

Evoenergy Interconnection Policy - Nowra

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Evoenergy Interconnection Policy - Nowra

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History

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1. Background

1.1 Purpose

Evoenergy has developed this Interconnection Policy which provides information for parties seeking to interconnect to the Evoenergy Nowra Gas Distribution Network. This Interconnection Policy provides information for the interconnection of both pipelines and distribution connected facilities.

This policy does not cover the direct connection of customers to the Evoenergy Network for the delivery of gas under Evoenergy's Reference Service to customer premises.

Depending on the circumstances Evoenergy may depart from the processes outlined in this Interconnection Policy, and the development of any interconnection to the Evoenergy Network must remain subject to any legislative and contractual requirements or restrictions. From time to time Evoenergy may amend or replace this Interconnection Policy. The updated Interconnection Policy will be published on Evoenergy's website at www.evoenergy.com.au/About-us/Gas-network/Nowra-gas-network (or a later date if stated in the updated Interconnection Policy).

1.2 Evoenergy Gas Networks

Evoenergy operates two separate pipeline distribution systems, one servicing the ACT-Queanbeyan and Bungendore region (sometimes referred to as ACT- Palerang) and one servicing Nowra and surrounds (for the purposes of this document the Evoenergy Network refers to the Nowra network). Figure 1 shows the footprint of Evoenergy's Nowra Gas Distribution Network.

