

Use of System Agreement (Solar or Wind Farm) template

for Victorian Transmission
Network Services for [Insert]
Terminal Station ([Insert Name]
[Wind/Solar] Farm)

VicGrid

and

[Insert]

IMPORTANT NOTE: This document is a template only and may not be appropriate to a particular project. VicGrid will issue a tailored version when the technical requirements are nearing finalisation. This document is provided for information only and not for the purpose of commencing negotiations

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Details

Date

[Insert Date]

Parties

VicGrid

ABN 90 719 052 204

of Level 37, 2 Lonsdale Street, Melbourne, Victoria 3000

(VicGrid)

and

[Insert]

ABN [Insert]

of [Insert]

(Generator)

Maximum Level

(clause 4.3)

[Insert] MW

Minimum Amount

(clause 10.4)

\$ [Insert]

Recitals

- A. Generator intends to develop the [Wind/Solar] Farm.
- B. Generator has requested a new Connection to the Victorian Transmission Network at the Terminal Station. A *contestable augmentation* and interface to the Victorian Transmission Network needs to be constructed to allow the requested Connection.
- C. The Terminal Station is the required *contestable augmentation*.
- D. Generator has selected TNSP to design, construct and commission the Terminal Station.
- E. Once the Terminal Station is commissioned, TNSP will provide *transmission services* to VicGrid under the TNSP NSA, which is a network agreement required under section 50D of the NEL.
- F. VicGrid will engage AusNet Services to design, construct and commission the Interface and then use the Interface to provide VicGrid with *transmission services* under the Interface NSA, which is also a network agreement required under section 50D of the NEL.
- G. The PCCD sets out the construction, governance and project management arrangements to apply between Generator, VicGrid and AusNet Services during the design, construction and operation of the Project.
- H. VicGrid will purchase *transmission services* from TNSP under the TNSP NSA and from AusNet Services under the Interface NSA in order to provide Generator with shared transmission services under this Agreement, which is the connection agreement VicGrid is required to enter into under section 50E of the NEL.
- I. In consideration of VicGrid's provision of the *shared transmission services* under this Agreement, Generator has agreed to pay VicGrid the charges VicGrid will incur when purchasing *transmission services* under each of the NSAs.

Operative Provisions

1 Definitions and Interpretation

Defined Terms

- 1.1 Capitalised terms not otherwise defined in **clause 1.2** are defined in the PCCD are defined in the Details or the Recitals.
- 1.2 Unless the context otherwise requires:
- PCCD** means the deed entitled "Project Construction and Co-ordination Deed for the **[Insert]** Terminal Station and Interface for **[Insert Name]. [Wind/Solar]** Farm " between VicGrid, TNSP, AusNet Services and Customer dated on or about the date of this Agreement.

Provisions incorporated from Project Construction and Co-ordination Deed

- 1.3 Clause 1 of the PCCD is incorporated by reference and applies to this Agreement.
- 1.4 This Agreement must be read with the PCCD. The parties do not intend all provisions of the PCCD to apply to this Agreement and those provisions in the PCCD that are expressly stated to apply to the Related Agreements apply to this Agreement in accordance with their terms.

2 Term

- 2.1 **Clauses 1, 2.1, 10.1 to 10.4, 13.1, 13.5, and 16** come into effect on the date this Agreement is executed by the last party to do so. The remaining provisions of this Agreement come into effect on the Commencement Date.
- 2.2 This Agreement will continue for the Initial Term and any extension effected in accordance with clause 36 of the PCCD, unless terminated earlier by either party in accordance with the PCCD.

3 Specified Services

Provision of Services

- 3.1 From the Date of Practical Completion, VicGrid must use reasonable endeavours to provide the Specified Services.
- 3.2 The parties acknowledge and agree that:
- (a) VicGrid's ability to provide the Specified Services is dependent on its receiving Network Services under the NSAs from TNSP and AusNet Services; and
 - (b) although VicGrid will monitor the progress of the Project Works, the date on which Practical Completion under the PCCD occurs is outside the control of VicGrid, and Practical Completion may be later than expected.

Acknowledgment of Interdependencies

- 3.3 Generator agrees that:
- (a) the supply or acceptance of electricity through the Point of Supply is dependent on the provision of services other than the Specified Services; and
 - (b) VicGrid's obligations under this Agreement do not extend to providing or procuring the provision of *connection services*.

Augmentation

- 3.4 If Generator becomes aware of a proposal to Connect another *facility* to the Victorian Transmission Network at or through the Point of Supply, Generator must:
- (a) promptly notify VicGrid; and

- (b) provide VicGrid with such information as VicGrid may reasonably request to enable VicGrid to determine whether it is necessary or desirable to modify the Specified Services or similar services provided by VicGrid to persons other than Generator.
- 3.5 If VicGrid notifies Generator that VicGrid has determined that it is necessary or desirable to modify the Specified Services as a result of a proposal or request referred to in **clause 3.4**, Generator must negotiate in good faith with VicGrid appropriate amendments to this Agreement.
- 3.6 If Generator requests any *augmentation* to the connection services provided by TNSP in relation to the Point of Supply, Generator must promptly advise VicGrid and provide VicGrid with such information as VicGrid may reasonably request for VicGrid to determine whether it is necessary or desirable to provide additional Specified Services.

Shared Network Capability

- 3.7 VicGrid has no obligation to *augment* the Victorian Transmission Network to provide the Specified Services, unless it is in accordance with:
 - (a) the PCCD;
 - (b) VicGrid's obligations under the Rules, and the *regulatory investment test for transmission*; or
 - (c) an agreement entered into between VicGrid and any *Network User* requiring VicGrid to *augment* the Victorian Transmission Network (usually at the *Network User's* cost).
- 3.8 VicGrid has no obligation to supply the Specified Services if either or both of the following occur:
 - (a) VicGrid directs Generator to cease or curtail use of the Victorian Transmission Network for any reason whatsoever, provided VicGrid acts in a manner consistent with its powers and obligations under any Regulatory Instrument; or
 - (b) an emergency direction is given to either or both of VicGrid and Generator under any Regulatory Instrument that involves ceasing or curtailing use of the Victorian Transmission Network.

If the directions described in **paragraphs (a) or (b)** involve curtailing use of the Victorian Transmission Network, VicGrid's obligation to supply the Specified Services will continue to apply, but will be reduced or modified to the extent that is appropriate to reflect that curtailed use.
- 3.9 Generator acknowledges that the Specified Services may be unavailable from time to time during:
 - (a) periods of maintenance or construction undertaken on the Victorian Transmission Network;
 - (b) the undertaking of works to Connect other *facilities* to the Victorian Transmission Network;
 - (c) an Event of Force Majeure;
 - (d) the occurrence of a non-credible contingency event; or
 - (e) constraints arising from the operation of the *NEM* or under a Regulatory Instrument.

