



McGill Engineering Services Pty Ltd

Engineering, Adjudication & Arbitration Services ABN 45 106 691 169

WALKAWAY WIND POWER PTY LTD ELECTRICITY GENERATION LICENCE EGL 2 ASSET MANAGEMENT SYSTEM REVIEW

Prepared By Kevan McGill
30 April 2013



McGill Engineering Services Pty Ltd

Engineering, Adjudication & Arbitration Services ABN 45 106 691 169

Neil Raffan
Risk & Sustainability Manager – Australia
Infigen Energy
Level 22, 56 Pitt Street, Sydney NSW 2000

Dear Mr Raffan

Asset Management System Review Electricity Licence

The fieldwork on the asset management system review of Generation Licence EGL 2 for the review period (1 February 2010 to 31 January 2013) is complete and I am pleased to submit the report to you.

In my opinion, the Licensee maintained, in all material aspects, effective control procedures and an effective asset management system in relation to the Generation Licence EGL 2 for the review period on the relevant clauses referred to within the scope section of this report.

There are no items to address.

Yours sincerely

Kevan McGill
Director

Date 30 April 2013

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Executive Summary

Walkaway Wind Power Pty Ltd (Walkaway) holds Generation Licence EGL 2 issued by the Economic Regulation Authority under the Electricity Industry Act 2004 (WA). The Electricity Industry Act 2004 (WA) requires the holder of Generation Licence to undertake a Review, and provide the Authority a report, by an independent expert on the effectiveness of their Asset Management System. This Review of the Walkaway Asset Management System was conducted in accordance with the guidelines issued by the Economic Regulation Authority (*Authority*) for the review period (1 February 2010 to 31 January 2013) to assess the Licensee's asset management systems.

Following development of an Asset Management System Review Plan and its approval by the *Authority*, Walkaway appointed McGill Engineering Services to undertake the Review.

OVERALL CONCLUSION

In my opinion, the Licensee maintained, in all material aspects, an effective asset management system in relation to the Generation Licence EGL 2 for the review period based on the relevant clauses referred to within the asset management review objectives (Page 7) of this report.

There are no items to address.

LICENCE

The Licensee is a subsidiary of the Infigen Energy Group (Infigen) and does not have the role to carry out the strategic asset management roles or any strategic decisions on customers. Infigen Energy carries out these functions.

AMS REVIEW – METHODOLOGY AND SUMMARY

The overall effectiveness rating for an asset management process is based on a combination of the process and policy adequacy rating and the performance rating. The rating systems are given below followed by a summary table of the Asset Management Effectiveness.

RATING SYSTEM

The definition tables for process and policy adequacy rating and the performance rating are provided below.

Asset management process and policy definition adequacy ratings

Rating	Description	Criteria
A	Adequately defined	<ul style="list-style-type: none">Processes and policies are documented.Processes and policies adequately document the required performance of the assets.Processes and policies are subject to regular reviews, and

		<ul style="list-style-type: none"> updated where necessary The asset management information system(s) are adequate in relation to the assets that are being managed.
B	Requires some improvement	<ul style="list-style-type: none"> Process and policy documentation requires improvement. Processes and policies do not adequately document the required performance of the assets. Reviews of processes and policies are not conducted regularly enough. The asset management information system(s) require minor improvements (taking into consideration the assets that are being managed).
C	Requires significant improvement	<ul style="list-style-type: none"> Process and policy documentation is incomplete or requires significant improvement. Processes and policies do not document the required performance of the assets. Processes and policies are significantly out of date. The asset management information system(s) require significant improvements (taking into consideration the assets that are being managed).
D	Inadequate	<ul style="list-style-type: none"> Processes and policies are not documented. The asset management information system(s) is not fit for purpose (taking into consideration the assets that are being managed).

Asset management review effectiveness rating scale

Rating	Description	Criteria
1	Performing effectively	<ul style="list-style-type: none"> The performance of the process meets or exceeds the required levels of performance. Process effectiveness is regularly assessed and corrective action taken where necessary.
2	Opportunity for improvement	<ul style="list-style-type: none"> The performance of the process requires some improvement to meet the required level. Process effectiveness reviews are not performed regularly enough. Process improvement opportunities are not actioned.
3	Corrective action required	<ul style="list-style-type: none"> The performance of the process requires significant improvement to meet the required level. Process effectiveness reviews are performed irregularly, or not at all. Process improvement opportunities are not actioned.
4	Serious action required	<ul style="list-style-type: none"> Process is not performed, or the performance is so poor that the process is considered to be ineffective.

ASSET MANAGEMENT EFFECTIVENESS SUMMARY

A summary of the auditor’s assessment of both the process and policy definition rating and the performance rating for each key process in the Licensee’s asset management system using the scales described below.

Asset management effectiveness summary

ASSET MANAGEMENT SYSTEM	Asset management process and policy definition adequacy rating	Asset management performance rating
1. Asset planning	A	1
2. Asset creation/ acquisition	A	1
3. Asset disposal	A	NR ¹
4. Environmental analysis	A	1
5. Asset operations	A	1
6. Asset maintenance	A	1
7. Asset Management Information System	A	1
8. Risk management	A	1
9. Contingency planning	A	1
10. Financial planning	A	1
11. Capital expenditure planning	A	1
12. Review of AMS	A	1

A Not Rated (NR) score is given when there was insufficient evidence relevant within the audit period to make a determination.

It is not implied that any assessment at “A” or “1” means that there is not scope for continuous improvement, rather that no recommendations for improvement have been recommended in this report.

RECOMMENDATIONS

Asset Maintenance

An opportunity for improvement was identified. While there is fire detection system in the switch room, an early warning system such as Vesda could improve vulnerability against failure of this common mode item.

Risk Management

An opportunity for improvement was identified. Install vented rack for LPG storage.

POST REVIEW IMPLEMENTATION PLAN

The Licensee will provide a post review implementation plan.

¹ NR – Not Rated

Asset Management System Review

ASSET MANAGEMENT SYSTEM REVIEW OBJECTIVES

Under the *Electricity Industry Act 2004* (the Act) section 14, the holder of a Generation Licence must develop an Asset Management Plan and maintain an asset management system to manage the assets accordingly for delivery of a reliable service to its customers. The Act requires a review of the asset management system every two years (or other time approved by the *Authority*).

This report is an impartial review of the Licensee's asset management effectiveness under the Audit Guidelines: Electricity, Gas and Water Licence published by the ERA.