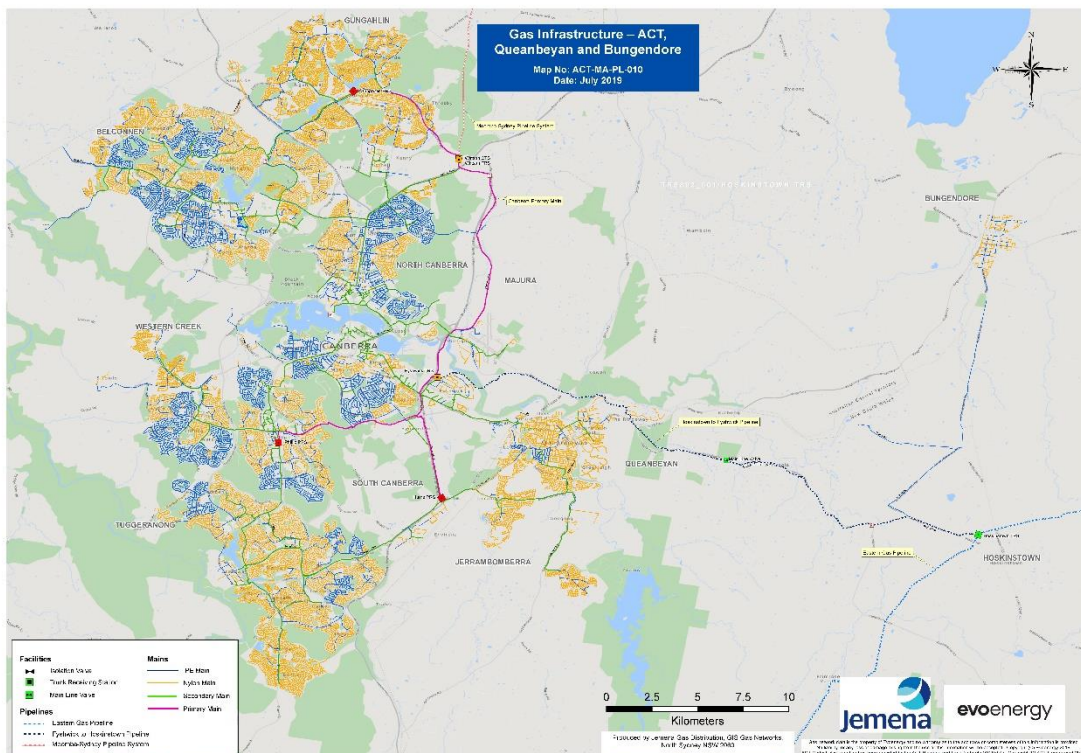


Figure 1 Evoenergy's ACT, Queanbeyan & Bungendore Distribution Network

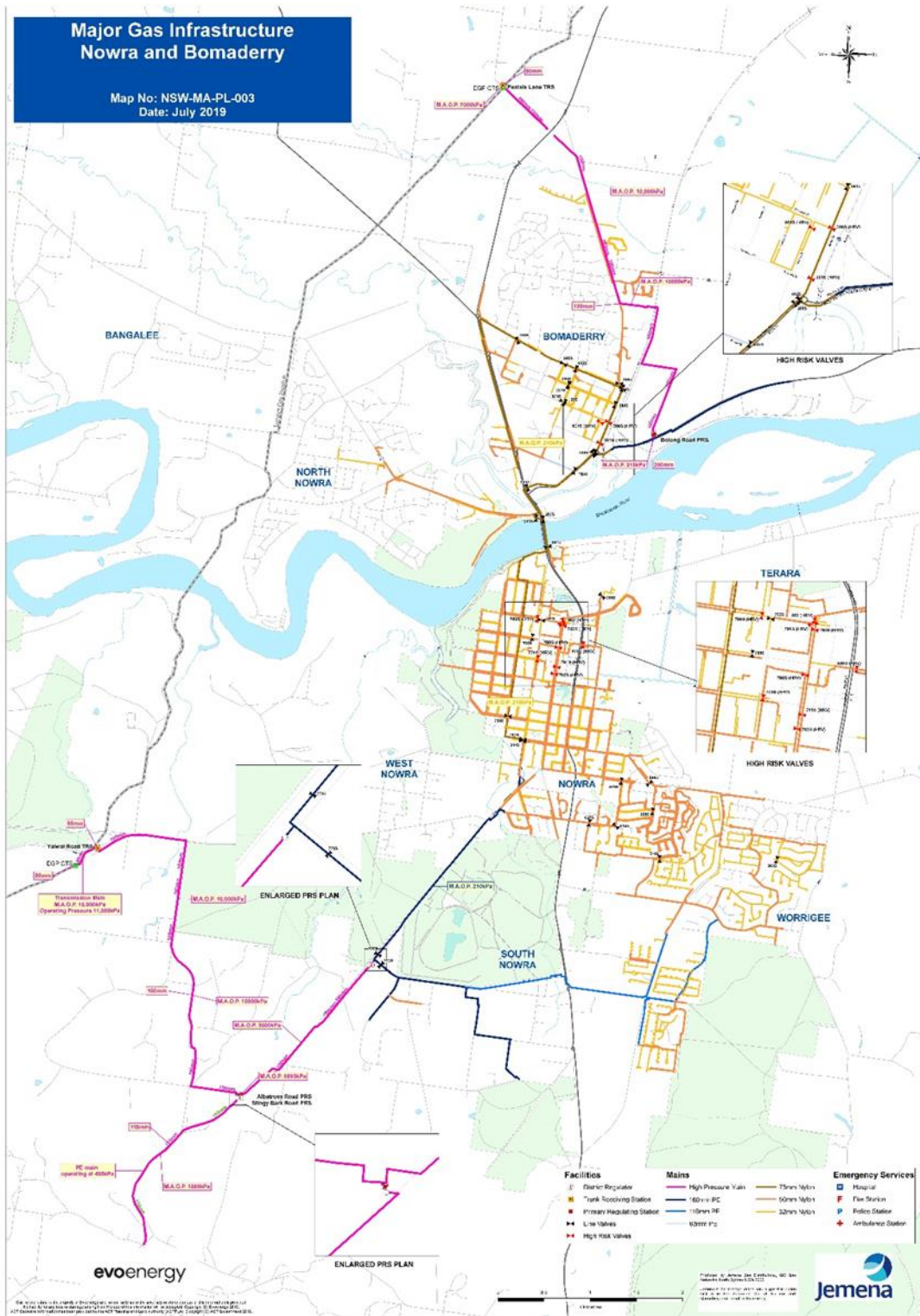


Figure 2 Evoenergy's Nowra Distribution Network

2. Examples of Typical Interconnections

2.1 General

The following diagrams and notes are provided as general information to supplement the principles and other details. The diagrams are only simplified 'FOR INFORMATION' schematics to represent the basic equipment and configuration for some typical interconnections and are not to be considered design documentation. The schematics do not necessarily identify all the equipment that may be required nor indicate the level of complexity of control systems that may be required. The requirements for each interconnecting facility or pipeline will vary based upon the location, the site, the pressure and flow requirements, other interconnected facilities and any other relevant factors and will require a Front End Engineering Design and detailed design process in accordance with Australian Standards and other engineering requirements as part of their development.

