public and electricity workers.	2022/23 - 2030/31	No.
RDS007	LV service wires	Across the network	Deterioration of insulation. Safety risks to public and electricity workers.	2022/23 - 2030/31	No.
RDS011	HV distribution steel mains	Bushfire prone areas	Corrosion of steel conductor indicating failure risk. Risk of initiating a bushfire. Safety risks for the public and electricity workers.	2022/23 - 2030/31	No.
RDS014	LV underground cable network	Across the network	Failures of in-ground joints. Shock hazards to customers and electricity workers.	2022/23 - 2030/31	No.
RDS301	Distribution ground substations	Across the network	Poor condition of the substation assets. Safety risks due to exposure of conductors and inadequate clearances.	2022/23 - 2030/31	No.

Reference	Asset	Location	Rationale for Retirement	Retirement Date	Change to Retirement Date in 2022
RDS302	Distribution transformers	Distribution substations across the network	Poor condition of transformer due to cracked bushings, oil leaks and corrosion. Risk to safety, environment and reliability.	2022/23 - 2030/31	No.
RDS307	MD4 epoxy switchgear	Distribution substations across the network	Discharge over surface of resin. Risk of flash-over and substation fire. Safety risk to the public and electricity workers.	2022/23 - 2030/31	No.
RDS315	Low voltage switchgear	Distribution substations across the network	Insulation deterioration leading to arc-flash incidents. Safety risk to electricity workers.	2022/23 - 2030/31	No.
RDS405	Air break switch	Across the network	Failure of switchgear resulting in inability to be operated. Safety risks to electricity workers and the public.	2022/23 - 2030/31	No.
RDS415	LV mains	Across the network	Deterioration of insulation. Safety risk to public and electricity workers.	2022/23 - 2030/31	No.
RDS417	Distribution access track reconstruction	Across the network	Access tracks in deteriorated condition which are unsafe for use. Safety, reliability and environmental risks.	2022/23 - 2030/31	No.
RPS008	Substation electro-mechanical, electronic and early numerical protection relays	Zone and sub-transmission substations	Increased risk of malfunction. Reliability risk. Safety risk to the public.	2022/23 - 2030/31	No.
RTM012	Sub-transmission poles	Across the network	Failure of inspection and test criteria with risk of failure. Safety risk to the public.	2022/23 - 2030/31	No.

Reference	Asset	Location	Rationale for Retirement	Retirement Date	Change to Retirement Date in 2022
			Reliability risk.		
RTM014	Renewal of 33kV and 66kV gas and oil filled cables	Carlingford and Outer Harbour	Poor oil and paper condition indicating end of life. Reliability risk.	2025/26 - 2030/31	No.
RTM015	Sub-transmission steel towers	Across the network	Corrosion of steel structures indicating risk of failure. Safety and reliability risk.	2022/23 - 2030/31	No.
RTM171	Corroded overhead steel earthwires	Across the network	Corrosion of steel earthwire indicating risk of failure. Bushfire start risk. Safety risk to the public. Reliability risk.	2023/24 - 2030/31	No.
RTM174	Hardex earthwires	Across the network	Risk of burn-down during faults. Safety risk due to the public due to slow clearing of faults and due to conductors down.	2022/23 - 2030/31	No.
RTS004	132kV circuit breakers	Zone and sub-transmission substations	Poor diagnostic test results and defect history indicating destructive failure risk. Reliability and safety risk.	2022/23 - 2030/31	No.
RTS005	33kV circuit breakers	Zone and sub-transmission substations	Poor diagnostic test results and defect history indicating destructive failure risk. Reliability and safety risk.	2022/23 - 2030/31	No.

Reference	Asset	Location	Rationale for Retirement	Retirement Date	Change to Retirement Date in 2022
RTS007	11kV circuit breakers	Zone and sub-transmission substations	Poor diagnostic test results and defect history indicating destructive failure risk Reliability and safety risk	2039/40	Deferred due to reassessment of risk.
RTS008	Substation batteries	Zone and sub-transmission substations	Deteriorating test results. Risk of failure and loss of protection systems at the substation. Reliability risk as substation is remotely switched off until battery is replaced and control restored.	2022/23 - 2030/31	No.
RTS009	Auxiliary switchgear	Zone and sub-transmission substations	Risk of catastrophic failure. Reliability and safety risk.	2022/23 - 2030/31	No.
RTS015	Surge arresters	Zone and sub-transmission substations	Breakdown of seals on porcelain housing, moisture ingress leading to failure. Reliability and safety risk.	2022/23 - 2030/31	No.
RTS016	VT and CTs	Zone and sub-transmission substations	Oil leaks, degradation of seals, corrosion leading to risk of destructive failure. Reliability and safety risk.	2022/23 - 2030/31	No.
RTS055	66kV circuit breakers	Zone and sub-transmission substations	Poor diagnostic test results and defect history indicating destructive failure risk. Reliability and safety risk.	2022/23 - 2030/31	No.
RTS086	Busbars, disconnectors and/or support structures	Zone and sub-transmission substations	Corrosion of reinforcing steel and cracking of support insulators indicate risk of failure.	2022/23 - 2030/31	No.