The review was conducted in March / April 2013 and examined the asset management processes used by the Licensee in delivering the services to its customers. These services include lifecycle processes for:

- Asset planning;
- Asset creation/acquisition;
- Asset disposal;
- Environmental analysis;
- Asset operations;
- Asset maintenance;
- Asset management information system (AMIS);
- Risk management;
- Contingency planning;
- Financial planning;
- Capital expenditure planning; and
- Review of the asset management system.

As well as the processes, the asset management supporting systems were tested as to their use and effectiveness. Data used by the Licensee was also examined with respect to its effectiveness for asset management and the delivery of outcomes.

The recommendations identified in the previous review were examined and the outcomes included in this report.

Tests were undertaken through interviews and investigation of the processes to assess whether they were being performed as documented.

The Licensee appointed McGill Engineering Services Pty Ltd to conduct the review of its Generation Licence with approval from the *Authority*. A preliminary assessment was conducted with the Licensee's management to determine the inherent risk and the state of control for each compliance element of the Licence obligation. McGill Engineering Services Pty Ltd then prioritised the audit coverage based on the risk profile of the

Licensee with an emphasis on providing greater focus and depth of testing for areas of higher risk to provide reasonable assurance that the Licensee had complied with the standards, outputs and outcomes under the Licence obligations.

STATEMENT OF INDEPENDENCE

To the best of my knowledge and belief, there is no basis for contraventions of any professional code of conduct in respect of the audit.

I have not undertaken and do not contemplate undertaking any other work with the Licensee.

There are no independence threats due to:

- self-interest – as the audit company or a member of the audit team have no financial or non-financial interests in the licensee or a related entity;
- self-review – no circumstance has occurred where:
 - the audit company or a member of the audit team has undertaken other non-audit work for the licensee that is being evaluated in relation to the audit/review; or
 - a member of the audit team was previously an officer or director of the licensee; or
 - a member of the audit team was previously an employee of the licensee who was in a position to exert direct influence over material that will be subject to audit during an audit/review.

There is no risk of a self-review threat as:

- no work
 - has been undertaken by the auditor, or a member of the audit/review team, for the licensee within the previous 36 months; and
 - is currently being undertaken for the licensee; and
 - is currently proposed to be submitted by the auditor as an offer to undertake work for the licensee within the next 6 months; and
- familiarity – there is no close family relationship with a licensee, its directors, officers or employees, and
- the auditor is not nor is perceived to be too sympathetic to the licensee's interests.

REVIEW (AUDIT) PERIOD

The review (audit) period is 1 February 2010 to 31 January 2013. The previous review period was 1 February 2008 to 31 January 2010.

SCOPE LIMITATION

The review was undertaken by examination of documents, interviews with key persons and observations and is not a detailed inspection of physical items.

PREVIOUS ACTIONS

There are previous actions to review from the Audit Report for the period 1st February 2008 to 31st January 2010, as shown below:

Ref	Description	Compliance	R	Corrective Action	Post Review Implementation Plan	Actions taken	Further recommendations
2.5	Commissioning tests are documented and completed	<p>The auditor examined the documentation pertaining to the failure of a significant asset component (gear box). The Component Inspection Report on Turbine 21346 identified a failed asset that was subsequently replaced. We were not able to sight the decommissioning report or the engineer's report that described the failure mode of the asset. Neither were we able to sight the commissioning report of the replacement blade. After further investigations the location of the failed unit was identified, but it was not easily assessed.</p> <p>After discussions with the site supervisor, it was established that most equipment did not go through a commissioning phase as failed equipment is generally replaced. In addition as the site is relatively new (circ 5 years) there have been few replacements. We were able to sight work instructions that identified equipment that had been replaced, but this did not include a commissioning component.</p> <p>With regards to commissioning test, the auditor's opinion is that the design of this wind farm permits a replacement strategy without an established commissioning phase. This is driven by the commonality of components to all turbines and number of differing components being far lower than a coal fuelled power station. The auditor also recognises that replacement equipment is tested prior to being on site by the manufacturers.</p> <p>However we do note that we were not able to clearly identify the location of failed assets. That is the smaller items (circuit boards, controllers) were not clearly marked as unfit for service. This does leave a potential risk that a failed components could be inadvertently re-used.</p>	B2	<p>Improve documentation on commissioning of new or refurbished equipment. Review the approach to maintenance documentation and identification so to prevent failed equipment being returned to service.</p>	<p>Details of equipment that has failed and is removed from service shall be entered into the service report on SAP along with the relevant equipment serial number and references to other reports filed to facilitate traceability. Details of new or replacement equipment that is installed shall be entered into the service report on SAP along with the relevant equipment serial number and references to other reports filed to facilitate traceability.</p>	<p>Refurbished equipment is given new ID in SAP to distinguish from old and faulty items.</p>	<p>None - Action completed</p>
5.6	Staff receive training commensurate with their responsibilities	<p>We examined the training records of the staff on site and found that the documentation was lacking. Initially a high level review was undertaken that examined the first aid training and vehicle training. We found that according to the records kept on site we were not able to determine who had in date certification or who required refresher courses. The auditor would like to highlight that we believe that the training has been</p>	C3	<p>Review the approach to how assurance is attained that site staff and visiting site staff have the appropriate training and certification. Review site induction process to ensure that all</p>	<p>The Training Matrix shall be maintained to identify all current competencies and required competencies. With reference to the Training Matrix a gap analysis shall be</p>	<p>Training matrix maintained and updated. Induction form reviewed. Details of certificates filed. One first aid</p>	<p>None - Action completed</p>