2.2 Pressure Controlled Interconnection

Figure 3 depicts a schematic of a pressure controlled interconnection to the Evoenergy Network. Pressure controlled interconnections are generally used where no existing interconnection exists.

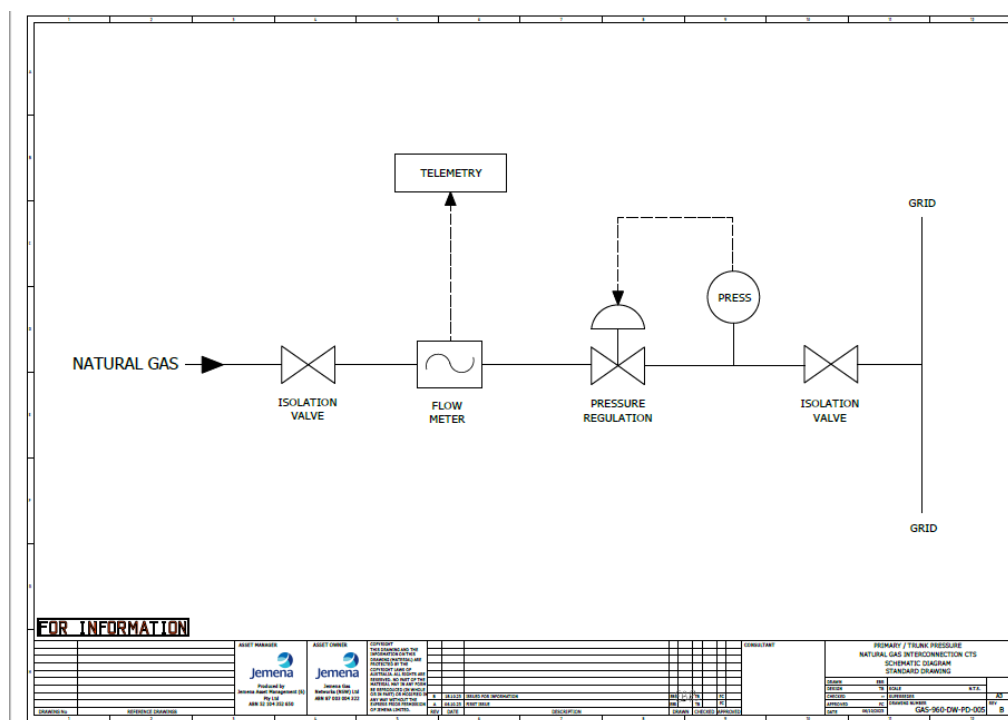


Figure 3: Pressure Controlled Interconnection Schematic

2.3 Flow Controlled Interconnection

Figure 4 depicts a schematic of a flow controlled interconnection to the Evoenergy Network. Flow controlled interconnections are generally used where an existing interconnection exists.

2.5 Hydrogen Direct Blending Interconnection

Figure 6 depicts a schematic of a simplified hydrogen direct blending interconnection. Note further guidance can also be found for the design and approval processes in SA HB 225:2023 Guideline for blending hydrogen into pipelines and gas distribution networks.

