



Compliance Services

Clutch Compliance

The focus on grid compliance in Australia has sharpened significantly in recent years, building on learnings from South Australia's state blackout in late 2016 and in addressing new power system security challenges amidst the rapid growth of intermittent, renewable energy generators connecting to the grid.



Growing Compliance Requirements

- 150 – 200 grid connection compliance obligations per site
- 60 - 70 obligations derived from 300+ NER rules and clauses targeting operational assets
- Typically 100+ further obligations within other compliance documents



Dynamic Market Environment

- Accelerating volume of annual NER rule changes
- 46 NER Version updates over 2-year period to March 2022
- Over 200 current market changes requiring consideration



Multiple Enforcement Options

- Infringement Notices
- Court Enforceable Undertakings
- Civil Proceedings



Heavy Penalties

- Up to \$10M penalties recently legislated for serious compliance breaches
- 2/3 of NER obligations carry Tier 1 non-compliance penalty provisions
- AER enforcement actions led to \$6.65M in penalties and 7 court decisions over 18-month period to December 2021

Compliance Obligations

Enforcement of grid compliance obligations is stronger than ever with regulators now:

- Building up the capacity and capabilities of their enforcement resources;
- Discovering rising incidences of non-compliance in operational asset management and market participation practices; and
- Leveraging significantly-strengthened legal powers including federal prosecutions resulting in large fines, reputational damage and enforceable undertakings surrounding participants' compliance programs.

In its Annual Compliance and Enforcement Report (July 2021), the Australian Energy Regulator (AER) spoke of "record penalties and enforcement outcomes", noting the "significant scaling up of the penalties available to the courts and the AER" and emphasised its ability, in the most serious cases, to "seek penalties of up to \$10M (or potentially more for large companies) for alleged breaches of the energy laws". In this ever-more challenging regulatory environment, good contemporary practice in managing your grid connection compliance obligations is more important than ever and this is where Clutch Compliance can become your trusted compliance partner, supporting your grid connection compliance management program at all stages. We will lead you in the identification of your grid compliance obligations (150-200 obligations per asset), actively monitor your adherence to these obligations on an ongoing basis and, should the need arise, support your recovery from any non-compliances.

This end-to-end approach delivers a range of benefits including:

- **Accelerating the development of a strong compliance culture;** demonstrating good contemporary practice; continuous improvement focus; building credibility and confidence with boards, executive management, regulators and other key stakeholders;
- **Avoiding non-compliance penalties;** ensuring all compliance obligations are proactively monitored and tracked to completion to meet the expectation of regulators;
- **Reducing non-compliance risks** and the likelihood of large fines, operational constraints, disconnection and associated reputational damage;
- **Cost avoidance;** eliminating the need to employ and supervise internal overhead resources and avoiding the associated staff turnover risks;
- **Well planned, transparent and efficient compliance programs** enabling accurate cost and resource budgeting of compliance activities as well as regular reporting on the status of your assets' compliance obligations;
- **Peace-of-mind** in having ongoing access to specialist support resources and knowing a trusted partner is keeping a permanent watch on compliance performance and the impacts of regulatory change on the compliance program; and
- **Cost-effectiveness and cost certainty;** leveraging Clutch Compliance's economy-of-scale benefits, price discounting for multi-asset programs and a multi-year fixed price structure for the compliance monitoring service.
- **Continuity of compliance focus;** systematic and proactive focus on your compliance obligations ensuring operational distractions don't impact compliance activities.

Services

Baselining & Monitoring

Building detailed datasets of grid connection obligations and management plans. Tracking management plans and assessing impacts of relevant regulatory changes.

Recovery

Supporting recovery from non-compliances, as required.

Baselining & Monitoring

Baselining to ensure a full set of grid connection compliance obligations are captured, we will undertake a review of all compliance documentation (generator licence, generator registration, connection agreements, statutory obligations etc).

Once this full set of obligations has been captured, the team at Clutch Compliance will work with your internal resources to ensure detailed management plans are developed to ensure full transparency of the timing, effort and volume of compliance activity.