		<p>undertaken and this pertains to a record keeping issue. Specific details are given below.</p> <p>First aid training We examined the list of authorised first aider on site, we found that according to the documentation certification had expired. We were not able to sight copies of the certificate nor were we able to confirm that the training had been undertaken,</p> <p>Forklift truck certification - We examined the list of personnel who were listed as having a licence to drive a forklift truck. As above we were not able to sight copies of licences for fork lift truck drivers; however some of the drivers had their licence on them.</p> <p>Visiting technicians - Vestas utilise technicians that are based on other wind farms or other countries. A site induction is undertaken and a requirement is that copies of licences are obtained. We found that an attending technician had not supplied copies of the forklift truck licence and did not have the licence on them.</p> <p>We have no reason to believe that the person is not authorised, however we do believe that the inability to note who has a licence to an unacceptable risk.</p> <p>We understand that Vestas are in the process of implementing a central system for all documentation and licensing, but the site supervisors do not have access to all visiting technicians, therefore are unable to verify that that appropriate training as been undertaken and is in date.</p>		<p>visiting site staff have the appropriate qualifications before commencement of work.</p>	<p>conducted to determine training requirements. At induction new personnel including visiting technicians and subcontractors shall be requested to provide a copy of certificates of competency prior to work start and these shall be filed on site. The Induction form shall be revised to incorporate the requirement to identify and provide evidence of competencies.</p>	<p>certificate was old but the person was on restricted duties not requiring first aid qualifications. The form has been amended.</p>	
7.5	Physical security access controls appear adequate	<p>Site security is adequate for a remote location with the main office locked over night and the compound secured.</p> <p>We did note two issues:</p> <p>1) Site vehicle was stationary with the keys in the ignition during the day.</p> <p>The is the possibility that an unauthorised person can access the vehicle</p> <p>2) Fuel kept outside the compound in a container that was not locked.</p> <p>A new chemical shed has been constructed however during the audit the chemicals were stored outside the compound</p>	C3	<p>Review site security with regards to vehicle security and equipment outside the secure compound.</p>	<p>The Induction form shall be revised to incorporate security requirements. The keys to all vehicles stored outside the compound shall be placed on a key board in a secure place in the site office. All hazardous substances shall be stored in the new chemical shed hat has been constructed in the site compound.</p>	<p>Form modified.</p> <p>Policy is to remove keys from vehicles. Action communicated at tool box meeting. Hazardous substances stored in Chemical store. Installed LPG gas to be in vented rack (by regulation cannot be inside chemical store).</p>	<p>None - Actions completed</p> <p>Note that this item from the last review is out of context of an AM IT system security requirements. New actions are under Risk management.</p>

CONTACTS

The key contacts were:

- Licensee:
 - Carsten Johansen, Site & Technical Manager - Alinta Wind Farm
 - Gary Mackay, Vestas Fleet Manager
 - Neil Raffan, Risk & Sustainability Manager - Australia
- Vestas Australian Wind Technology Pty Ltd (key service provider):
 - Anthony Russell, Site Supervisor
 - Matt Dickie, Area Service Manager
- McGill Engineering Services Pty Ltd:
 - Kevan McGill, John McLoughlin

The review was conducted during March / April 2013. Kevan McGill and John McLoughlin took approximately 60 (50/10) hours on the review.

LICENSED SYSTEMS

Generation

Walkaway Wind Power Pty Ltd has a wind farm at Walkaway (near Geraldton). There are 54 wind turbines and associated infrastructure, providing a total electricity generation capacity of 89.1MW.

REVIEW EVIDENCE

The following was considered in the review.

- Generation Licence
- Licence fee invoice /receipts
- ERA annual returns
- Infigen Australian Business Strategy April 2012 (Asset Mgt Extracts)
- Asset Policy
- Alinta/Walkaway FY13 Asset Management Plan
- Plant Risk Register
- RCA Reports
- Vestas Monthly Reports - November & December 2012
- Infigen Monthly Performance Reports - November & December 2012
- WWP statutory accounts
- WWP 5 Year financial plan
- Walkaway land lease payments
- Safety Reliability Maintenance & Technical Management Plan - Alinta Wind farm (SRMTMP)
- Outage information
- Risk planning information
- Directors approval of Annual reports notes
- Asset management information
- Financial data sighted

OVERALL CONCLUSION

In my opinion, the Licensee maintained, in all material aspects, effective control procedures and an effective asset management system in relation to the Generation Licence EGL 2 for the review period based on the relevant clauses referred to within the asset management review objectives (Page 7) of this report.

FINDINGS

The conclusions of each of the elements of the licence are summarised in the following tables.

ASSET MANAGEMENT SYSTEM REVIEW RESULTS AND RECOMMENDATIONS

Asset Planning	Process/Policy rating	Effectiveness rating
	A	1
<p>1. <i>Asset planning</i></p> <p>Asset planning strategies are focused on meeting customer needs in the most effective and efficient manner (delivering the right service at the right price).</p>		
<p>Observations</p>		
<p><i>Asset Planning Process/Plan and its currency</i></p> <p>The Licensee is a subsidiary of the parent/owning company and has no role in strategic matters and accordingly the full scope of asset management is not able to be carried out by the Licensee The owners make the decisions if and when to invest and will make the disposal decisions.</p> <p>There is an Asset Management Plan (AMP) that covers the asset management for the licensed plant.</p> <p>The Licensee's owner, Infigen, is a renewable energy business whose assets include other wind farms in addition to this plant. Asset Planning is core business function of Infigen.</p> <p><i>Allocation of responsibilities / statutory obligations</i></p> <p>The organisational arrangements allocate responsibilities. There is documentation (AMP) requiring compliance with statutory obligations. Staff responsibilities are assigned in local plan and policy documents.</p> <p><i>Evaluation Criteria summary Licensee</i></p> <ul style="list-style-type: none"> • Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning Response: The Licensee does not carry out these functions and they are carried out by the parent company. For the operating/maintaining functions carried out by the Licensee the AMP meets the requirement. • Service levels are defined Response: The AMP defines service levels. The owners require service level to be delivered. The Power purchase agreement also specifies service levels e.g. Minimum Supply Obligations (i.e. Minimum MWh that need to be generated in certain time periods). • Non-asset options (e.g. demand management) are considered Response: The Licensee does not carry out these and the parent will either decide to make an asset investment or not. Non asset options would be a decision that asset option is not pursued. • Lifecycle costs of owning and operating assets are assessed Response: The AMP meets this criterion as lifecycle costs of owning and operating assets are assessed. • Funding options are evaluated 		