Cease or Curtail use of the Victorian Transmission Network

- 3.10 Without limiting the NEL or the Rules, VicGrid may, either verbally or in writing, direct Generator to cease or curtail use of the Victorian Transmission Network:
 - (a) in accordance with VicGrid's then current policies or procedures for managing the competing use of a *constrained transmission line* in the Victorian Transmission Network; or
 - (b) if VicGrid is reasonably satisfied that this is necessary to enable VicGrid to comply with VicGrid's responsibilities under the Rules with respect to *power system security*, and Generator must comply with the direction.

Operation of a Dynamic Interconnected System

3.11 Generator acknowledges that:

- (a) the [Solar/Wind] Farm, Connection Assets and the Victorian Transmission Network are each an element of an interconnected electrical system to which the *facilities* of many other persons are Connected;
- (b) the behaviour of the interconnected electrical system is dynamic and will vary from moment to moment and depends on the interaction of all *plant* and equipment Connected to it;
- (c) other persons whose *plant* and equipment is Connected to the Victorian Transmission Network can impact the operation, performance and outcomes of the Victorian Transmission Network and the Specified Services;
- (d) the Victorian Transmission Network is subject to an “open access regime” established by the Rules and, accordingly, VicGrid must provide *shared transmission services* to other persons in accordance with that regime notwithstanding the impact it may have on the provision of the Specified Services by VicGrid to Generator under this Agreement; and
- (e) no guarantee or warranty, either express or implied, is given by VicGrid to Generator that the Victorian Transmission Network will be able to provide the Specified Services at all times, or even at all.

Non-Firm Access

3.12 The Specified Services provided by VicGrid under this Agreement are provided on a reasonable endeavours basis, and this does not:

- (a) entitle Generator to any compensation of any kind from VicGrid if the Specified Services are unavailable, or are diminished, limited or restricted, for any period of time for any reasons other than as a direct result of Wilful Breach by VicGrid;
- (b) subject to VicGrid’s obligation under the Rules to consult with *connected Generators*, diminish, limit, restrict or affect in any way VicGrid’s rights, powers and obligations to permit third parties to access the Victorian Transmission Network, even if to do so may diminish, limit, restrict, reduce or otherwise affect the level of Specified Services available to Generator under this Agreement; or
- (c) restrict, limit or prevent VicGrid from fulfilling any legal or contractual obligation to *augment* or alter the configuration of the Victorian Transmission Network, even if to do so may diminish, limit, restrict, reduce or otherwise affect the level of Specified Services available to Generator under this Agreement.

3.13 Without limiting **clause 3.12**, VicGrid has no liability under this Agreement in relation to any of the thresholds referred to in **paragraphs (a) to (c)** being exceeded, to the extent the:

- (a) levels of non-repetitive instantaneous voltage changes set out in **Table S1.2** or **S1.3** of **Schedule 1**;
- (b) harmonic levels set out in **Table S1.5** of **Schedule 1**; or
- (c) average levels of negative sequence voltage at the Point of Supply set out in **Table S1.6** of **Schedule 1**;

are exceeded due to:

- (d) the acts or omissions of VicGrid in the performance or exercise, or purported performance or exercise, of its functions under the Rules relating to the *market* or *power system security* or the acts or omissions of a *System Operator*, any other *Transmission Network Service Provider* or *Network Users* who fail to comply with their obligations under the Rules or a *connection agreement*; or
- (e) transient events such as faults, single pole interruption, line switching, transformer energisation, or capacitor bank switching or reactor switching within the Victorian Transmission Network.

3.14 If there is a change in the Rules that requires *Transmission Network Service Providers* to have regard to the impact on the level of service to existing *Network Users* when considering subsequent *connections* to a *transmission network* in a manner that differs materially from the approach under the Rules as at the date of this Agreement, the parties will enter into good faith negotiations with a view to making appropriate amendments to **clause 3.12** to reflect the change in the Rules, however, a failure to reach agreement will not be a breach of this **clause 3.14** or be a Dispute.

System Strength Impact

3.15 The parties acknowledge that;

- (a) VicGrid has undertaken a [preliminary/full] *system strength impact assessment* for the Connection and [has/has not] identified a *general system strength impact*;
- (b) [VicGrid and Generator have agreed a *system strength remediation scheme* to avoid or remedy the identified *general system strength impact*;
- (c) for the purposes of Part A (c2) of Schedule 5.6 of the Rules, the details of the agreed *system strength remediation scheme* are set out in Schedule 2 under the heading "System Strength Remediation Scheme"; and
- (d) for the purposes of Part A (c3) of Schedule 5.6 of the Rules, the details of any *system strength connection works* required by clause S5.3.4B of the Rules are set out in Schedule 5].

4 Generator's Obligations

Solar Farm and Connection Assets

- 4.1 Generator must ensure that at all times during the currency of this Agreement, the [Wind/Solar] Farm and the Connection Assets:
- (a) comply with the requirements set out in **Schedule 2** and **Schedule 4** and the PCRs applicable to the Connection Assets;
 - (b) comply with and are operated in accordance with *good electricity industry practice* and all relevant Laws and *Australian Standards*;
 - (c) remain fit for their intended purpose; and
 - (d) are operated so as not to affect adversely the operations of VicGrid or *shared transmission services* provided by VicGrid to other *Network Users* of the Victorian Transmission Network.

Fortran Model

- 4.2 Generator acknowledges that, until it provides VicGrid with a model of the [Solar/Wind] Farm in Fortran (**Fortran Model**) in accordance with clause S5.2.4 of the Rules, Generator will not be in a position to commission the [Wind/Solar] Farm.
- (a) The parties agree to negotiate a program setting out:
 - (i) the steps Generator must take in preparing to provide the Fortran Model to VicGrid; and
 - (ii) a proposed date by which the parties reasonably anticipate the Fortran Model could be provided to VicGrid (for the purposes of **clause 4.2**, the **Proposed Model Date**).
 - (b) Until the Proposed Model Date, Generator must provide VicGrid with monthly reports detailing Generator's progress in finalising the Fortran Model for provision to VicGrid by the Proposed Model Date.
 - (c) If, at any time from three months prior to the Proposed Model Date, a party considers there is a reasonable risk that the Fortran Model will not be provided by the Proposed Model Date, the parties must meet at senior executive level to discuss the issue and seek to formulate a solution.

Maximum Level

- 4.3 Generator must not allow the amount of active electrical power delivered at or through the Point of Supply to exceed the Maximum Level.

Generator Control Equipment

- 4.4 If VicGrid is reasonably satisfied that specified *generation* control equipment is, or in the foreseeable future will be, reasonably required to:

- (a) facilitate the management of the competing use by *intermittent generating units*, semi-scheduled *generating units* or *non-scheduled generating units* connected to a *constrained transmission line* in the Victorian Transmission Network; or
- (b) assist VicGrid to perform its functions or responsibilities or exercise its powers with respect to *power system security* under any Regulatory Instrument,

VicGrid may direct Generator to, and Generator then must, install the specified *generation* control equipment that meets the reasonable technical specifications advised by VicGrid at no cost to Generator.