Reference	Asset	Location	Rationale for Retirement	Retirement Date	Change to Retirement Date in 2022
			Reliability and safety risk.		
RTS173	11kV oil circuit breaker trucks	Zone substations	Risk of failure to clear faults leading to catastrophic failure. Reliability risk. Safety risk for electricity workers.	2022/23 - 2030/31	No.
RTS600	Power transformers	Zone and sub-transmission substations	Poor paper insulation, bushing and tap changer condition, oil condition indicates risk of failure. Reliability risk.	2022/23 - 2030/31	No.

9.8 Urgent and Unforeseen Investments

There are currently no issues which are sufficiently urgent or unforeseen that they have not been able to be addressed through the normal investment planning process.

However, during 2022 Endeavour Energy's network sustained substantial damage caused by heavy rainfall during much of the year, particularly in the first six months of 2022. Endeavour Energy conducted substantial fault and emergency repair to recover from these events.

The Floods of 2021-2022

There have been three State of Emergency Declarations in NSW for Floods which destroyed 600 homes and 300 businesses across our network area. 2022 is predicted to be the wettest year on record for Sydney.

To adapt to the changing climate, targeted solutions are required to ensure a safe, affordable and reliable network service is provided. Ultimately, a more resilient network will be required to maintain reliability as extreme weather events become more common and severe.

Preparing for Climate Risk

Endeavour Energy is planning for climate related risks to ***avoid future urgent and unforeseen investment requirements that may result from the climate***. Some of the risks and mitigations are provided below:

Bushfire risk

High Bushfire Danger days represent weather conditions which are conducive to conditions to sustain/support fires if they occur. With the moderate increase in bushfire danger days, bushfires started from external sources are more likely, resulting in more frequent impact to the network.

We have assessed the cost of proactively assessing segment-by-segment bare conductors and replacing them with covered conductor. Targeted conducted strengthening is cost justified in higher risk areas, specifically 212km of our network.

We have also assessed improving resilience to bushfires through the proactive replacement of timber poles in bushfire prone areas with non-combustible poles (concrete or composite). We currently have 113,000 poles in bushfire risk areas.

Flood risk

Endeavour Energy has been impacted by multiple large scale flooding events, with 2022 likely to be the wettest year on record. Four significant flood events have occurred in the past 15 months (March 2021; March 2022; April 2022; July 2022).

Electricity supply must be isolated due to rising water impacting overhead conductors, interrupting thousands of customers. By raising low sections of conductors supply can be maintained for longer periods or indefinitely for people in flood affected areas. We have identified 18 Feeders (HV and Transmission) which were significantly impacted by flooding which cover several areas across our network.

In addition to raising conductors, we have considered the replacement of individual poles, feeder sections, re-tensioning lines, replacement of conductors over river crossings and installation of automated switches to manage this risk.

Extreme Heat risk

A large number of hot days, especially consecutive hot days, means our network is at risk of not being able to ensure consistent supply to our customers. This is due to overloading of single feeders, but also a reduced ability to transfer load to adjacent feeders (due to them also being simultaneously overloaded in widespread extreme conditions).

This would result in potentially large scale outages, load shedding or long duration outages at times when customers are vulnerable to the health impacts of prolonged heatwaves.

We have considered gradual adjustments to investment to address the risk of feeders getting overloaded causing tripping. There are a number of solutions such as re-configuring feeders to shift load, implementing load reduction initiatives (such as battery support) and augmenting the network to replace circuit breakers, conductors, transformers and fuses.

We note the latter option is typically cost prohibitive and we are keen to prioritise non-network alternatives.

Wind risk

High wind intensity and frequency will lead to increased outages due to the increased possibility of conductors clashing or vegetation being blown into the mains.

Similar to bushfire risk, bare conductors have a higher probability of being impacted by vegetation and clashing under extreme winds where tension has not been maintained. Recently, we have installed 1500 LV spreaders, which even under impact of an external object, help to separate phases and reduce the probability of a phase-to-phase fault. We are now exploring the roll out of HV spreaders within our network.

We will also re-assess our covered conductor program to determine additional cost-justified locations and consider this initiative as a supplement to the specified investment.

Endeavour Energy has received expert advice to administer caution when it comes to current climate modelling as it applies to wind at a localised level. To ensure prudent and unbiased investments, Endeavour Energy will wait until the modelling has become more mature before it proposing any large-scale interventions to improve resilience to high wind events.