Monitoring to follow the baselining activity, we will upload your baselined obligations into our bespoke compliance system and then track and report the status of each obligation. Regular follow up will ensure every opportunity is provided to streamline the resolution of all your compliance obligations.

Each year re-baselining of the compliance obligations will occur to incorporate changes to your asset, commercial agreements or any regulatory changes impacting your operations.

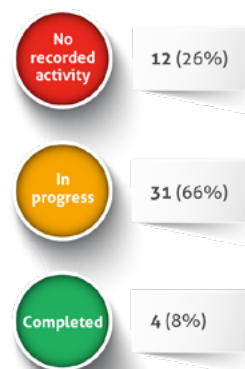
Recovery

When a critical non-compliance occurs, Clutch Compliance will be available to provide support (if required) to ensure non compliances are assessed, recovery plans set, stakeholders notified, and resolution promptly achieved. Full progress reporting will be provided through to close out.

BASELINE CERTIFICATE CONNECTION COMPLIANCE OBLIGATIONS					
Obligation Breakdowns					
Obligation Types	Type 1			Type 2	
Class Description Types 1 & 2	Requirement	Commitment	Asset Operations	Market Operations	Corporate Admin
	72	88	85	19	56
Class Description Type 3	Environmental	Financial	Site Operations	Market Interface	Metering & Control
	16	9	69	52	16
Completeness of Compliance Management Plans					
Moving Management Plan Items	OVERALL	Due Dates	Principal Methodologies	Evidence Required	Automated & Escalation Points
	6	0	3	3	0
	0.6%	0.0%	1.0%	1.0%	0.0%
Timescales for Achieving Compliance					
% of Compliance Period Remaining at Baseline Date	"OVERDUE" < 20%	"URGENT" > 20%	"ALERT" > 50%	"REMEDY" > 75%	"Normal" 75% - 100%
	1	47	76	22	16
Due Dates From Baseline Date (Days)	OVERDUE	0 - 30	31 - 60	61 - 90	91+
	1	46	0	1	112
Risks Associated with Compliance Obligations					
Penalty Provisions	NER Tier 1	NER Tier 2	NER Tier 3	Other	None
	39	61	1	0	106
Risk Ratings	EXTREME	HIGH	Medium	Low	No Assessment
	1	7	107	45	0

Our Compliance Baseline Certificate provides an initial status view of current obligations, timing and risks.

47 (29% of all) obligations due within 90 days



Our Monthly Performance Reporting provides transparency of asset compliance status driving an increased compliance focused culture.





Clutch is a leading professional service firm providing a wide range of grid connection advisory services aimed at assisting our clients define, manage, and minimise the impacts of grid connection risk. We exist to enable growth and progress in the energy industry so that our people can make the difference to our clients' projects.