Secondary Equipment

- 4.5 Generator must ensure that the Connection Assets meet the Protection and Control Requirements applicable to the Connection Assets.
- 4.6 Generator must make any modifications or adjustment to the settings of secondary equipment forming part of the Connection Assets reasonably requested by VicGrid from time to time in accordance with *good electricity industry practice*.

Requirement to Upgrade Performance Standards

- 4.7 The parties acknowledge that:
 - (a) some of the Generating Facility's *performance standards* detailed in **Schedule 2** are set at the *negotiated access standard*; and
 - (b) a *negotiated access standard* negotiated under clause S5.2.5.2(d) of the Rules must not prevent VicGrid from meeting either the *system standards* or its contractual obligations to other *Network Users*.
- 4.8 Where clause S5.1.5 or S5.1.6 of the Rules apply, VicGrid may require the affected *performance standards* detailed in **Schedule 2** to be reviewed if:
 - (a) VicGrid considers that a *performance standard* detailed in **Schedule 2** needs to be upgraded to an *automatic access standard* to meet the planning levels at any *connection point* on the Victorian Transmission Network; or
 - (b) it is necessary to allow VicGrid to *connect* other *Network Users* to the Victorian Transmission Network.

The limits allocated to Generator for the purposes of clauses S5.1.5(a), S5.1.5(b), S5.1.6(a) and S5.1.6(b) of the Rules are specified in **Schedule 2**.

- 4.9 If VicGrid requires a review as contemplated by **clause 4.8**, VicGrid must notify Generator of the need to review the relevant *performance standard*, including giving details of the affected *performance standard* and reasons for the review, whereupon the parties must meet and conduct a joint planning study to determine the solution that best meets VicGrid's requirements and provides either the highest net present value or the lowest present cost. For the purposes of this planning study, the preferred solution may consist of any, or any combination of, the following:
 - (a) an upgrade of the relevant performance standard to the automatic access standard;
 - (b) an upgrade of the relevant performance standard to a level between the negotiated access standard and the automatic access standard; or
 - (c) works on the Victorian Transmission Network (**VicGrid Work**) or the Generating Facility (**Generator Work**), or both, to alleviate the need for an upgrade to the relevant *performance standard* to the *automatic access standard*.
- 4.10 The parties must negotiate in good faith to agree as promptly as possible on one of the solutions contemplated by **clause 4.9**. If the parties do not agree on one or more solution as contemplated by **clause 4.9** within 2 months from the date of the notice given by VicGrid under **clause 4.9** (or such other period as the parties may agree), the matter must be referred for resolution using the Dispute Resolution Procedure.
- 4.11 To the extent it is agreed in accordance with **clause 4.10** or determined in accordance with the Dispute Resolution Procedure that:
 - (a) VicGrid Work is required:

- (i) VicGrid must perform that work;
 - (ii) VicGrid's costs of that work will be determined in accordance with the Pricing Methodology; and
 - (iii) Generator must pay the costs determined in accordance with paragraph (a)(ii) within 10 Business Days of receipt of an invoice from VicGrid; and
- (b) Generator Work is required, Generator must, at its own cost, complete that work within 24 months of the date of the notice given by VicGrid in accordance with **clause 4.9** or such longer period as VicGrid, acting reasonably, agrees.

5 Quality and Performance Management

Non-Compliance with Quality Requirement

- 5.1 If at any time VicGrid believes (acting reasonably) that Generator is not complying with an obligation under **Schedule 2 (Non-Compliance)** and:
- (a) complaints are received from *Network Users* stating that they are being adversely affected by the Non-Compliance; or
 - (b) any *facility* or other equipment is being materially adversely affected by the Non-Compliance,
- VicGrid may direct Generator to take such steps as VicGrid believes are reasonably necessary to eliminate or minimise the adverse effect of the Non-Compliance. These steps may include constraining or limiting the operation of *plant*, varying the output of the **Wind/Solar** Farm at the Point of Supply, installing appropriate equipment or limiting the hours of operation of any relevant equipment.
- 5.2 Where a Non-Compliance occurs as a result of an Event of Force Majeure, VicGrid must take the effects of the Event of Force Majeure into account in formulating its direction.
- 5.3 Subject to **clauses 5.2, 5.4 and 5.7**, Generator must promptly comply with any direction given by VicGrid under **clause 5.1** at Generator's cost. If Generator fails to do so or, where remedial action and a timetable is agreed or determined, fails to comply with **clause 5.9**, VicGrid may *disconnect* the Point of Supply.
- 5.4 If Generator disputes VicGrid's direction, the parties must promptly meet to resolve their difference. If the Dispute is not resolved within 5 Business Days after VicGrid gives the direction under **clause 5.1**, either party may refer the Dispute for resolution in accordance with the Dispute Resolution Procedure.
- 5.5 If Generator does not give a notice under **clause 5.3** within 5 Business Days after receiving VicGrid's direction under **clause 5.1**, Generator will be taken to not dispute the direction.
- 5.6 Where:
- (a) Generator does not dispute a direction given by VicGrid under **clause 5.1**; or
 - (b) Generator disputes the direction given by VicGrid under **clause 5.1** and it is determined in accordance with the Dispute Resolution Procedure that the direction was appropriate.
- Generator must promptly advise VicGrid of the remedial action it proposes to take to comply with that direction and the proposed timetable for implementing that action.
- 5.7 VicGrid may notify Generator that it disagrees with the proposed remedial action or the proposed timetable, whereupon the parties must meet promptly to resolve their difference. If the Dispute is not resolved within 5 Business Days after VicGrid gives the notice under this **clause 5.7**, either party may refer the Dispute for resolution in accordance with the Dispute Resolution Procedure.
- 5.8 If VicGrid does not give a notice under **clause 5.7** within 20 Business Days after receiving Generator's advice under **clause 5.6**, VicGrid will be taken to have agreed to the proposed remedial steps and timetable set out in the notice.
- 5.9 After the parties agree the remedial action and timetable, or the remedial action and timetable is determined in accordance with the Dispute Resolution Procedure, Generator must:
- (a) diligently take the remedial action in accordance with the agreed or determined timetable;
 - (b) report to VicGrid at least weekly on the progress of the remedial action; and

- (c) after completing the remedial action, submit such evidence to VicGrid as VicGrid reasonably requires to demonstrate that:
 - (i) the relevant obligation will be complied with in the future; or
 - (ii) the relevant person or equipment will no longer be adversely affected by the Generator's plant, (as applicable).

6 Co-operation with VicGrid

Information

- 6.1 If Generator becomes aware of anything concerning the operation of the [Wind/Solar] Farm that evidences any irregularity with the safety or security of the Victorian Transmission Network, Generator must notify TOC and provide details as to the information or issues to TOC.
- 6.2 Notification by Generator to TOC under **clause 6.1** can be either verbal or written.
- 6.3 As soon as practicable after any request made by VicGrid, Generator must supply such information to VicGrid as VicGrid may reasonably require to perform its functions and exercise its powers under any Regulatory Instrument.

7 Records

Type of Records

- 7.1 Generator must maintain, or procure that TNSP and AusNet Services each maintain, the records, data and other information detailed in **Schedule 4** (each of which is a record for the purposes of clause 27 of the PCCD).

