

Appendix B Asset management overview

This appendix provides an overview of Powerlink's approach to asset management.

B.1 Introduction

Powerlink's Asset Management System forms part of Powerlink's Business Strategy, and is integral to managing and monitoring assets across the asset life cycle and captures key internal and external drivers and initiatives for the business.

Factors that influence network development, such as energy and demand forecasts, generation development, emerging industry trends and technology, and risks arising from the condition and performance of the existing asset base, are analysed collectively to support integrated network planning over a 10-year period.

B.2 Overview of approach to asset management

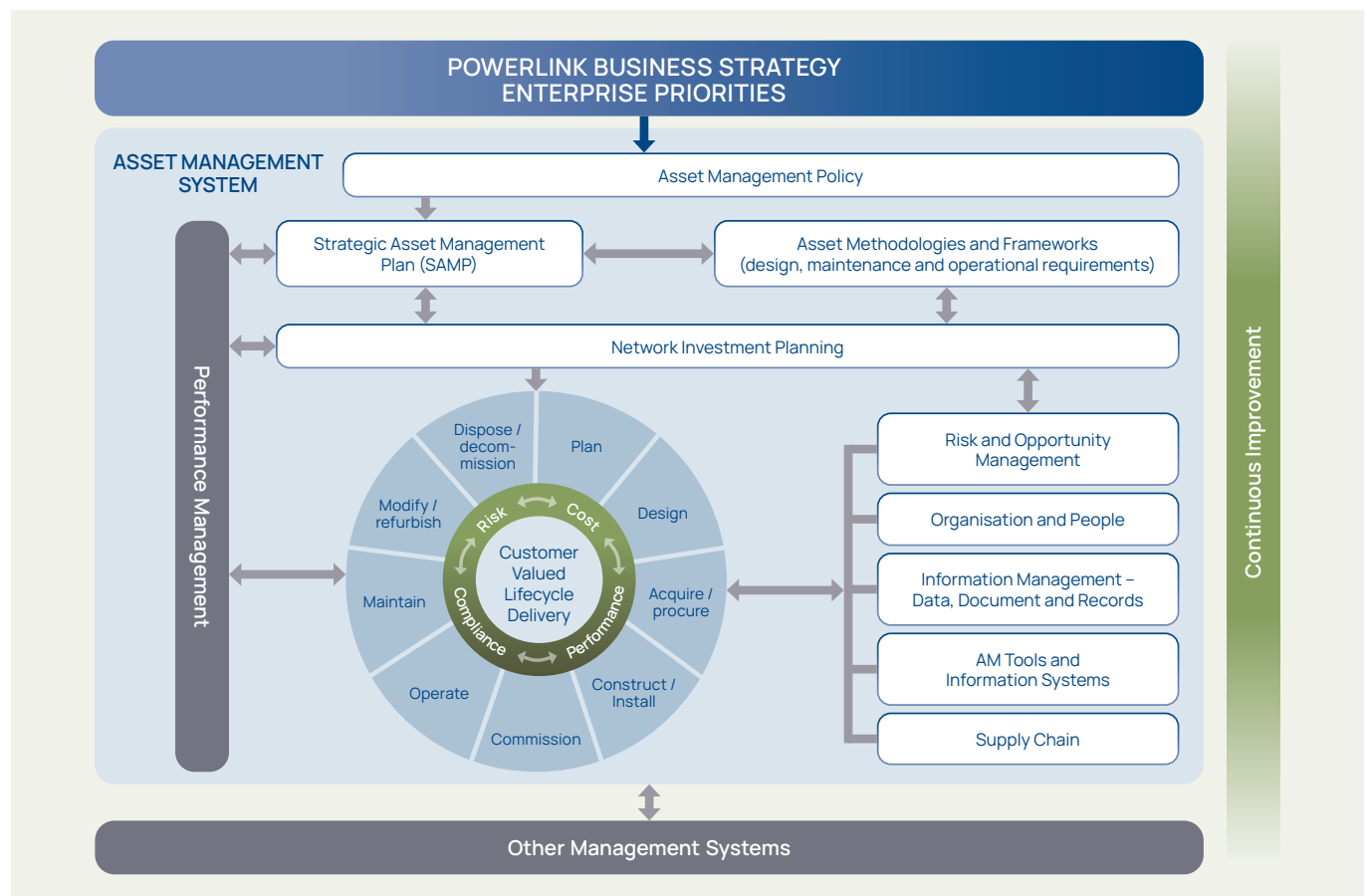
Powerlink's asset management approach ensures assets are managed in a manner consistent with overall corporate objectives to deliver safe, reliable and cost-effective services.