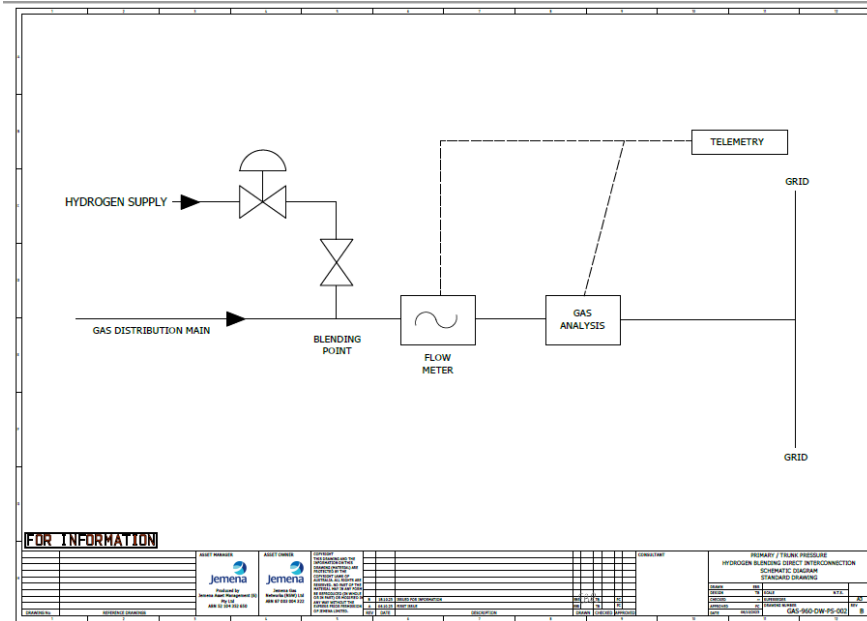


Figure 6: Hydrogen Blending Direct Injection Interconnection Schematic

2.6 Hydrogen Indirect Blending Interconnection

Figure 7 depicts a schematic of a simplified hydrogen indirect blending interconnection. Note further guidance can also be found for the design and approval processes in SA HB 225:2023 Guideline for blending hydrogen into pipelines and gas distribution networks.

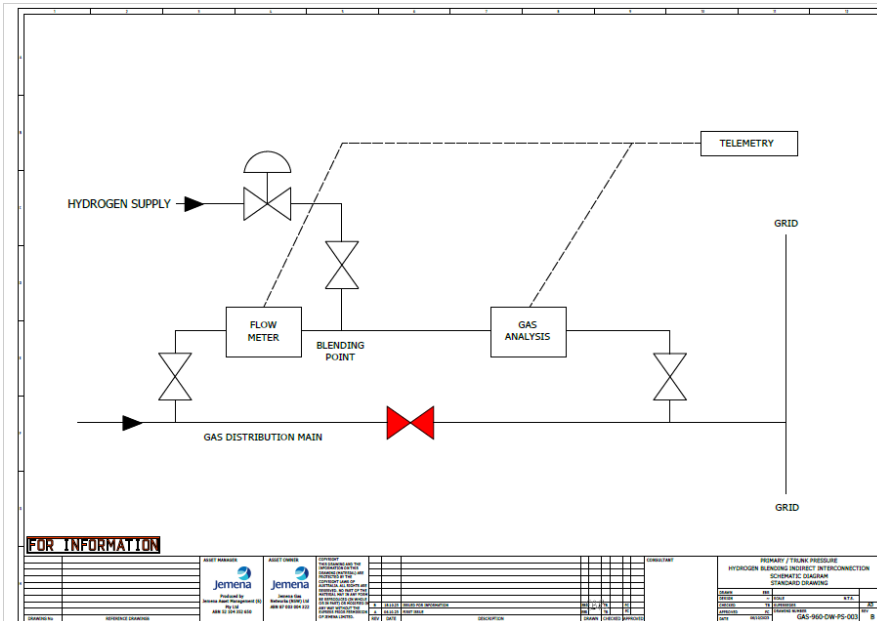


Figure 7: Hydrogen Blending Indirect Injection Interconnection Schematic

3. Right to Interconnect

A person has the right to interconnect¹ an interconnecting pipeline or proposed distribution connected facility to the Evoenergy Network where:

- (a) it is technically feasible and consistent with the safe and reliable operation of the pipeline;
- (b) it is consistent with the safe and reliable supply of gas to end users; and
- (c) the person agrees to fund the costs associated with making the interconnection.

The party seeking to establish an interconnection (the interconnecting party) under rule 38 of the NGR has, subject to the requirements under rule 37, the option to:

- (a) construct, operate and maintain the interconnection at its own cost (option A);
- (b) have Evoenergy do so (option B); or
- (c) proceed with a combination of option A and option B (option C) if both the interconnecting party and Evoenergy:
 - i. will own equipment or infrastructure associated with the interconnection; or
 - ii. agree to share the costs and responsibilities associated with the interconnection.