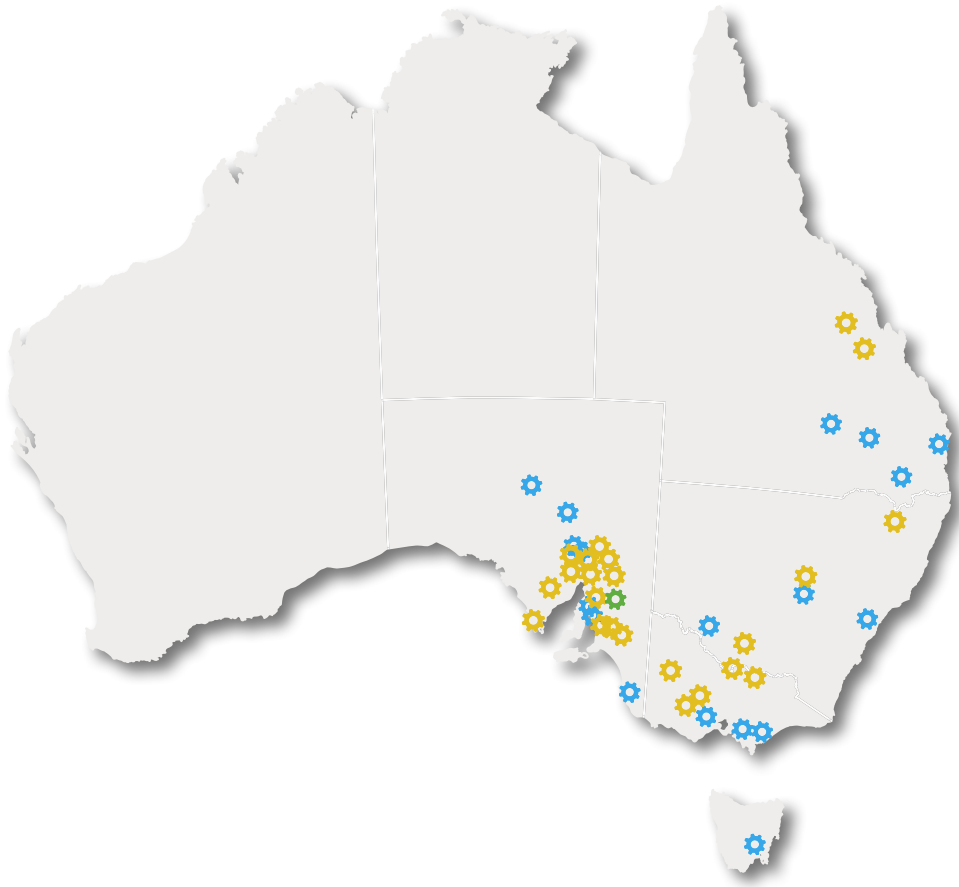
Our vision is to be the Australasian leaders in Electricity Networks. We aim to apply our deep knowledge of electricity networks and our collaborative working approach to optimise and de-risk grid connection outcomes for our clients and infrastructure networks. The team at Clutch have a strong pedigree when it comes to grid connection. Our team have been involved in successfully connecting around 50 projects to the grid.

Clutch is nationally focused and understand the grid connection risk for each energy project is unique. Our diverse and experienced team provides the advice and support services that are not only of the highest quality, but also tailored to your specific needs.

The Clutch Group has aligned its service delivery to the client asset lifecycle. This provides a specialist business unit to support our clients through each of the following three asset lifecycle phases:

1. Strategy and Concepts	2. Project Development	3. Asset Operations
 Clutch Strategic Tailored strategies to navigate grid complexity	 Clutch Grid Connections Leading the grid connection process	 Clutch Compliance Supporting your grid compliance obligations

Projects & Industries We Work In



Our clients are our partners



Our Team



**Managing Director +
Grid Connection Specialist
Scott Connel**

Scott is the founder and Director of the Clutch group of companies. Scott has over 18 years' experience in driving commercial, financial and strategic decisions in the energy market.



**Director +
Grid Strategy Lead
Jezac Crowe**

Jezac is a co-founder and Director of the Clutch group of companies. Jezac is a specialist in the leading the commercial transaction and process for high value grid connections related investment decisions.



**Partner +
Grid Connection Specialist
Nathan Potter**

Nathan is a Partner of the Clutch group of companies. Nathan has a decade of experience in managing new grid connections and working with facilities connected to the national electricity market.



**Grid Connection Specialist
Mitch Baker**

With strong communication skills, account management expertise, and a strong balance of technical and commercial acumen, Mitch is well placed to help our clients plan and manage the delivery of outcomes.



**Grid Compliance Lead
Phil Court-Kowalski**

Phil is a seasoned senior leader with 35+ years' experience spanning multiple sectors in Australia, Germany and the UK. Phil's highly inclusive approach to client work ensures the delivery of excellent technical and commercial outcomes.



**Grid Compliance Specialist
Dylan Trenerry**

Dylan has over a decade of regulatory experience in Local Government. Dylan's out of the box thinking to client projects aims to deliver on positive compliance outcomes and avoid non-compliances.

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