8 Charges

Transmission Underwriting Charge

- 8.1 Generator must pay the Transmission Underwriting Charge to VicGrid in accordance with **clause 9**.
- 8.2 Subject to **clauses 8.3** and **8.4**, the Transmission Underwriting Charge commences to be payable from the Date of Practical Completion and will be the amount determined in accordance with **Schedule 3**.

Alteration to Transmission Underwriting Charge

- 8.3 The Transmission Underwriting Charge may be varied in accordance with the PCCD.
- 8.4 Notwithstanding any other provision of this Agreement, the Transmission Underwriting Charge will not be increased as a result of a New Proponent Change Event.

Other charges

- 8.5 Subject to **clause 8.7**, Generator must reimburse VicGrid for other reasonable costs incurred by VicGrid in managing, administering or performing the Related Agreements (for example, by reason of a Variation), where those costs are not recoverable by adjustment to the Transmission Underwriting Charge and except to the extent that such costs arise because of VicGrid's Wilful Breach.
- 8.6 Subject to **clause 8.7**, VicGrid may charge Generator for any work VicGrid is required to do in the performance of the VicGrid Functions after the Network Services Commencement Date in relation to the Related Agreements (such as the provision of Protection and Control Requirements settings and contract administration tasks) in accordance with the applicable "Schedule of Fees and Charges for Generator Connections" (available on VicGrid's website).
- 8.7 VicGrid must advise Generator before incurring a cost or performing work for which VicGrid requires Generator to pay under **clause 8.4** or **8.6**. If requested by Generator, VicGrid must provide a budget for such amounts and report expenditure against the budget on a monthly basis.

Charges if Network Services Agreements Extended

- 8.8 If Generator extends the Initial Term in accordance with the PCCD, the Transmission Underwriting Charge for the extended term of this Agreement will be:
- (a) equal to the sum of the Transmission Charges for the extended term of each NSA (except to the extent that any New Proponent has agreed to contribute to VicGrid's costs arising under or in connection with the relevant NSA in accordance with **clause 11**), determined in accordance with the PCCD; and
 - (b) such other contribution to VicGrid's costs as is permitted under VicGrid's then applicable 'Cost Allocation Policy'.

Correspondence of Payments to TNSP and AusNet Services

- 8.9 The parties agree that, given VicGrid is entering into the NSAs solely at the request of Generator, Generator's payment obligations to VicGrid under this Agreement must at least correspond to VicGrid's payment obligations under the NSAs, so that VicGrid is not left "out-of-pocket" except to the extent that the relevant payment obligation of VicGrid:
- (a) arises because of VicGrid's Wilful Breach of a Related Agreement; or
 - (b) corresponds to a payment obligation of a New Proponent under a use of system agreement under which VicGrid provides services to the New Proponent, including an adjustment to the relevant transmission charge.

TUoS Charges

- 8.10 VicGrid may charge Generator for the Specified Services any amounts determined by VicGrid in accordance with the Regulatory Instruments (**Transmission Use of System Charges**).
- 8.11 The parties acknowledge that, as at the date of this Agreement, the Transmission Use of System Charges are zero.
- 8.12 If at any time VicGrid is permitted under a Regulatory Instrument to charge a Transmission Use of System Charge either in lieu of the Transmission Underwriting Charge or in addition to the Transmission Underwriting Charge, VicGrid may give notice to Generator specifying:
- (a) the charge (giving reasonable details of it); and
 - (b) the date on which the charge takes effect (which may be earlier than the date of the notice if permitted under the relevant Regulatory Instrument).
- 8.13 If VicGrid gives a notice under **clause 8.12**, Generator must pay the charge specified in the notice from the date on which the charge takes effect, as specified in the notice.

Alteration of TUoS Charges

- 8.14 If at any time VicGrid is permitted under a Regulatory Instrument to:
- (a) charge a different amount for the Specified Services; or
 - (b) charge for another service provided by VicGrid to Generator, VicGrid may give notice to Generator specifying:
 - (i) the new charge (giving reasonable details of it); and
 - (ii) the date on which the new charge takes effect (which may be earlier than the date of the notice if permitted under the relevant Regulatory Instrument).
- 8.15 If Generator receives a notice from VicGrid under **clause 8.14**, Generator must pay the new charge specified in the notice from the date on which the new charge takes effect, as specified in the notice.

Amounts withheld for Minor Outstanding Items

- 8.16 Despite Generator's obligation to commence payment of the Transmission Underwriting Charge under **clause 8.2**:

- (a) Generator is entitled to withhold payment of that amount of the Transmission Underwriting Charge that corresponds to the amount of the Transmission Charge withheld by VicGrid under clause 25.2 of the PCCD for the period during which VicGrid is entitled to withhold that amount;
- (b) Generator must pay VicGrid the accrued but withheld Transmission Underwriting Charges once VicGrid is no longer entitled to withhold any amount under clause 25.2 of the PCCD; and
- (c) Generator is not liable to VicGrid for interest or other costs in relation to payments withheld under this **clause 8.16** and is not a trustee in respect of any such withheld payments.

Payments under the NSAs

8.17 Provided Generator has complied with **clause 9**, VicGrid must pay:

- (a) TNSP in accordance with the TNSP NSA; and
- (b) AusNet Services in accordance with the Interface NSA.

Early Termination

8.18 Generator acknowledges and agrees that if this Agreement is terminated for any reason prior to the expiration of the Term it has no Claim against VicGrid for reimbursement of the Transmission Underwriting Charges (or any part thereof) or any other amount paid to VicGrid under this Agreement.

9 Payments

Invoicing

- 9.1 VicGrid must render invoices in arrears on the first Business Day of each month commencing after the Date of Practical Completion for charges and payments payable under this Agreement and amounts Generator is required to reimburse VicGrid under this Agreement.
- 9.2 VicGrid must provide reasonably sufficient information in the invoices to allow Generator to assess the accuracy of the payments, charges and reimbursement amounts specified in each invoice.

Payment Obligation

- 9.3 Generator must pay VicGrid the amount specified in each invoice within 10 Business Days of the day on which the invoice is rendered by VicGrid regardless of whether Generator believes there is an error in an invoice.
- 9.4 Payment must be made via Austraclear to VicGrid's nominated account on the due date. A party may change its Austraclear Account details by notice to the other party.
- 9.5 If Generator reasonably believes that there is an error in respect of an invoice rendered under **clause 9.1**, it must promptly notify VicGrid. If VicGrid does not accept that an error has occurred, Generator may take action to resolve the dispute in accordance with **clause 9.6**.

Disputes regarding Invoices

- 9.6 Any Dispute as to an invoice rendered under **clause 9.1** is to be resolved in accordance with the Dispute Resolution Procedure. Despite the existence of a Dispute, the parties must continue to perform their obligations under this Agreement, including the making of payments as required under this Agreement (including under the disputed invoice).
- 9.7 If, following the resolution of a Dispute a payment is to be made by either party, that payment may be set off against an invoice or may be charged in an invoice, as appropriate.