<p>Response: The Licensee cannot carry out evaluation of funding options for development outside this plant and if it is carried out it will be by the parent company.</p> <ul style="list-style-type: none"> • Costs are justified and cost drivers identified <p>Response: Costs of the plant are monitored and costs are justified and cost drivers identified for the licensed plant.</p> <ul style="list-style-type: none"> • Likelihood and consequences of asset failure are predicted <p>Response: The AMP meets this criterion as there are risk assessments of asset failure and consequences.</p> <ul style="list-style-type: none"> • Plans are regularly reviewed and updated <p>Response: The review of the broader aspects cannot be undertaken by the Licensee but the AMP for this asset can be reviewed.</p> <p><i>Evaluation Criteria summary – Infigen Energy</i></p> <ul style="list-style-type: none"> • Planning process and objectives reflect the needs of all stakeholders and is integrated with business planning <p>Response: Asset planning is a core business function. The needs of stakeholders are part of the process.</p> <ul style="list-style-type: none"> • Service levels are defined <p>Response: The AMP defines service levels. The power purchase agreement also specifies service levels.</p> <ul style="list-style-type: none"> • Non-asset options (e.g. demand management) are considered <p>Response: As an energy business, non asset solutions are a rejection of an acquisition or development decision.</p> <ul style="list-style-type: none"> • Lifecycle costs of owning and operating assets are assessed <p>Response: The process meets this criterion as lifecycle costs of owning and operating assets are assessed.</p> <ul style="list-style-type: none"> • Funding options are evaluated <p>Response: The policy has a compressive evaluation of funding options.</p> <ul style="list-style-type: none"> • Costs are justified and cost drivers identified <p>Response: Costs of the plant are monitored and costs are justified and cost drivers identified.</p> <ul style="list-style-type: none"> • Likelihood and consequences of asset failure are predicted <p>Response: There are risk assessments of asset failure and consequences.</p> <ul style="list-style-type: none"> • Plans are regularly reviewed and on a 12 months cycle. 							
Asset management process and policy definition							
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>				
<ul style="list-style-type: none"> • Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan (AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Alinta/Walkaway FY13 Asset Management Plan long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy. 							
Asset management performance							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
Issues							

The Licensee conducts the shorter timeframe asset management elements, (operations and maintenance by contract to the equipment manufacturer – Vestas and the balance of plant to Tenix (a well established contractor) and longer term issues for the licensed assets, such as the competitive environment and whole of life of the plant issues, are undertaken by the parent body. The Licensee does not carry out these functions as it is not within their role to undertake this work. There has been broad asset planning activity by the owner in the review period with plant installed in South Australia and NSW.

The owner would be rated A/1.

For the roles within the capacity of the Licensee to undertake the rating would be A/1 but this cannot reflect the broader roles, so a Not rated/ Not Rated rating is appropriate. It is worth noting that whilst a rating has been provided above, this function is not undertaken by the Licensee i.e. Walkaway Wind Power Pty Ltd but by Infigen Energy.

Recommendation

None - as the Licensee does not undertake the strategic roles.

Asset Creation	Process/Policy rating A	Effectiveness rating 1
<p><i>2 Asset creation and acquisition</i></p> <p>Asset creation/acquisition means the provision or improvement of an asset where the outlay can be expected to provide benefits beyond the year of outlay.</p>		
<p>Observations</p>		
<p><i>Policies and procedures for asset creation / sample creation activities</i></p> <p>Procurement of major electricity plant is a very significant exercise taking considerable time. There has been no asset creation of the generation plant in the audit period by the Licensee. The Licensee is a subsidiary of the parent/owning company and has no resources and accordingly the Licensee has no capacity to undertake asset creation functions. There has not been any major capital development since commissioning.</p> <p>The owner, Infigen, has made asset creations in the audit period in South Australia and NSW.</p> <p><i>Meeting statutory obligations</i></p> <p>There are documents (AMP) requiring employees and contractors to meet statutory obligations.</p> <p><i>Evaluation Criteria summary - Licensee</i></p> <ul style="list-style-type: none"> • Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions <p>Response: The Licensee cannot carry out these functions as the Licensee's role does not allow the asset creation functions to be undertaken.</p> <ul style="list-style-type: none"> • Evaluations include all life-cycle costs <p>Response: The Licensee cannot carry out these functions as the Licensee's role does not allow the asset creation functions to be undertaken.</p> <p>The AMP includes life cycle costing of this asset.</p> <ul style="list-style-type: none"> • Projects reflect sound engineering and business decisions <p>Response: There will be no asset creation by the Licensee.</p> <ul style="list-style-type: none"> • Commissioning tests are documented and completed <p>Response: This will be the outcome of the owning parent company deciding to create an asset and when the operating and maintenance contract is put in place – before or after commissioning. The commissioning of the existing plant was completed and documented with acceptance testing and handover checklists.(9.4 of SRMTMP plan)</p> <p><i>Comment from last audit:</i> Improve documentation on commissioning of new or refurbished equipment. Review the approach to maintenance documentation and identification so to prevent failed equipment being returned to service. Note: this item is actually an issue for maintenance rather than commissioning of the plant</p> <p>Action: Details of equipment that has failed and is removed from service shall be entered into the service report on SAP along with the relevant equipment serial number and references to other reports filed to facilitate traceability. Details of new or replacement equipment that is installed shall be entered into the service report on SAP along with the relevant equipment serial number and references to other reports filed to facilitate traceability.</p>		

<p><i>Refurbished equipment is given new ID in SAP to distinguish from old and faulty items.</i></p> <ul style="list-style-type: none"> Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood <p>Response: These responsibilities are assigned in the AMP.</p> <p><i>Evaluation Criteria summary –Infigen Energy</i></p> <ul style="list-style-type: none"> Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions <p>Response: The acquisition policy has full project assessments with testing of worst case downside case. Non asset solutions will result in not proceeding with the project.</p> <ul style="list-style-type: none"> Evaluations include all life-cycle costs <p>Response: The project evaluations include life cycle costing.</p> <ul style="list-style-type: none"> Projects reflect sound engineering and business decisions <p>Response: There is a comprehensive project evaluation of engineering and business decisions.</p> <ul style="list-style-type: none"> Commissioning tests are documented and completed <p>Response: The commissioning of this plant was completed and documented with acceptance testing and handover checklists.</p> <ul style="list-style-type: none"> Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood <p>Response: These responsibilities are assigned and understood.</p>							
Asset management process and policy definition							
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>				
<p>Evidence interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan (AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy.</p>							
Asset management performance							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
Issues							
<p>The owner Infigen Energy carries out the long term and strategic elements of an asset management system. The Licensee does not carry out these functions. There has been asset creation activity by the owner in the review period in South Australia and NSW.</p> <p>The owner would be rated A/1 but as the Licensee does not carry out all the roles defined in the Audit Guidelines the ratings are Not Rated/ Not Rated.</p>							
Recommendation							
None - as the Licensee does not undertake the asset creation roles.							

