

# Asset Management Policy

## 1. Policy statement

Western Power is responsible for management of Assets, primarily the electricity Transmission System and Distribution System, within the South West Interconnected System.

Western Power is committed to delivering sustainable performance of its Assets to provide its customers, stakeholders and the community with safe, reliable, affordable, and sustainable electricity supply that meet their current and future needs, consistent with Asset capability and the regulatory environment.

### 1.1 Purpose

This Policy is intended to articulate how Asset Management will contribute to Western Power's organisational objectives. It provides direction to Western Power Personnel and sets out the principles that are to be followed to ensure Asset Management is undertaken in a structured, coordinated, and consistent manner.

### 1.2 Scope

This Policy applies to:

- (i) all activities and operations associated with the Asset Management of Western Power's Assets
- (ii) all Western Power Personnel.

### 1.3 Context

Western Power is a Western Australian State Government owned statutory corporation operating in a regulated regime. Implementation of this Policy will be undertaken in the context of the Access Arrangement.

### 1.4 Principles

Western Power strives to be a customer-oriented organisation that provides a safe, reliable, and affordable electricity supply to West Australians while connecting more renewables and supporting jobs and growth in Western Australia. A key aspect of achieving this is a commitment by Western Power to undertake the safe, reliable, affordable, and sustainable management of Western Power's Assets. Western Power demonstrates that commitment by:

- (i) complying with all applicable legislation, statutory and regulatory requirements, and formal agreements with customers, consistent with Asset capability
- (ii) proactively communicating and consulting with its customers and other relevant stakeholders regarding the safety and performance risks posed by the Assets, related Asset Management practices and the expected outcomes, including publishing an annual State of the Infrastructure Report

- (iii) making prudent Asset Management decisions such that its Assets do not cause harm to any person, have minimal environmental impact, and meet agreed service performance outcomes, consistent with current and future needs and Board approved Risk Appetite Statement. This includes:
  - a) maximising the efficient utilisation of its Assets, and, where justified, developing, evolving and transitioning the Transmission System and Distribution System in an appropriate and timely manner
  - b) undertaking a balanced evaluation of all relevant factors and alternatives, including demand-side management and other non-network solutions, optimising life cycle costs of Asset Management and managing risk reduction for the investment made
  - c) adopting emergency response procedures and processes, including engaging and working with the community, relevant government, and local agencies, with a goal of providing an optimal and coordinated response to mitigating the identified risks from its Assets
- (iv) making risk management integral to all Asset Management activities and decisions and consistent with Board approved Risk Appetite Statement
- (v) managing the risks of changing climates on assets and support efforts to mitigate the effects of climate change
- (vi) monitoring and reviewing performance against Asset Management outcomes and seeking continual improvement
- (vii) continually improving its knowledge in respect of its Assets, including the completeness and accuracy of Asset data to more accurately understand existing Asset performance and forecast future performance
- (viii) implementing fit for purpose tools and systems that seamlessly integrate end-to-end Asset Management processes and provide timely access to reliable and complete Asset information
- (ix) maintaining an Asset Management Framework that is aligned with the requirements of this policy
- (x) maintaining an Asset Management System that is based on the Asset Management Framework, the requirements of the electricity transmission and distribution Licences and complies with the requirements of an Electricity Network Safety Management System (ENSMS) as defined in Electricity (Network Safety) Regulations.
- (xi) ensuring that the roles and responsibilities of all Western Power Personnel involved in Asset Management are clearly defined and understood
- (xii) promoting awareness of Asset Management System to Western Power's Personnel to guide day to day decision making
- (xiii) developing the skills and knowledge of Western Power Personnel to sustain and reinforce Asset Management capability.

## 1.5 Supporting document structure

This Policy is supported by the following documents.

Title	EDM reference
Asset management framework	EDM 34113439
Asset management system	EDM 40304923
Electricity network safety management system	EDM 41095268

## 2. Dictionary

Words in the first column of the following table are defined terms and have the corresponding meaning shown in the second column of the table. Defined terms appear in this document as capitalised.

Defined term	Meaning
Access Arrangement	The arrangement approved under the Electricity Networks Access Code containing the terms and conditions for obtaining access to the Western Power’s network.
Asset	An asset forming part of the Transmission System and/or Distribution System and all non-network assets (property (including Western Power’s physical facilities and workspaces) and fleet).
Asset Management	Measures taken for proper maintenance, expansion, or reduction of its Assets. This includes all activities carried out in the course of the design, construction, commissioning, operation, maintenance or decommissioning of Western Power’s network (defined as “prescribed activity” under Electricity (Network Safety) Regulations 2015)
Asset Management Framework	A structure upon which the Asset Management System is designed. The Asset Management Framework, supports the implementation of Asset Management Policy.
Asset Management System	A collection of documents, tools & systems that are used for Asset Management. It is built upon a defined Asset Management Framework and is a structured tool for fulfilling due diligence requirements and achieving continuous improvement in Asset Management performance
Distribution System	The distribution system defined under electricity distribution licence, EDL1, granted by Economic Regulation Authority of Western Australia. This includes Western Power’s apparatus, equipment, plant or buildings used, or to be used, for, or in connection with, the transportation of electricity at nominal voltages of less than 66kV within the South West Interconnected System
Licence	Means electricity transmission licence (ETL2) and electricity distribution licence, (EDL1), granted by the Economic Regulation Authority (ERA)