Set Off

- 9.8 Either party may set off any liquidated debts owed by the other party against liquidated debts owed by it to the other party in connection with any Related Agreement.

Interest

- 9.9 If Generator fails to make a payment by the due date for payment, it must pay interest to VicGrid on the amount of the outstanding payment at the Bank Bill Rate plus 2% for each day from the due date for payment until the amount plus any accrued interest on that amount (calculated on actual days elapsed and a 365-day year) is paid in full.

10 Security for Payment

Definitions

- 10.1 In this **clause 10**:

Bank Guarantee means a guarantee having the following attributes:

- (a) it is issued by:
 - (i) one of the following banks provided that the relevant bank has a Credit Rating that is at least equal to the Reference Credit Rating:
 - (A) Australia and New Zealand Banking Group Limited;
 - (B) Commonwealth Bank of Australia;
 - (C) National Australia Bank; or
 - (D) Westpac Banking Corporation; or
 - (ii) any other bank that:
 - (A) is incorporated in Australia, Lawfully carrying on banking business in Australia and authorised by the Australian Prudential Regulation Authority under section 9 of the Banking Act 1959 to carry on that business; and
 - (B) has a Credit Rating that is at least equal to the Reference Credit Rating; and is approved by VicGrid;
- (b) it provides for presentation and payment at a branch of the issuing bank in the City of Melbourne;
- (c) it is governed by the Law of Victoria;
- (d) it provides an irrevocable and unconditional commitment on the part of the bank to pay without further enquiry the amount demanded by VicGrid up to the face value of the Bank Guarantee or, if a payment has previously been demanded and paid under the Bank Guarantee, that face value less the total payments previously made;
- (e) it is valid for a continuous period of not less than 12 months.
- (f) it is in the form set out in **Attachment 1** or as otherwise prescribed by VicGrid for the purposes of the prudential requirements under the Rules (or, if there is no such form at any time, the form prescribed by VicGrid for this purpose (acting reasonably)); and
- (g) it is executed by the issuing bank in accordance with section 127(1) of the Corporations Act, by a person with a current power of attorney from the issuing bank, or in another way acceptable to VicGrid. If it is executed in another way, VicGrid may require that the validity of the execution be confirmed in a way reasonably acceptable to VicGrid.

Credit Rating means the short term rating in respect of an entity assigned by the Ratings Agency.

Ratings Agency means Standard & Poor's Financial Services LLC or one of its local subsidiaries operating as Standard & Poor's or, if no such entity exists or continues to issue credit ratings, any other person recognised in global financial markets as a major ratings agency, proposed by Generator and agreed by VicGrid, such agreement not to be unreasonably withheld.

Reference Credit Rating means a short term Credit Rating from the Ratings Agency of at least 'A-1'.

- 10.2 If, after the date of this Agreement:

- (a) the Ratings Agency changes the description or nomenclature of a Credit Rating, or the manner in which its Credit Ratings are calculated or derived; or
- (b) the Ratings Agency is a Ratings Agency other than Standard & Poor's Financial Services LLC or Standard & Poor's (Australia),

the Reference Credit Rating will be the Credit Rating issued by the Ratings Agency that most closely, in the reasonable opinion of VicGrid, corresponds to the relevant Credit Ratings specified in **clause 10.1**.

- (a) Acknowledgment

10.3 The parties acknowledge that:

- (a) VicGrid is only entering into the NSAs with AusNet Services to fulfil its obligations under the Rules following Generator's request for *connection*, and for no other reason;
- (b) VicGrid will be exposing itself to potential liabilities under the NSAs for which it has no other reason to expose itself; and
- (c) VicGrid requires Generator to provide security for payment in the form of a Bank Guarantee.

Provision of Bank Guarantees

- 10.4 At all times, Generator must ensure that VicGrid is the recipient and beneficiary of one or more Bank Guarantees the aggregate face value of which must, at all times, be equal to or exceed the Minimum Amount.
- 10.5 VicGrid may, by giving Generator not less than 20 Business Days' notice, increase the Minimum Amount by such amount as is reasonably necessary to maintain VicGrid's liability and risk profile at the level that applied at the date of this Agreement.

Bank Guarantee Renewal and Replacement

- 10.6 If the VicGrid Bank Guarantee:
 - (a) is due to expire, Generator must ensure that VicGrid receives a new Bank Guarantee in exchange for the VicGrid Bank Guarantee at least 20 Business Days before the VicGrid Bank Guarantee is due to expire; and
 - (b) ceases to meet the requirements of this **clause 10** for any other reason, Generator must ensure that VicGrid receives a new or additional Bank Guarantee so as to meet those requirements within 10 Business Days of the date that Generator becomes aware that the VicGrid Bank Guarantee does not meet those requirements.
- 10.7 Generator may provide a new Bank Guarantee which meets the requirements of this clause 10 in exchange for an existing VicGrid Bank Guarantee then held by VicGrid.
- 10.8 Immediately upon receipt by VicGrid of any replacement Bank Guarantee, VicGrid must return the expired, non-complying or existing Bank Guarantee (as applicable) to either the issuing bank or Generator (at Generator's election).

Calling on a Guarantee

10.9

- (a) Notwithstanding any other provision of this Agreement, if VicGrid does not receive a replacement Bank Guarantee in accordance with **clause 10.6**, VicGrid may call on the VicGrid Bank Guarantee for an amount less than or equal to the Minimum Amount.
- (b) On or after:
 - (i) the occurrence of an Insolvency Event in relation to Generator; or
 - (ii) termination of this Agreement earlier than the expiration of the term under **clause 2.2** in circumstances other than as a result of VicGrid's Wilful Breach, VicGrid may call on the VicGrid Bank Guarantee if Generator commits a Financial Default and VicGrid has given Generator a

Default Notice under the PCCD and the Financial Default is not cured within the period required by the Default Notice.

- (c) For the avoidance of doubt, clauses 37 and 41 of the PCCD do not apply to the exercise by VicGrid of its rights under **paragraph (a) or (b)**, but **paragraph (c)** does not relieve VicGrid from any liability it has to Generator under **clause 10.15**.