Asset Disposal	Process/Policy rating A	Effectiveness rating Not Rated
<p><i>3. Asset disposal</i></p> <p>Effective asset disposal frameworks incorporate consideration of alternatives for the disposal of surplus, obsolete, under-performing or unserviceable assets. Alternatives are evaluated in cost-benefit terms.</p>		
<p>Observations</p>		
<p><i>Policies and procedures for asset disposal / sample disposal activities</i></p> <p>There is no disposal action in the audit period to form an opinion about effectiveness. The responsibility for asset disposal belongs with the parent company and not the Licensee.</p> <p>The owner (Infigen Energy) has disposal and remediation obligations/processes but no Australian activity in the review period.</p> <p><i>Meeting statutory obligations</i></p> <p>There are documented obligations requiring employees and contractors to comply with statutory obligations.</p> <p><i>Evaluation Criteria summary - Licensee</i></p> <ul style="list-style-type: none"> • Under-utilised and under-performing assets are identified as part of a regular systematic review process <p>Response: The Licensee is responsible for the utilisation of the existing plant and has monthly performance reporting. The operation and maintenance plan (AMP) has a focus on performance.</p> <ul style="list-style-type: none"> • The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken <p>Response: The operation and maintenance plan has a focus on performance.</p> <ul style="list-style-type: none"> • Disposal alternatives are evaluated <p>Response: There is no likelihood of disposal of the plant as it is the sole asset of the Licensee and will not be a decision by the Licensee but by the parent company.</p> <ul style="list-style-type: none"> • There is a replacement strategy for assets <p>Response: The plan (AMP) meets this criterion and allow for equipment replacement but not plant replacement.</p> <p>The owner (Infigen Energy) has disposal and remediation processes but no activity in the review period.</p> <p><i>Evaluation Criteria summary - Infigen Energy</i></p> <ul style="list-style-type: none"> • Under-utilised and under-performing assets are identified as part of a regular systematic review process <p>Response: There are regular systematic review processes of performance. The owner determines if the asset is being used enough to warrant continuing to own it.</p> <ul style="list-style-type: none"> • The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken <p>Response: The performance assessments include reasons for poor performance. The operation and maintenance arrangement has a focus on performance. The</p>		

<p>wind turbine manufacturer has a maintenance contract.</p> <ul style="list-style-type: none"> Disposal alternatives are evaluated <p>Response: The assets have defined contract life and will not be disposed within that period.</p> <ul style="list-style-type: none"> There is a replacement strategy for assets <p>Response: The assets have a defined contract life and will not be disposed within that period. Opportunities for expansion could be explored. The plant is maintained for contract life. There are remediation obligations upon decommissioning, generally requiring above ground structures to be removed and hardstands and underground cabling to be buried to a depth of 300mm. Roads will be left in place for the continued use of landowners. Walkaway is accruing a liability to account for the costs of decommissioning the site at the end of the leases in compliance with the relevant accounting standards.</p>							
Asset management process and policy definition							
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>				
<p>Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan (AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy.</p>							
Asset management performance							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
Issues							
<p>The owner Infigen Energy carries out the long term and strategic elements of an asset management system. The Licensee does not carry out these functions. There has been no asset disposal activity in the review period.</p> <p>The owner would be rated A/Not Rated but as the Licensee is unable to carry out all the roles defined in the Audit Guidelines the ratings are Not Rated/ Not Rated.</p>							
Recommendation							
None - as the Licensee does not undertake the asset disposal roles.							

Environmental analysis	Process/Policy rating A	Effectiveness rating 1
<p><i>4. Environmental analysis</i></p> <p>Environmental analysis examines the asset system environment and assesses all external factors affecting the asset system.</p>		
<p>Observations</p>		
<p><i>Standards / monitoring / reporting / breaches</i></p> <p>The Licensee is a subsidiary of the parent/owning company and has no resources and accordingly the Licensee has no capacity to undertake the strategic environmental assessment roles. The Licensee has environmental management policies. Reporting and monitoring tools are appropriate.</p> <p>The Licensee has planning approval from the City of Greater Geraldton.</p> <p>The parent company has the responsibility for market surveillance for expansion opportunities or threats. The AMP addresses the economic, technological, market, political and regulatory risks from the perspective of this asset.</p> <p>The principal external opportunity is carbon pricing and raising the cost of competitors. Threats are extreme weather – lightning (affects blades as internal lightning protection is not totally effective) and high wind fluctuations (affects gear boxes). There are major spares holdings for critical plant failures such as a spare generator in Perth, spare gear boxes in Geraldton and 3 spare blades on site. Critical minor spares are held.</p> <p>The input of the external environment to asset planning is carried out by the Licensee for this plant but not in relation to strategic environmental issues.</p> <p>There have been no environmental issues.</p> <p><i>Evaluation Criteria summary - Licensee</i></p> <ul style="list-style-type: none"> • Opportunities and threats in the system environment are assessed Response: Opportunities/threats for this plant are part of the arrangement with the owning company (as per the AMP). The Licensee does not carry out the external functions as the Licensee’s business model and resources are those consistent with operating and maintaining wind turbine generation plant and they do not have the capacity to undertake external environmental functions outside those affecting this plant. • Performance standards (availability of service, capacity, continuity, emergency response, etc) are measured and achieved Response: The arrangement with the owner meets this criterion with service standards defined and measured and achieved. • Compliance with statutory and regulatory requirements Response: The arrangement with the owner meets this criterion and the Licensee’s policy documents require compliance with statutory and regulatory obligations. There have been no environmental breaches. • Achievement of customer service levels Response: The plant has achieved the required performance targets. 		

<p><i>Evaluation Criteria summary - Infigen Energy</i></p> <ul style="list-style-type: none"> • Opportunities and threats in the system environment are assessed Response: Opportunities and threats assessment is part of the acquisition policy. • Performance standards (availability of service, capacity, continuity, emergency response, etc) are measured and achieved Response: The service standards are defined and measured and achieved. • Compliance with statutory and regulatory requirements Response: The policy documents require compliance with statutory and regulatory obligations. • Achievement of customer service levels Response: The plant has achieved the required performance targets. 							
Asset management process and policy definition							
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>				
<p>Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan (AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy.</p>							
Asset management performance							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
Issues							
<p>There are no environmental breaches reported.</p> <p>For the roles that are within the capacity of the Licensee the rating would be A/1 but this cannot reflect the broader roles, so a Not rated/ Not Rated rating is appropriate. It is worth noting that whilst a rating has provided above, this function is not undertaken by the Licensee i.e. Walkaway Wind Power Pty Ltd but by Infigen Energy.</p>							
Recommendation							
None							