Asset management is a critical aspect of Powerlink's operations, ensuring efficient management of assets and optimal utilisation of resources. Figure B.1 illustrates the relationships and linkages between the Asset Management Policy, Strategic Asset Management Plan (SAMP), and other components of the Asset Management System.

Powerlink's asset management and joint planning approach ensures asset reinvestment needs consider the enduring need and most cost-effective options as opposed considering only like-for-like replacements. A detailed analysis of both asset condition and network capability is performed prior to proposed reinvestment and where applicable, a Regulatory Investment Test for Transmission (RIT-T) is undertaken in order to bring about optimised solutions that may involve network reconfiguration, retirement and/or non-network solutions (Refer to Appendix A and Section 5.3).

Powerlink's asset management approach is committed to achieving sustainable practices that ensure Powerlink provides a valued transmission service to meet customers' needs by optimising whole of life cycle costs, benefits and risks and ensuring compliance with applicable legislation, regulations and standards.

Figure B.1 Asset management overview



B.3 Powerlink's Asset Management System

The Asset Management System at Powerlink enables assets to be managed strategically, in line with corporate objectives and in coordination with other management systems.

Underpinning this system is the Asset Management Policy which sets out the principles to be applied for making asset management decisions as well as ensuring delivery of these decisions. The Asset Management Policy aligns Powerlink's strategic objectives with customer and stakeholder requirements.

The SAMP is developed based on Asset Management Policy principles which are used to inform asset management methodologies and activities. The SAMP and other asset management methodologies consider the need to continually improve asset management practices.

Powerlink undertakes periodic reviews of network assets considering a broad range of factors, including physical condition, capacity constraints, performance and functionality, statutory compliance and ongoing supportability.

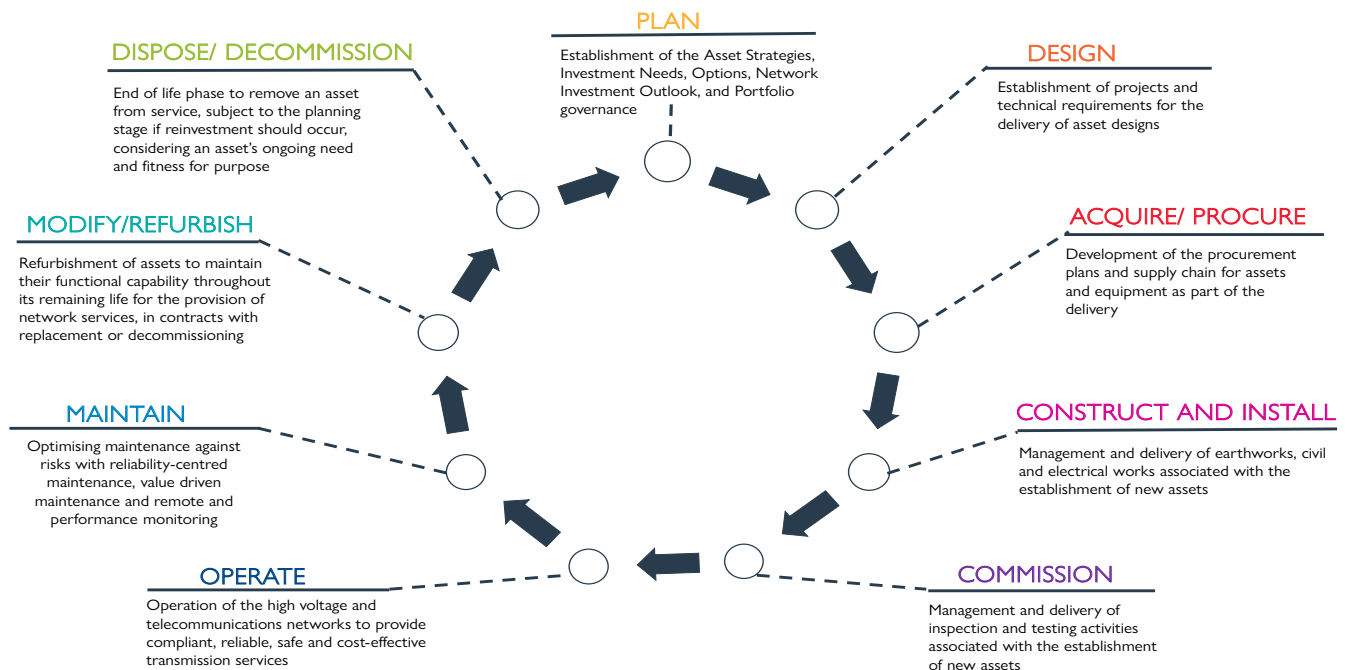
Asset methodologies provide whole of life cycle management for each asset category (transmission lines, substations, digital assets, land assets and underground cables) to inform the delivery of asset life cycle stages.