- 10.10 If Generator fails to pay any Claim made by VicGrid against Generator in connection with this Agreement, whether for damages or otherwise, but not to the extent that Generator has a bona fide objection to any part of that Claim, and VicGrid has given Generator a Default Notice in respect of the Claim that is not subject to a bona fide objection (for the avoidance of doubt, the Financial Default), and the Financial Default is not cured within the period required by the Default Notice, VicGrid is entitled to call on the VicGrid Bank Guarantee for a sum less than or equal to the Claim plus the amount of any unpaid interest that is payable in accordance with the relevant Related Agreement.
- 10.11 If VicGrid has obtained an award or judgment against Generator and the amount awarded has not been paid within 14 days of the award or judgment, or such other period as the award or judgement may provide, VicGrid is entitled to call on the VicGrid Bank Guarantee for a sum less than or equal to the amount of the award or judgment that is unpaid plus the amount of any unpaid interest that is payable in accordance with that award or judgement or the relevant Related Agreement.
- 10.12 If, under Part 5.7B of the Corporations Act or another Law relating to insolvency or the protection of creditors or similar matters, VicGrid is required to disgorge or repay an amount, or pay an amount equivalent to an amount paid under this Agreement or an VicGrid Bank Guarantee, VicGrid is entitled to call on the VicGrid Bank Guarantee for a sum equal to the amount disgorged, repaid or paid.
- 10.13 Except as expressly required by **clause 10.9(b)**, **10.10** or **10.11**, VicGrid is not required to give Generator notice before it exercises its rights under **clause 10.9, 10.10, 10.11** or **10.12**, and the Dispute Resolution Procedure does not apply to the exercise by VicGrid of its rights under those clauses but VicGrid must promptly give Generator notice after it has exercised its rights under **clause 10.9, 10.10, 10.11** or **10.12**, however, this **clause 10.13** does not relieve VicGrid from any liability it has to Generator under **clause 10.15**.
- 10.14 If VicGrid calls on an VicGrid Bank Guarantee and is paid the amount of the call, Generator is taken to have paid a sum toward payment of the relevant invoice, award or judgement equal to the amount received by VicGrid under the call.
- 10.15 If VicGrid calls on an VicGrid Bank Guarantee when it is not entitled to do so, it must, on demand, reimburse Generator for all losses and costs incurred by Generator (including any increase to Generator's cost of funds) directly caused by that wrongful call.

No Merger of Rights

- 10.16 Except as provided by **clause 10.14**, an exercise by VicGrid of its rights under this **clause 10** does not:
 - (a) relieve Generator of any of its obligations under this Agreement; or
 - (b) merge, extinguish, postpone or lessen and any right VicGrid may have against Generator under this Agreement.
- 10.17 An exercise by VicGrid of its rights to call on an VicGrid Bank Guarantee does not extinguish the VicGrid Bank Guarantee and does not prevent a later exercise by VicGrid of its rights to make a further call on the VicGrid Bank Guarantee.

Return of Bank Guarantee

- 10.18 Subject to **clause 10.7**, VicGrid must return each VicGrid Bank Guarantee to the issuing bank or, if requested by Generator, to Generator, within 5 Business Days of whichever of the following events occurs first:
 - (a) the date on which Generator has discharged all payment obligations to VicGrid under this Agreement; and
 - (b) the date on which VicGrid receives in cleared funds the total amount payable under the VicGrid Bank Guarantee.

- 10.19 Within 10 Business Days of the date on which Generator has discharged all payment obligations to VicGrid under this Agreement, VicGrid must provide Generator with a notice confirming that all of Generator's payments under this Agreement have been met.

11 Transparency

Audit of Network Services Agreement Records

11.1 VicGrid must:

- (a) reasonably consider any request from Generator for VicGrid to exercise VicGrid's rights to audit TNSP's or AusNet Services' records under the PCCD;
- (b) exercise those rights if VicGrid reasonably considers, in all of the relevant circumstances, it is justified; and
- (c) inform Generator of the outcome of such an audit.

Reduction in Services under Network Services Agreement

- 11.2 Generator acknowledges that VicGrid may notify TNSP and AusNet Services that it no longer requires 'Network Services' at the levels specified in an NSA, except where it would have an adverse impact on the Specified Services.

Performance Management

11.3 If VicGrid notifies AusNet Services of a 'Non-Compliance' under an NSA, VicGrid must:

- (a) provide Generator a copy of the notice provided to AusNet Services in respect of that 'Non-Compliance';
- (b) consider any views expressed by Generator when determining what response or course of action VicGrid will take in relation to the 'Non-Compliance';
- (c) keep Generator informed of any remedial or other action agreed or carried out under the relevant NSA; and
- (d) provide Generator copies of correspondence between VicGrid and AusNet Services in relation to VicGrid's obligations under this **clause 11**.

VicGrid actions at Generator's Cost

11.4 Any action taken by VicGrid under this **clause 11** at Generator's request will be entirely at Generator's cost.

VicGrid 'Flow-Through' Breach

- 11.5 To the extent VicGrid is a Defaulting Party and the Default Event is caused or contributed to by a breach of a Related Agreement by TNSP or AusNet Services:
- (a) VicGrid will be regarded as using its reasonable endeavours to remedy the Default Event if it complies with its obligations under the relevant Related Agreement in relation to the relevant Default Event; and
 - (b) Generator will not be able to exercise any of the remedies against VicGrid provided in the PCCD because of the Default Event (provided this does not limit Generator's remedies against TNSP or AusNet Services or express rights under the PCCD to require VicGrid to exercise remedies against TNSP or AusNet Services).

12 Contribution - Subsequent Connection

New Proponent

- 12.1 If VicGrid proposes to make an offer to *connect* to a New Proponent at the Terminal Station, VicGrid must, to the extent compatible with the VicGrid Functions, negotiate with New Proponent in good faith to endeavour to achieve a use of system agreement between VicGrid and New Proponent under which New Proponent agrees to the following outcomes:

- (a) New Proponent contributes to the costs arising under each NSA consistent with VicGrid's then applicable 'Costs Allocation Policy'; and
- (b) subject to clause 5.10 of the PCCD, so that New Proponent has rights and obligations that are substantially the same as those of Generator under the Related Agreements or otherwise as a *Network User*.

(each, an **Outcome**).

Costs arising under Network Services Agreements

12.2 For the purposes of **clauses 12.1(a)** and **12.4** the 'costs arising under each NSA' will be:

- (a) the component of the Transmission Underwriting Charges relating to the relevant NSA; plus
- (b) any other amounts or costs of the kind described in **clauses 8.4** and **8.6** other than one arising out of a Wilful Breach by VicGrid; plus
- (c) any other costs that the principles in VicGrid's then applicable 'Cost Allocation Policy' contemplate will be taken into account in situations of this kind,

but excluding any costs that cannot be taken into account by VicGrid for this purpose at that time under the Regulatory Instruments.

12.3

- (a) Provided VicGrid is not required to provide Generator any confidential information relating to the negotiations with a New Proponent contemplated by **clause 12.1**, VicGrid will keep Generator informed of the progress of those negotiations.
- (b) If a New Proponent initiates an applicable dispute resolution procedure in relation to the Outcomes, the parties agree, to the extent that this is possible, to have the Dispute Resolution Procedure apply.

Adjustment

12.4 The parties will negotiate in good faith to agree an appropriate adjustment or adjustment mechanism in relation to:

- (a) the Transmission Underwriting Charges;
- (b) any other payments that may become payable under this Agreement; and
- (c) the Minimum Amount,

to reflect the extent to which New Proponent has agreed in its use of system agreement with VicGrid to contribute to VicGrid's costs arising under each NSA while ensuring that VicGrid is not left "out-of-pocket".