Asset operations	Process/Policy rating A	Effectiveness rating 1
<p><i>5. Asset operations</i></p> <p>Operations functions relate to the day-to-day running of assets and directly affect service levels and costs.</p>		
<p>Observations</p>		
<p><i>Policies and procedures for asset operation / sample activities</i></p> <p>The generation assets are 54 wind turbines. The plant is constructed to appropriate standards. The operational policies are well documented. . The Licensee operates the site, performing local switching in order to conduct scheduled and unscheduled maintenance on the turbines and balance of plant. The plant can be remotely constrained by Western Power from their operations centre. The plant is bid into the local energy market by the registered Market Participant, Alinta Energy.</p> <p>The asset register is part of the Licensee’s maintenance IT system. Walkaway has a spreadsheet for balance of plant assets.</p> <p><i>Training/ resources / exceptions</i></p> <p>The plant is operated by the Licensee in combination with Western Power and Alinta Energy as described above. The resourcing is appropriate and ongoing training is evident as are the operating procedures and practices.</p> <p><i>Evaluation Criteria summary</i></p> <ul style="list-style-type: none"> • Operational policies and procedures are documented and linked to service levels required Response: The arrangement with the owner meets this criterion with service standards defined. Operational procedures are documented. • Risk management is applied to prioritise operations tasks Response: The arrangement with the owner meets this criterion with operations (maintenance predominantly) based on risk assessment. • Assets are documented in an Asset Register including asset type, location, material, plans of components, an assessment of assets’ physical/structural condition and accounting data Response: Asset registers are contained with the appropriate information in the IT system. • Operational costs are measured and monitored Response: Operational costs – equipment, fuel, staffing, contracts and materials are measured and monitored. • Staff receive training commensurate with their responsibilities Response: Staff receive training commensurate with their responsibilities Item from last review: Review the approach to how assurance is attained that site staff and visiting site staff have the appropriate training and certification. Review site induction process to ensure that all visiting site staff have the appropriate qualifications before commencement of work. Action: The Training Matrix shall be maintained to identify all current competencies and required competencies. With reference to the Training Matrix a gap analysis shall be conducted to 		

<p>determine training requirements. At induction new personnel including visiting technicians and subcontractors shall be requested to provide a copy of certificates of competency prior to work start and these shall be filed on site. The Induction form shall be revised to incorporate the requirement to identify and provide evidence of competencies. <i>One first aid certificate was old but the person was on restricted duties not requiring first aid. The form has been amended.</i></p> <ul style="list-style-type: none"> • Performance measures such as unplanned outages Response: Outage log including forced outages has been sighted. 							
Asset management process and policy definition							
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>		
<p>Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan (AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy.</p>							
Asset management performance							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
Issues							
<p>The asset operation is appropriate for the duty.</p> <p>The rating based on the scope of asset management available to the Licensee is A/1. On the roles defined in the Audit Guidelines the rating is A/1.</p>							
Recommendation							
None							

Asset Maintenance	Process/Policy rating A	Effectiveness rating 1
<p><i>6. Asset maintenance</i></p> <p>Maintenance functions relate to the upkeep of assets and directly affect service levels and costs.</p>		
<p>Observations</p>		
<p><i>Policies and procedures for asset maintenance / sample activities</i></p> <p>Maintenance costs are closely monitored as they are a key indicator of performance.</p> <p>Maintenance is by contract to Vestas (plant manufacturer) and Tenix for balance of plant. There are performance measures that are being met. Note that the following comments relate to the contract maintenance and may be more than is required for the review which could be that the Licensee contracts for the maintenance obligation through robust contracts and more intrusive views may not be required.</p> <p>Contract maintenance is controlled by an IT system (SAP - 720) that coordinates tasks, incorporates condition, risk, breakdown and time based maintenance. Work orders are prioritised on the basis of the works impact on safety, environment and operational availability. Spare parts required for standard jobs and inventories are being developed as part of the system. Parts are packaged up in Melbourne and boxed for each project so the technician has the complete kit for the work.</p> <p>The asset plan for operations, maintenance and contingencies contains performance measures. The equipment manufacturer requires maintenance to their standard and frequency to validate warrantee conditions.</p> <p>There have been failures due to lightning which is unavoidable and to gear boxes which is a consequence of the high duty and high wind factors on the site (plant is working very hard). There have been a number of cable joint faults mainly attributable to poor initial choice of jointing equipment. The current joints are to a high standard (Raychem) and there has been no failure of replaced joints. Repair is by jointers located in Geraldton and joining equipment spares are held (Tenix contract).</p> <p><i>Training / resources / exceptions</i></p> <p>Maintenance is scheduled well into the future and these actions appear appropriate for the type of equipment. The resourcing is appropriate and ongoing training is evident as are the operating procedures and practices. High Voltage training occurs. Plant maintenance appears to take due allowance of any exceptions in the licensed plant.</p> <p><i>Evaluation Criteria summary</i></p> <ul style="list-style-type: none"> • Maintenance policies and procedures are documented and linked to service levels required <p>Response: The arrangement with the owner meets this criterion with service standards defined. Policies and procedures are documented.</p> <ul style="list-style-type: none"> • Regular inspections are undertaken of asset performance and condition <p>Response: The arrangement with the owner meets this criterion with inspections undertaken as part of manufacturer’s maintenance conditions.</p> <ul style="list-style-type: none"> • Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule 		

<p>Response: The arrangement with the parent company meets this criterion. Maintenance plans are documented and completed on schedule. The equipment manufacturer requires maintenance to their standard and frequency to validate warranted conditions.</p> <ul style="list-style-type: none"> Failures are analysed and operational/maintenance plans adjusted where necessary <p>Response: Failures are analysed and adjustments made where necessary.</p> <ul style="list-style-type: none"> Risk management is applied to prioritise maintenance tasks <p>Response: Risk management is the key method of prioritising maintenance tasks.</p> <p>An opportunity for improvement was identified. While there is fire detection system in the switch room and early warning system such as Vesda could improve vulnerability against failure of this common mode item.</p> <ul style="list-style-type: none"> Maintenance costs are measured and monitored <p>Response: Maintenance costs are measured and monitored.</p> <ul style="list-style-type: none"> System maintenance strategy, including the methodology used to maintain the system and frequency of maintenance activities. <p>Response: The AMS meets this criterion with maintenance strategies defined.</p> <ul style="list-style-type: none"> Performance measures such as unplanned outages <p>Response: Outage log including forced outages has been sighted.</p>							
Asset management process and policy definition							
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>		
<p>Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan (AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy.</p>							
Asset management performance							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
Issues							
<p>The maintenance is appropriate for the duty required.</p> <p>The rating based on the scope of asset management available to the Licensee is A/1. On the roles defined in the Audit Guidelines the rating is A/1.</p>							
Recommendation							
<p>An opportunity for improvement was identified. While there is fire detection system in the switch room an early warning system such as Vesda could improve vulnerability against failure of this common mode item.</p>							