Community resilience and innovation

We understand the vital role we play in supporting and servicing our customers. Part of this is seeing what we can do to best serve our customers, and in terms of resilience this means:

- Provide readily accessed information regarding outages
- Keep customers informed to our plans
- Consult with customers
- Providing a service level they expect

Our community resilience approach encompasses:

- Continue our support and partnership with local councils to help deliver best outcomes during a local emergency.
- Exploring new investments with councils and other utilities to best support the community during an event
- Aiding / partnering with councils to ensure future climate hazards are incorporated in their plans

These actions will involve collaborating on local emergency management plans, reviewing communication protocols and resources, developing education programs and developing local resilience hubs.

The latter is a new concept that involves partnering with local councils to identify sites where people gather in the event of an emergency. For these sites, we could partner with councils to ensure a consistent electricity supply is available during an emergency. This will likely involve the deployment of local generation and/or batteries.

We have identified up to 200 potential sites with an initial plan focussing on 34 sites (1 per urban LGA, 2 per non-urban LGA).

Table 21: Urgent and Unforeseen Network Issues

Project Number	Project Name	Description Purpose	Estimated Cost (\$m)	Approval Date	Completion Date	Alternative Options
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Nil entry

9.9 Information Technology Investment

Table 22 provides information on the investment in information technology systems within the network for the preceding year and that proposed for the forward planning period.

Table 22: Information Technology Program

Project Name	Period	Description
Optimus Program	2018/2019 onwards	This program includes a refresh and consolidation of 40 information systems including the ERP and Billing platforms, rationalisation of applications, improving data and reshaping operations and processes. The establishment of a modern technology platform will improve productivity and safety outcomes.
Advanced Distribution Management System (ADMS)	2018/19 onwards	This program aims to provide Endeavour Energy with an Advanced Distribution Management System to provide an end to end integrated real-time view of the entire distribution network. The program will replace the company's existing OMS system and enable efficiencies and safety improvements in field operations. Additionally, through the greater understanding and control of the Endeavour Energy network this program will enable customers to take up smart technologies and renewable sources of energy.
Lights Up Program	2019/20 onwards	The Lights Up program has delivered enhanced software, new hardware and improved customer-support technology. The program delivered tools such as Office365 and Windows 10 and refreshed network and infrastructure hardware to support Optimus and ADMS programs. A technology capital program extends this project underpinned by a new technology strategy.
Copperleaf	2019/20 onwards	A software tool for asset investment planning decision support (Predictive Analytics) and portfolio optimisation (Copperleaf Portfolio).

Appendices

Appendix A: Glossary

Abbreviation/Phrase	Definition
AEMC	The Australian Energy Market Commission is the rule maker and developer for Australian energy markets
AER	Australian Energy Regulator
DAPR	Distribution Annual Planning Report prepared by a Distribution Network Service Provider under clause 5.13.2 of the National Electricity Rules
DNSP	A Distribution Network Service Provider who engages in the activity of owning, controlling, or operating a distribution system, such as Endeavour Energy, Ausgrid and Essential Energy
GJ gigajoule	One gigajoule = 1000 megajoules. A joule is the basic unit of energy used in the gas industry equal to the work done when a current of one ampere is passed through a resistance of one ohm for one second
GWh gigawatt hour	One GWh = 1000 megawatt hours or one million kilowatt hours
HV high voltage	Consists of 22kV, 12.7kV and 11 kV distribution assets (also referred to as medium voltage in some sections of this report)
HVC	High voltage customer
kV kilovolt	One kV = 1000 volts
kW kilowatt	One kW = 1000 watts
kWh kilowatt hour	The standard unit of energy which represents the consumption of electrical energy at the rate of one kilowatt for one hour
LV low voltage	Consists of 400V and 230 volt distribution assets
Major Event Day	Any day that exceeds a daily SAIDI threshold
MW megawatt	One MW = 1000 kW or one million watts
MWh megawatt hour	One MWh = 1000 kilowatt hours
NER	National Electricity Rules
Primary distribution feeder	Distribution line connecting a sub-transmission asset to either other distribution lines that are not sub-transmission lines, or to distribution assets that are not sub-transmission assets. An example is the first distribution feeder out of a zone substation
RIT-D	Regulatory Investment Test for Distribution
Sub-transmission	Any part of the electricity network which operates to deliver electricity from the transmission system to the distribution network and which may form part of the distribution network, including zone substations
Sub-transmission system	Consists of 132kV, 66 kV and 33 kV assets
V volt	A volt is the unit of potential or electrical pressure
W watt	A measurement of the power present when a current of one ampere flows under a potential of one volt