12.5 Any adjustment or adjustment mechanism under **clause 12.4** will apply on and from the commencement date of New Proponent's relevant contribution to VicGrid's costs arising under each NSA under the use of system agreement between New Proponent and VicGrid and will continue until the earlier of the date this Agreement terminates or the date the New Proponent's use of system agreement expires.

Other

- 12.6 VicGrid has no liability to Generator in relation to the payment by New Proponent of a contribution to the costs arising under each NSA or the inclusion of terms contemplated under **clause 12.1** in the New Proponent's use of system agreement, including where New Proponent does not agree to pay a contribution or include such terms.
- 12.7 Generator will have no liability to VicGrid in relation to any failure by New Proponent to pay any amount to VicGrid under New Proponent's use of system agreement with VicGrid or under any Related Agreement to which New Proponent becomes a party.
- 12.8 Nothing in this **clause 12** obliges VicGrid to:
 - (a) initiate a relevant dispute resolution procedure in relation to the Outcomes;

- (b) obtain Generator's agreement or consent prior to entering into a use of system agreement with a New Proponent or taking any action contemplated by the NEL or the Rules; or
- (c) do or omit to do any act or reach or give effect to any agreement, arrangement or understanding that is contrary to Law.

12.9 If VicGrid is requested by Generator to participate in any relevant dispute resolution procedure regarding the Outcomes and VicGrid participates in the relevant dispute resolution procedure, Generator must indemnify VicGrid for any costs VicGrid incurs in relation to that participation.

13 Extent of Liability

Liability Capped

13.1 The total amount recoverable from a party for any Claims arising directly or indirectly out of or in connection with this Agreement is limited in accordance with the PCCD.

Prorating of Liability

13.2 For the purposes of **clause 13.3: Nominal Nameplate Rating** means:

- (a) where New Proponent is a *Generator*, the aggregate of the *nameplate ratings* of all *generating units* owned or operated by that *Generator* that are Connected at the Terminal Station.
- (b) where New Proponent is a *Customer*, the average *nameplate rating* of all *Generators*, including Generator, Connected at the Terminal Station.

13.3 Where:

- (a) there is a New Proponent; and
- (b) VicGrid is indemnified by Generator in respect of a loss that is not caused or contributed to (directly or indirectly) by Generator or New Proponent,
- (c) Generator will only be liable to VicGrid for that proportion of VicGrid's loss that the Generator's Nominal Nameplate Rating bears to the total Nominal Nameplate Rating of both Generator and the New Proponent at the time of VicGrid's loss regardless of whether the New Proponent is also liable to contribute in respect of that loss.

Resupply if Non-Excludable Warranties Breached

13.4 The liability of VicGrid for breach of a non-excludable condition or warranty implied by Law relating to the supply of goods or services under this Agreement is limited, at the option of VicGrid, to the resupply of the relevant goods or services, or the cost of resupplying the relevant goods or services.

Consistency

13.5 In the event of any inconsistency between this **clause 13** and any other provision in this Agreement, this **clause 13** prevails.

14 Indemnities

Generator Indemnity

14.1 Subject to **clause 15**, Generator will indemnify VicGrid on demand against any Claim that VicGrid is liable for in respect of any of the following:

- (a) Generator's failure to pay the Transmission Underwriting Charge or any other amount that becomes payable under this Agreement when due;
- (b) Generator's failure to comply with any of its obligations under this Agreement;
- (c) the occurrence of a Default Event under an NSA in respect of VicGrid, where the occurrence of the event is caused or contributed to, directly or indirectly, by an act or omission of Generator;
- (d) termination of this Agreement as a result of Generator's breach of any Related Agreement;

- (e) termination of a NSA:
 - (i) to the extent caused by, or contributed to, by an act or omission by Generator; and
 - (ii) except for any loss or damage claimed by a person (other than Generator) who owns or operates a *facility* that is Connected to the Victorian Transmission Network at the Terminal Station, other than as permitted by **paragraph (g)**;
- (f) a Native Title Application; and
- (g) any loss or damage suffered by a person (other than Generator) who owns or operates a *facility* that is Connected to the Victorian Transmission Network at the Terminal Station where that loss or damage arises from a breach of this Agreement or breach of Law by Generator in respect of the Point of Supply or the Terminal Station.

15 Decommissioning

Partial Decommissioning following Reduction in Service

- 15.1 If Generator requires a reduction in the level of Specified Services to be provided by VicGrid, VicGrid may *disconnect* that part of the Victorian Transmission Network no longer required to provide the reduced level of Specified Services and notify any affected third parties of the *disconnection*.

Decommissioning upon Termination

- 15.2 If this Agreement is terminated, VicGrid may *disconnect* the Point of Supply and notify any affected third parties of the *disconnection*.

16 General

Survival

- 16.1 Without limiting the survival provisions in the PCCD, **clauses 1, and 7, 9, 10, 12-16** survive the end of this Agreement.

Governing Law

- 16.2 This Agreement and the transactions contemplated by this Agreement are governed by the Law of Victoria.

General

- 16.3 This Agreement may be signed in any number of counterparts and all such signed counterparts, taken together, will be deemed to constitute one and the same instrument.
- 16.4 This Agreement can only be amended, supplemented, replaced or novated by another document signed by the parties.

EXECUTED AS AN AGREEMENT

EXECUTED by **VICGRID** in accordance with)
section 127(1) of the Corporations Act 2001 (Cth))
by authority of its directors:)
)

Signature of director

Signature of director/secretary

Name of director (please print)

Name of director/secretary (please print)

EXECUTED by **[Insert]** in accordance with)
section 127(1) of the Corporations Act 2001)
(Cth) by authority of its director:)
)

Signature of sole director

Signature of director/company secretary

Name (please print)

Name (please print)

Schedule 1 – Specified Services

Schedule 2 – Generator Technical Obligations

Schedule 2 details the technical obligations applicable to the [Wind/Solar] Farm. Where a requirement is described in the registered *generator performance standards (GPS)*, reference is included to the relevant clause of the GPS.

Schedule 3 – Transmission Underwriting Charge

Definitions:

In this **Schedule 3**:

Escalation Date means the Date of Practical Completion and each anniversary of that date.

Payment Year means each year during the Term commencing on the Date of Practical Completion and on each anniversary of that date.

Reference Date means **[Insert]**.

The **Transmission Underwriting Charge** is the aggregate of:

- (a) the Transmission Charge in relation to the Interface as specified in **Part S3A**; and
- (b) the Transmission Charge in relation to the Terminal Station as specified in **Part S3B**.

PART S3.A – Transmission Underwriting Charge – Interface

S3.A.1 Transmission Charge

The Transmission Charge for the Interface has been derived using, amongst other values, those specified in **Tables S3A.2.1**.

Table S3A.2.1 Values used in calculation of Monthly Transmission Charges

Total Capital cost of Interface in real dollars as at the Reference Date	[Insert]
Life of the original Interface for contract purposes	[Insert] years
Annual operations and maintenance cost in real dollars as at the Reference Date	[\$[Insert]]

The Transmission Charge for each Payment Year is payable from the Date of Practical Completion to the end of the Term.