Asset Management Information System	Process/Policy rating A	Effectiveness rating 1
<p><i>7. Asset Management Information System (MIS)</i></p> <p>An asset management information system is a combination of processes, data and software that support the asset management functions.</p>		
<p>Observations</p>		
<p><i>Policies and procedures</i></p> <p>The Licensee has a competent asset management information system with a number of elements. It has spreadsheets managing expenditure and the equipment contractor has a dedicated maintenance management database (SAP 720) to control a complex list of items. The maintenance system links project management to scheduled tasks to standard work plans (assisting with safety and change management), asset register and parts inventory. Documentation is appropriate.</p> <p>Access to write to the database is controlled (passwords) and changes are tracked. There is a backup server on site which automatically backs up every week. The power station is a controlled access site which provides adequate physical security for IT systems.</p> <p><i>Exceptions</i></p> <p>No exceptions were noted.</p> <p><i>Evaluation Criteria summary</i></p> <ul style="list-style-type: none"> • Adequate system documentation for users and IT operators Response: The SAP system is sufficiently documented. It is easy to use and reasonably intuitive, there are user manuals. • Input controls include appropriate verification and validation of data entered into the system Response: The system is easy to use with a maintenance focus rather than a database focus and includes appropriate verification and validation of data entered into the system. • Logical security access controls appear adequate, such as passwords Response: Logical control is adequate with hierarchical access by password. • Physical security access controls appear adequate Response: Physical security is adequate with the system on access controlled generation site. Items from last review are out of context of Asset Management IT system security requirements – refer to Risk Management. • Data backup procedures appear adequate Response: Data backup is robust. • Key computations related to Licensee performance reporting are materially accurate Response: Key computations related to Licensee performance reporting are materially accurate, to the extent possible to assess with visual inspection. • Management reports appear adequate for the Licensee to monitor licence obligations Response: Management reports appear adequate for the Licensee to monitor licence obligations to the extent possible to assess with visual inspection. Licence 		

obligations are met by systems other than the maintenance IT system							
Asset management process and policy definition							
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>		
Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan (AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy.							
Asset management performance							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
Issues							
The rating based on the scope of asset management available to the Licensee is A/1.							
Recommendation							
None.							

Risk management	Process/Policy rating A	Effectiveness rating 1				
<p><i>8. Risk management</i></p> <p>Risk management involves the identification of risks and their management within an acceptable level of risk.</p>						
<p>Observations</p>						
<p><i>Policies and procedures</i></p> <p>There is evidence that risk based approaches being carried out particularly as it affects security of the plant. Risk assessment documents, risk plans and risk register have been sighted. The AMP addresses the economic, technological, market, political and regulatory risks from the perspective of this asset.</p> <p><i>Training</i></p> <p>There is evidence of training and awareness by staff of risk based approaches particularly in approaches to tasks where JSA (Job Safety Analysis) are prepared for all work.</p> <p><i>Evaluation Criteria summary</i></p> <ul style="list-style-type: none"> • Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system <p>Response: The arrangement with the owner meets this criterion. Risks are assessed and drive maintenance in particular.</p> <ul style="list-style-type: none"> • Risks are documented in a risk register and treatment plans are actioned and monitored <p>Response: The arrangement with the owner meets this criterion. The risk register has been sighted.</p> <p>Items from last review (referred to under Asset Management IT system security, however are more relevant to this section):</p> <p>The Induction form shall be revised to incorporate security requirements. <i>Form modified.</i></p> <p>The keys to all vehicles stored outside the compound shall be placed on a key board in a secure place in the site office. <i>Policy is to remove keys from vehicle and this has been communicated at toolbox meetings.</i></p> <p>All hazardous substances shall be stored in the new chemical shed that has been constructed in the site compound. <i>Hazardous substances are stored in Chemical store. Installed LPG gas to be in vented rack (by regulation cannot be inside chemical store).</i></p> <ul style="list-style-type: none"> • The probability and consequences of asset failure are regularly assessed <p>Response: The AMS meets this criterion. The probability and consequences of asset failure are regularly assessed.</p>						
<p>Asset management process and policy definition</p>						
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	
<p>Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan</p>						

(AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy.							
Asset management performance							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
Issues							
<p>The previous review required: All hazardous substances shall be stored in the new chemical shed that has been constructed in the site compound. <i>Hazardous substances are stored in Chemical store. Installed LPG gas to be in vented rack (by regulation cannot be inside chemical store).</i></p> <p>The rating based on the scope of asset management available to the Licensee is A/1.</p>							
Recommendation							
Opportunity for improvement – Install vented rack for LPG storage.							

Contingency planning	Process/Policy rating	Effectiveness rating
	A	1
<p><i>9. Contingency planning</i></p> <p>Contingency plans document the steps to deal with the unexpected failure of an asset.</p>		
<p>Observations</p>		
<p><i>Development of contingency plans / currency</i></p> <p>The Licensee has detailed maintenance scheduled out for several years, with minor and major shutdowns allowed to deal with potential issues.</p> <p>The maintenance regime is geared to keeping the plant operational without forced outages.</p> <p><i>Testing of contingency plans</i></p> <p>The Licensee tests safety systems routinely.</p> <p><i>Evaluation Criteria summary</i></p> <ul style="list-style-type: none"> Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks <p>Response: The Licensee has documented procedures for plant failure. The plant had a plant failures and the contingency of a spare gearbox/generator/wind vanes was exercised by live actions.</p> <p>A “first responder” training exercise, simulating the safe recovery of an injured person in a wind turbine, was carried out while the review was on site.</p>		
<p>Asset management process and policy definition</p>		
Process	<input checked="" type="checkbox"/>	Policy
	<input checked="" type="checkbox"/>	Documentation
		<input checked="" type="checkbox"/>
<p>Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan (AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy.</p>		
<p>Asset management performance</p>		
Process	<input checked="" type="checkbox"/>	Documentation
	<input checked="" type="checkbox"/>	Availability
	<input checked="" type="checkbox"/>	Use
		<input checked="" type="checkbox"/>
<p>Issues</p>		
<p>The rating based on the scope of asset management available to the Licensee is A/1.</p>		
<p>Recommendations</p>		
<p>None</p>		