If the interconnecting party develops the interconnection (or part of the interconnection), it must do so in accordance with good gas industry practice (as defined in the NGR) and comply with all standards and legislation that relate to the establishment and on-going operation of the interconnection and with any reasonable technical, safety and reliability requirements requested by Evoenergy (see Section 6) and with the requirements set out in an agreed Interconnection Agreement (see Section 8)².

¹ NGR r37

² NGR r38(2)

4. Interconnection Process

The Evoenergy interconnection process is summarised below:

1. Preliminary Enquiry
2. Detailed Study
3. Interconnection Offer
4. Approvals
5. Detailed Design and Review
6. Construction and Commissioning
7. Commence Operations

Depending on whether the party requesting the interconnection (the “proponent”) wishes to construct, operate and maintain the interconnection at its own cost, or have Evoenergy do so, or a combination of these, not all steps may be required. Also, depending on the circumstances, steps may not necessarily be carried out sequentially. Depending on the project, some steps may be carried out in parallel or take place out of the order summarised above.

Further detail on each of the steps is described below.

Note the proponent may instead proceed to submit a formal access request without initiating the process below, however, Evoenergy would encourage a preliminary enquiry as it provides an opportunity to discuss and develop requirements into a position where Evoenergy could make an offer. A formal access request must include the information required for submission of a preliminary enquiry under section 4.1 below and also information that sufficiently addresses the assessment requirements outlined at section 6 below.

4.1 Step 1 – Preliminary Enquiry

As a first step in requesting interconnection Evoenergy encourages the proponent to contact us with a high-level concept of the proponent’s interconnection project by way of preliminary enquiry.

This concept of the project should include the details set out below:

- a) Applicant’s details;
- b) Contact Person and details;
- c) Interconnection location;
- d) Type of interconnection (see section 2);
- e) Details of the forecast load requirements of the interconnection point, including maximum daily quantity (MDQ), maximum hourly quantity (MHQ) and maximum and minimum operating pressures;
- f) Any regulatory approvals;
- g) The date by which the connection is desired;

- h) Any other information you feel may assist in the review of your enquiry.

The proponent is encouraged to advise Evoenergy whether they wish to construct, operate and maintain the interconnection at its own cost (Option A) or have Evoenergy do so (Option B) or some combination of Options A and B (Option C)³.

Details of the concept (including the information specified above) should be provided to Evoenergy by email to fs@jemen.com.au.

Evoenergy will perform high-level analysis to assess whether an interconnection is possible (refer to Section 6 for more details). If Evoenergy will incur any costs to undertake this assessment it will advise the proponent of such costs and may require the proponent to reimburse Evoenergy for these costs.

Once the initial enquiry and the assessment of the high-level concept is complete, Evoenergy will provide the proponent with a capacity assessment and advise the proponent of any potential issues, including whether a network extension is required. In its response Evoenergy will advise whether further investigation is needed (which is likely to require a detailed study) and provide guidance on the timeline for making an offer, which would generally align with the process set out below. Evoenergy would aim to work with the proponent to develop the preliminary enquiry into a position where Evoenergy would be able to make an offer. In which case a formal access request would not be required

On request, Evoenergy may be able to provide the following information to assist the proponent with its feasibility assessment:

- a. Location and type/size of nearest appropriate distribution main;
- b. Information about equipment required to connect to the network;
- c. Information on network pressures; and
- d. Information on network capacity.

ESTIMATED TIME: 10 business days

4.2 Step 2 – Detailed Study

If, following Evoenergy's response to the preliminary enquiry, the proponent wishes to proceed with interconnection it is expected that a detailed study by Evoenergy is required. Evoenergy will advise the proponent of Evoenergy's estimated costs associated with the detailed study and may require the proponent to reimburse Evoenergy.

The detailed study will provide the proponent with further information including (where applicable):

- a) Network connection options;
- b) Network capacity and constraints;
- c) Indication of costs for Evoenergy to carry out the pipeline construction, augmentation and connection;
- d) Indication of costs for Evoenergy to procure and install the injection facility;
- e) Plant and equipment required to be provided by the proponent;
- f) Details of proposed site and pipeline route;

³ See Section 3 for more information.