All asset management related activities are undertaken by applying relevant procedures, specifications and guidelines for delivering each stage of an asset life cycle activity.

Asset information is key for Powerlink's asset management with asset data, information and knowledge used to inform a range of asset management and investment decision making processes. Asset information comes from the analysis of asset data which is used to inform decisions on how Powerlink's assets are managed for both short term operational purposes and longer-term strategic plans.

Life cycle delivery establishes how and what is needed for asset decisions and activities in consideration of the Asset Management System. Powerlink defines asset life cycle and main activities throughout the nine stages shown in Figure B.2.

Figure B.2 Powerlink's Asset Life cycle Stages



B.4 Flexible and integrated network investment planning

A fundamental element of the Asset Management System involves processes to manage the life cycle of assets, from planning and investment to operation, maintenance and refurbishment, and end of technical service life.

A range of options are considered as part of a flexible and integrated approach to network investment planning. These options may include retiring or decommissioning assets where there is unlikely to be an ongoing future need, refurbishing to maintain the service life of assets, replacing assets with different capacity or type to match needs, alternate network configuration opportunities, and non-network solutions.

The purpose of Powerlink's network investment planning is to:

- apply the principles set out in Powerlink's Asset Management Policy, SAMP and related processes to guide network asset planning and reinvestment decisions
- provide an overview of asset condition and health, life cycle plans and emerging risks related to factors such as safety, network reliability, resilience and obsolescence
- provide an overview and analysis of factors that impact network development, including energy and demand forecasts, generation developments, forecast network performance and capability, and the condition and performance of Powerlink's existing asset base
- identify potential opportunities for optimisation of the transmission network
- provide the platform to enable the transformation to a more sustainable, cost-effective and climate resilient power system.

B.5 Asset Management Implementation

Powerlink has adopted implementation strategies across its portfolio of projects and maintenance activities aimed at efficiently delivering the overall work program, including prudent design standardisation by considering emerging trends in technology, portfolio management and supply chain management.

One of Powerlink's objectives includes the efficient implementation of work associated with network operation, field maintenance and project delivery. Powerlink continues to pursue innovative work techniques that:

- reduce risk to personal safety
- optimise maintenance and/or operating costs
- reduce the requirement for and minimise the impacts of planned outages on the transmission network.

In line with good practice, Powerlink also undertakes regular auditing of work performed to facilitate the continuous improvement of the overall Asset Management System.

B.6 Further information

Further information on Powerlink's Asset Management System may be obtained by emailing NetworkAssessments@powerlink.com.au.