Financial planning	Process/Policy rating A	Effectiveness rating 1				
<p><i>10. Financial planning</i></p> <p>The financial planning component of the asset management plan brings together the financial elements of the service delivery to ensure its financial viability over the long term.</p>						
<p>Observations</p>						
<p><i>Financial planning process / plans</i></p> <p>The Licensee has financial plans, budgeting and monitoring processes. These are on an annual basis and upgraded year by year.</p> <p>The parent company provides guidance and approves the Licensee’s budget and then monitors financial progress. The Licensee’s managers are responsible for reporting actual versus budget.</p> <p><i>Evaluation Criteria summary</i></p> <ul style="list-style-type: none"> • The financial plan states the financial objectives and strategies and actions to achieve the objectives <p>Response: The arrangement with the parent meets the obligations as it states the financial objectives and strategies and actions to achieve the objectives.</p> <ul style="list-style-type: none"> • The financial plan identifies the source of funds for recurrent costs and any potential capital expenditure <p>Response: The arrangement with the parent meets the requirement with current earnings more than sufficient to cover recurrent costs and capital expenditure requirements, with any excess available from retained earnings.</p> <ul style="list-style-type: none"> • The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets) <p>Response: The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets).</p> <ul style="list-style-type: none"> • The financial plan provide firm predictions on income for the next five years and reasonable indicative predictions beyond this period <p>Response: The financial plan provides predictions on income for the next five years. The owner’s corporate model provides long term forecasts beyond this period.</p> <ul style="list-style-type: none"> • The financial plan provides for the operations and maintenance, administration and any potential capital expenditure requirements of the services <p>Response: The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.</p> <ul style="list-style-type: none"> • Significant variances in actual/budget income and expenses are identified and corrective action taken where necessary <p>Response: Significant variances in actual/budget income and expenses are identified and corrective action taken where necessary.</p>						
<p>Asset management process and policy definition</p>						
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	
<p>Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan</p>						

(AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy, WWP 5 year financial plan.							
Asset management performance							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
Issues							
None							
The rating based on the scope of asset management available to the Licensee is A/1.							
Recommendation							
None							

Capital expenditure planning	Process/Policy rating A	Effectiveness rating 1				
<p><i>11. Capital expenditure planning</i></p> <p>The capital expenditure plan provides a schedule of new works, rehabilitation and replacement works, together with estimated annual expenditure on each over the next five or more years.</p> <p>Since capital investments tend to be large and lumpy, projections would normally be expected to cover at least 10 years, preferably longer. Projections over the next five years would usually be based on firm estimates.</p>						
<p>Observations</p>						
<p><i>Capital expenditure process / plans</i></p> <p>The Licensee has financial plans, budgeting and monitoring processes.</p> <p>Revenue is retained for potential capital expenditure. The contracting arrangements mean that Walkaway has predictable revenue and cost structures. Under these circumstances current earnings are more than adequate to fund capital expenditure requirements.</p> <p><i>Evaluation Criteria summary</i></p> <ul style="list-style-type: none"> • There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates Response: The arrangement with the parent meets the obligations. The expenditure is that required to maintain to the manufacturer’s requirements or any breakdowns is scheduled. • The plan provide reasons for capital expenditure and timing of expenditure Response: The arrangement with the parent meets the obligations, capital expenditure is scheduled according to the service frequency (blade replacement etc) as required by the manufacturer. The long term service agreements with the turbine manufacturer and the balance of plant contract cover major planned works. • The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan Response: The arrangement with the parent meets the obligations. Capital expenditure is that required to maintain to the manufacturer’s requirements or any breakdowns. • There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned Response: The arrangement with the parent meets the obligations as the capital expenditure plan is updated annually. 						
<p>Asset management process and policy definition</p>						
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	
<p>Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan (AMP), Financial statements, Job safety and environmental analysis procedure (in</p>						

SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy, WWP 5 year financial plan.							
Asset management performance							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
Issues							
None. The rating based on the scope of asset management available to the parent is A/1.							
Recommendation							
None							

Review of AMS	Process/Policy rating	Effectiveness rating					
	A	1					
<p>12. Review of AMS</p> <p>The asset management system is regularly reviewed and updated.</p>							
<p>Observations</p>							
<p>As a supplier of electricity the service delivery is heavily asset based and needs an AMS. There is ongoing review of asset issues relating to operations, maintenance and contingencies.</p> <p><i>Evaluation Criteria summary - Licensee</i></p> <ul style="list-style-type: none"> A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current Response: The review of the strategic level aspects is not undertaken by the Licensee but by the parent company. Independent reviews (e.g. internal audit) are performed of the asset management system Response: The review of the broader aspects are not undertaken by the Licensee. Review of the arrangement with the parent is assigned to the Executive General Manager, Operations. <p><i>Evaluation Criteria summary – Infigen Energy</i></p> <ul style="list-style-type: none"> A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current Response: Reviews are regular (monthly reporting and annual review). Independent reviews (e.g. internal audit) are performed of the asset management system Response: Management assurance audits of the Licensee’s responsibilities are carried out on an annual basis. At the parent company level, Infigen’s Internal Audit Manager runs an audit program reporting to the board. The audit program is determined each year based on a risk assessment, and in the past has included reviews of components of Infigen’s AMS. 							
<p>Asset management process and policy definition</p>							
Process	<input checked="" type="checkbox"/>	Policy	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>		
<p>Evidence: interviewed Site & Technical Manager, Vestas Fleet Manager, Risk & Sustainability Manager. Inspected site. Documents: Include Asset Management Plan (AMP), Financial statements, Job safety and environmental analysis procedure (in SRMTMP), Risk policy and specific risk management procedures. Walkaway Australia asset acquisition policy, long term maintenance agreement, Operations and maintenance manual contents, Infigen Australian Business Strategy.</p>							
<p>Asset management performance</p>							
Process	<input checked="" type="checkbox"/>	Documentation	<input checked="" type="checkbox"/>	Availability	<input checked="" type="checkbox"/>	Use	<input checked="" type="checkbox"/>
<p>Issues</p>							

Strategic asset planning is carried out by the parent company and they carry out continuous review of the process. There is a division of an asset management system where the owner carries out the strategic asset planning and the Licensee carries out the whole of plant life functions including shorter term and operational functions. The Licensee cannot carry out strategic functions as the Licensee's resources are such that they do not have the capacity to undertake asset review functions outside the licensed plant.

The arrangement with the parent has scheduled reviews. The owner would be rated A/1 and for the roles that are within the capacity of the Licensee the rating would be A/1 but this cannot reflect the broader roles, so a Not rated/ Not Rated rating is appropriate. It is worth noting that whilst a rating has provided above, this function is not undertaken by the Licensee i.e. Walkaway Wind Power Pty Ltd but by Infigen Energy

Recommendation

None - as the Licensee does not undertake the strategic roles.