- g) Gas Quality requirements;
- h) Injection Constraints, Injection pressure; and
- i) Estimate of the expected costs of interconnection.

If not already confirmed, the proponent must at this stage advise Evoenergy whether they wish to construct, operate and maintain the interconnection at their own cost (Option A) or have Evoenergy do so (Option B) or some combination of Options A and B (Option C). If the proponent wishes to proceed with Option C they need to confirm what combination of Option A and B they propose.

If the proponent is considering Option B or Option C, Evoenergy will need to complete a detailed front end engineering design for the works being completed by Evoenergy. The proponent will also need to complete the front end engineering design for the works they are contemplating. Evoenergy must also be consulted and involved in the HAZOP⁴ or any other formal safety assessment (including preparing a safety case or safety management system) for the facility or for the interconnection.

At this stage of the process Evoenergy would also need to give detailed consideration to the assessment criteria set out in section 6 below in order to develop an interconnection offer.

ESTIMATED TIME: 2 - 12 months depending on complexity.

4.3 Step 3 - Interconnection Offer

If following the detailed study the proponent wishes to proceed with the interconnection, where it is feasible and consistent with safety requirements Evoenergy will provide an Interconnection Offer. This offer will include a related Interconnection Agreement (as described in section 8) and any other relevant documentation that may be required as determined on a case by case basis.

It is anticipated that the Interconnection Offer will include information pertaining to each party's role and responsibilities, notice of any further design work required, options for Evoenergy led or proponent led construction, and installation, testing and commissioning processes. Whether an offer is provided in response to a preliminary enquiry or a formal access request, Evoenergy would engage constructively with the proponent to resolve any questions or concerns it may have in respect of the offer so the parties can progress to execution of the offer. If required Evoenergy would seek to agree a timetable for formal negotiation under the NGR.

4.4 Step 4 – Approvals

If the proponent wishes to proceed with the Interconnection Offer, the proponent must obtain any necessary approvals or consents including those required under the National Gas Law, National Gas Rules, Pipelines Act (1967) and other applicable laws.

A guide to the NSW planning system for Hydrogen developments can be found here: [Hydrogen Guideline](#).

Evoenergy may also be required to obtain approvals or consents in relation to the proposed interconnection and Evoenergy will use reasonable endeavours to obtain these approvals and consents. Any Interconnection Offer from Evoenergy for interconnection will be conditional on Evoenergy obtaining any necessary approvals and consents.

⁴ Hazard and Operability Analysis.

The proponent may be required to procure or provide land tenure or access if needed by Evoenergy to facilitate the interconnection, undertake any on-going operation and maintenance of the distribution connected facility or carry out any required network extension.

4.5 Step 5 – Detailed Design and Review

Incorporating the information provided by Evoenergy as a result of the detailed study, the proponent will need to provide for Evoenergy's approval the following information for those parts of the interconnection the proponent proposes to construct, operate or maintain:

- a) Design Basis Manual;
- b) Lead Drawings, including:
 - i) Piping and Instrument diagram, and
 - ii) General Arrangement
- c) Outline of specifications for critical equipment; and
- d) Safety Management Study report.

Following receipt of the above information, Evoenergy will review the design and equipment to confirm requirements are met. Evoenergy will indicate if design and/or equipment is not approved, and when any additional information or equipment is required in order to consider or progress the approval.

During this step, Evoenergy will inform the proponent if any independent design verification/validation process is to be required, and if it is, then this will be undertaken at the proponent's expense.

4.6 Step 6 – Evoenergy Design

Once sufficient information is available, Evoenergy will commence the process for the design of the physical connection, network and system modifications and communications links required for the interconnection in accordance with the requirements of this Interconnection Policy and the terms of the Interconnection Agreement. As appropriate, Evoenergy will include the proponent's representatives in the design review processes associated with this step. Upon completion of the Evoenergy design, the estimated cost and timings will be confirmed by Evoenergy.

4.7 Step 7 – Construction and Commissioning

Construction and commissioning will be undertaken by the proponent and/or Evoenergy, as specified in the Interconnection Offer.