Defined term	Meaning
Personnel	Every person carrying out work in any capacity for Western Power, including <ul style="list-style-type: none"> <li>a) an employee; or</li> <li>b) a contractor or subcontractor; or</li> <li>c) an employee of a contractor or subcontractor; or</li> <li>d) an employee of a labour hire company who has been assigned to work in Western Power; or</li> <li>e) an outworker; or</li> <li>f) an apprentice or trainee; or</li> <li>g) a student gaining work experience; or</li> <li>h) a volunteer; or</li> <li>i) a person of a prescribed class.</li> </ul>
South West Interconnected System	As defined in <i>Electricity Industry Act</i> , namely: <i>“interconnected transmission and distribution systems, located in the South West of the State and extending generally between Kalbarri, Albany, Kalgoorlie and into which electricity is supplied by one or more of the electricity generating plants at Kwinana, Muja, Collie and Pinjar or other prescribed electricity generation plant”</i>
Electricity Network Safety Management System (ENSMS)	The Electricity Network Safety Management System (ENSMS), provides a structured, integrated and coordinated approach for the safe planning, design, construction, commissioning, operation, maintenance and decommissioning of Western Power’s electricity network. The ENSMS is designed to support the achievement of the requirements of Western Power’s Safety, health and environment (SHE) policy and the safety objectives of the Asset Management Policy. The ENSMS applies to all networks of Western Power and should comply with AS5577 as required by the Electricity (Network Safety) Regulations 2015.
State of the Infrastructure Report	The annual report on: the state of the Western Power’s network infrastructure and assets; Western Power’s network safety and reliability performance.
Transmission System	The transmission system defined under electricity transmission licence, ETL2, granted by Economic Regulation Authority of Western Australia. This includes Western Power’s apparatus, equipment, plant or buildings used, or to be used, for, or in connection with, the transportation of electricity at nominal voltages of 66kV or higher within the South West Interconnected System
Western Power	Electricity Networks Corporation ABN 18 540 492 861

### 3. Further information

If you have any questions in relation to this Policy please contact either the Asset Management Executive Manager or the General Counsel.

## 4. Content owner

Executive Manager (Asset Management)

## 5. Accountabilities

<b>Policy content owner:</b>	Accountable for: <ol style="list-style-type: none"><li>1. implementing this Policy</li><li>2. preparing, issuing and maintaining any required Standards</li><li>3. ensuring that people affected by this Policy and its related Standards are aware of their responsibilities</li><li>4. ongoing education (as necessary)</li><li>5. monitoring compliance with the requirements of the Policy and its related Standards</li><li>6. ensuring that appropriate remedial actions are taken if there are compliance breaches</li><li>7. monitoring the continuing relevance of the Policy and the currency of its contents.</li></ol>
<b>General Counsel:</b>	Accountable for publishing the approved version of this Policy, and any Standards issued under it, in Western Power's corporate policies register.
<b>Executive Management:</b>	Accountable for effective leadership, communication, increasing awareness and ensuring compliance with this policy.

## 6. Review

This Policy will be reviewed and evaluated by the Board at least once in every three-year period taking into account the purpose of the Policy and the outcome of the compliance review.

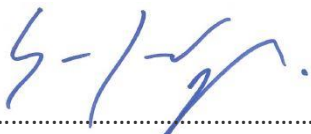
## 7. Related documents

Title	EDM reference
Asset management framework	EDM 34113439
Electricity Distribution Licence (EDL1)	<a href="http://www.erawa.com.au/licensing/electricity-licensing">http://www.erawa.com.au/licensing/electricity-licensing</a>
Electricity Transmission Licence (ETL2)	<a href="http://www.erawa.com.au/licensing/electricity-licensing">http://www.erawa.com.au/licensing/electricity-licensing</a>
Safety, health and environment policy	EDM 31986289
State of the infrastructure report	EDM 33373356
Asset management system	EDM 40304923
Electricity network safety management system	EDM 41095268

## 8. Approval history

Version	Approved by	Date of approval	Resolution no.	Notes
1.	Managing Director	30/08/2010		
2.	Board	01/07/2014	04/2015/BD	
3.	General Counsel	23/04/2015	04/2015/BD	Minor amendments approved by General Counsel under authority delegated by Board on 01/07/2014
4.	General Counsel	23/01/2017	04/2015/BD	Minor amendments approved by General Counsel under authority delegated by Board on 01/07/2014
5.	General Counsel	02/05/2017	82/2017/BD	Incorporation of ENSMS reference and other minor edits approved by General Counsel
6.	Board	03/12/2019	050/2020/BD	Minor amendments in line with Corporate Document Framework scheduled review cycle
7.	Board	16/06/2022	101/2022/BD	Amendments to reflect new Corporate Strategy 2021-2031, Risk Appetite Statement, new Sustainability Policy and other minor edits

Board Submission and Approval Reference EDM#59382653



**Gair Landsborough**

Executive Manager Asset Management