The monthly charge is **[\$[Insert]]** and is expressed in real dollars as at the Reference Date (exclusive of GST) and will be CPI Adjusted on each Escalation Date.

PART S3.B – Transmission Underwriting Charge - Terminal Station

S3.B.1 Transmission Charge

The Transmission Charge has been derived using, amongst other values, those specified in **Tables S3B.2.1**.

Table S3B.2.1 Values used in calculation of Monthly Transmission Charges

Total Capital cost of the Terminal Station in real dollars as at the Reference Date	[\$[Insert]]
Life of the original Terminal Station for contract purposes	[Insert] Years
Annual operations and maintenance cost in real dollars as at the Reference Date	[\$[Insert]]

The Transmission Charge for each Payment Year is payable from the Date of Practical Completion to the end of the Term.

The monthly charge is **[\$[Insert]]** and is expressed in real dollars as at the Reference Date (exclusive of GST) and will be CPI Adjusted on each Escalation Date.

Schedule 4 – Registered Data

- S4.1 The following data has been provided to VicGrid by Customer and is the registered system planning data required by clause S5.5 of the Rules for the **Wind/Solar** Farm.
- S4.2 Customer represents and warrants to VicGrid that the data in **Schedule 4** is accurate.
- S4.3 Customer must provide all data to VicGrid in finalised form and to VicGrid's reasonable satisfaction no later than 2 months prior to the expected date of commissioning of the first *generating unit*.

Attachment 1 – Form of Bank Guarantee

[FINANCIAL INSTITUTION LETTERHEAD]

TO: VicGrid
ABN 90 719 052 204
Level 37, 2 Lonsdale Street
MELBOURNE VIC 3000

Attention: Chief Operating Officer

Dear Sir

Guarantee

Defined Terms

Unless otherwise defined, the meaning of all capitalised terms is specified in table below:

CUSTOMER:	Name:	
	ABN:	
	Address:	
	Fax No:	
Maximum Period:		24 hours
Financial Institution:	Name:	
	ABN:	
	*Address:	
	Fax No:	
	Contact Person:	
	Contact Person Telephone No:	
Maximum Amount:		AUD
Guarantee No:		
Effective Date:		
Expiry Date:		

*Must be the address of a branch in the Melbourne CBD

Introduction

This is a Guarantee for the benefit of the **VicGrid** provided in accordance with a Use of System Agreement entered into between VicGrid and Customer on or about **[insert date]** (**UoSA**).

At the request of Customer and in consideration of VicGrid's:

- (a) acceptance of this Guarantee for the purposes of the UoSA at our request; or
- (b) payment or agreement to pay us the sum of \$1; or
- (c) extending other valuable consideration to Customer at our request,

the Financial Institution unconditionally and irrevocably undertakes to pay to VicGrid on demand from time to time any and all amounts (in AUD) to an aggregate amount not exceeding the Maximum Amount.

Demand

A demand from VicGrid under this Guarantee must:

1. be in writing and sent, presented or faxed to the Financial Institution at the address and fax number specified in the Details;
2. state it is sent under the Guarantee No. specified in the Details;
3. specify the amount demanded by VicGrid;
4. specify the time at which payment is to be made (such time to be not less than the Maximum Period after the demand is received by the Financial Institution); and
5. be signed by, or purportedly signed by, the Chief Financial Officer or the Group Manager Commercial Services of VicGrid or any person acting in the place of or performing the duties of either of those officers.

Any telephone communications to the Financial Institution should be directed to the Contact Person using the Contact Person Telephone No.

The Financial Institution must pay the amount specified in a demand in cleared funds to the account specified in the demand at or before the time specified for payment, however, if:

- (A) in the case where the demand is sent, it is received by the Financial Institution; or
- (B) in the case where the demand is presented or faxed, it is received by the Financial Institution,

(as the case may be) on a day that is not a Business Day or after 3.00 pm in the place where the relevant office of the Financial Institution is situated on a Business Day, the Financial Institution will be taken to have received the demand at 9.00 am in the place where the relevant office of the Financial Institution is situated on the next Business Day. For this purpose, a "Business Day" is a day on which the Financial Institution is open for business in the city in which the Financial Institution's address set out in the Details is located.

If a demand under this Guarantee is faxed to the Financial Institution, VicGrid must provide to the Financial Institution the original of the fax as soon as practicable after the fax is sent. Notwithstanding this requirement, the Financial Institution must pay the amount specified in the faxed demand on the basis of the faxed demand.

Other matters

The Financial Institution must make the payment demanded without reference to Customer and notwithstanding any contrary notice or direction from Customer.

This Guarantee is a primary obligation and is not reduced, impaired, discharged or otherwise affected by anything that might otherwise affect it, or would discharge a surety, at law or in equity including, but not limited to, any extension or variation to the UoSA or time or other indulgence or forbearance on the part of VicGrid on the one hand or Customer on the other hand to each other made or agreed without the Financial Institution's knowledge or consent.

The Financial Institution irrevocably waives to the fullest extent it is permitted to do so by law any right to claim sovereign immunity for itself and its assets (including from jurisdiction, enforcement or execution) to which it might otherwise be entitled in any action based on this Guarantee that may be instituted in a competent court.

This Guarantee:

- (a) must not be assigned without the Financial Institution's written consent; and
- (b) is governed by and construed in accordance with the laws of Victoria.

Effective Date

This Guarantee will take effect on and from the Effective Date.

Termination

A demand may be made under this Guarantee at any time until the first to occur of:

- (i) the Financial Institution's receiving notice in writing signed by the Chief Financial Officer or Group Manager Commercial Services of VicGrid or any person acting in the place of or performing the duties of any of those officers that the Guarantee is no longer required;
- (ii) payment to VicGrid by the Financial Institution of the whole of the Maximum Amount;
- (iii) replacement of this Guarantee by another guarantee in a form satisfactory to VicGrid for an amount agreed to by Customer and VicGrid; and
- (iv) 5.00 pm, in the place where the relevant office of the Financial Institution is located, on the Expiry Date (unless prior to that date VicGrid notifies the Financial Institution in writing that an application has been made for the winding up of Customer, in which case this Guarantee will continue until the first to occur of the events listed in paragraphs (i), (ii) and (iii)).

The Financial Institution may at any time, without being required to do so, pay to VicGrid the Maximum Amount less any amounts the Financial Institution may have already paid under this Guarantee (or such lesser sum as the Chief Financial Officer or Group Manager Commercial Services of VicGrid may agree in writing) and thereupon its liability under this Guarantee immediately ceases.

Once demands may no longer be made under this Guarantee for any of the reasons specified above, VicGrid must return the Guarantee to the Financial Institution.

Executed as a deed poll on [Insert Date]

SIGNED by [insert name of attorney] as attorney)
for [insert name of Financial Institution] under)
power of attorney dated [insert date of power of)
attorney] in the presence of:)

Signature of witness)

Name of witness (block letters))

Address of witness)

Occupation of witness)

By executing this deed poll the attorney states that the attorney has received no notice of revocation of the power of attorney