The proponent will provide to Evoenergy for its approval:

- a) Inspection Test Plans or similar documentation to allow Evoenergy to identify the level of involvement in physical acceptance testing that will be undertaken;
- b) Construction Program. Evoenergy will work with the proponent to coordinate any construction activities associated with the tie-in of physical and communications elements.
- c) Commissioning Plan. Evoenergy will work with the proponent to coordinate any commissioning activities associated with the commissioning of the interconnection.

Prior to any gas entering the Evoenergy Network, a formal acceptance and Evoenergy approval process will be required, including for all commercial and technical matters.

4.8 Step 8 – Commence Operations

Following the formal acceptance and approval process on all commercial and technical matters, Evoenergy will notify when the interconnection can commence operation.

5. Evoenergy Policies

The proponent will need to comply with the requirements of the Interconnection Terms and Conditions (Section 8) and Evoenergy's applicable policies (which can be assessed based on the type/nature of the proposed interconnection), noting in particular the policies listed below:

5.1 Gas Balancing Policy

Currently the ACT, Queanbeyan and Bungendore network is balanced via the Operational Balancing Gas (OBG) process, managed by Jemena.

- Hoskinstown receipt point is under flow control and actual volumes at this receipt point are delivered in line with daily shipper nominations at Hoskinstown.
- Watson receipt point is under pressure control and actual volumes at this receipt point are dictated by the pressure in the APA Group network, the pressure in the Evoenergy network and customer demand.
- If nominations are less than actual receipts, the difference is OBG purchased by Evoenergy.
- OBG is then apportioned amongst the shippers and invoiced as a cost pass through.

The Nowra network is assumed to be in balance.

5.2 Curtailment Policy

To be published

6. Application Assessment

As the design, operation and location of interconnection can vary significantly to meet both Evoenergy and the proponent's requirements, applications for Interconnection will need to be individually assessed by Evoenergy on a case by case basis.

The assessment will examine the application against the following technical, safety and reliability principles, requirements and processes:

0. The interconnection must be technically feasible;
1. The interconnection must not compromise the safety of the gas distribution system;
2. The interconnection must not compromise the reliability of the gas distribution system;
3. The interconnection must not compromise the safety of consumers utilising the gas distribution system;
4. The interconnection facilities must be designed and constructed to ensure that any gas injected into the Evoenergy Network meets applicable quality requirements – including but not limited to gas composition, temperature and pressure – both prior to injection and once injected into the gas distribution system;
5. The construction and proposed operation of the interconnection must comply with good gas industry practice and meet all the compliance requirements of applicable legislation and regulations;
6. The interconnection must conform with applicable Australian Standards, codes and any other reasonable technical documentation required by Evoenergy;
7. The proponent of the interconnection must demonstrate it has a governance system to meet and ensure compliance with all applicable technical, safety and reliability principles, requirements and processes;
8. The proponent of the interconnection must demonstrate how the operations and operations management of the interconnection will meet all applicable technical, safety and reliability principles, requirements and processes;
9. The interconnection must be in alignment with all other reasonable requirements of Evoenergy and meet the requirements of this Interconnection Policy, Evoenergy's Curtailment Methodology and Evoenergy's User Access Guide.

In order to conduct the assessment, Evoenergy will require the proponent to submit the relevant technical information, including design documentation, safety management documentation (HAZOP, CHAZOP, Risk Assessments, etc.), commissioning documentation, proposed operational manuals and details of any approvals (including regulatory approvals). Evoenergy will identify any additional documentation required to be submitted once it has assessed the initial application documentation submitted by the proponent.

The timeline for the full assessment of an Application and preparation of an offer will typically vary between two (2) and twelve (12) months, subject to the complexity of the proposed interconnection, the quality of the submission, and the preparedness and responsiveness of the proponent.

7. Interconnection Fees

Given the potential variation in the types and complexity of interconnection, the interconnection fee charged to the interconnecting party will need to be determined on a case by case basis.

As set out in rule 38 (3), if Evoenergy develops the interconnection (or part of the interconnection) the interconnection fee that is charged to the interconnecting party will be based on the attributable cost of constructing, operating and maintaining the interconnection to the extent that this is undertaken by Evoenergy, including so as to achieve a rate of return calculated in accordance with the applicable rate of return instrument.

8. Interconnection Terms and Conditions

To be published