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To: Department of Economic Development, Jobs, Transport and Resources,  
Level 9/121 Exhibition Street, Melbourne VIC

Date: December 22, 2015

**Subject: Nexans Olex comment on the draft Regulatory impact statement – Bushfire mitigation regulations amendment**

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I would like to start by commending the efforts of the Powerline Bushfire Safety Taskforce for the extensive efforts investigating the wide range of interactions between Overhead Powerline assets and the environment and the roll out of the far reaching network safety improvements. We at Nexans Olex particularly note the excellent work associated with the:

- Arc ignition research (with live conductor impacting earth): summarised in the report “Probability of bushfire ignition from electric arc faults.”
- Arc ignition research involving auto-reclose delays: summarised in the report “*Effect of auto-reclose delay on ignition probability from electric arcs in powerline faults.*”
- Rapid earth Fault Current Limiter – wire down earth faults: summarised in the report: “*REFCL trial: ignition tests.*”
- Vegetation conduction ignition research with branch/ wire interactions: summarised in the report: “*Vegetation conduction ignition tests.*”
- The risk minimization and assessment activities of the CSIRO funded analysis of bushfire starts and modelling as summarised in a number of conference papers.
- The identification and classification of the different bushfire risk categories as carried out by a number of researchers; *and*
- The work examining the ignition of vegetation with different conductors (including the Nexans Lo-Sag™ Covered Conductor).

All of this work is best in class and an excellent resource for jurisdictions addressing bushfires and network safety. The body of work and the implementation will I am sure be seen as an exceptional legacy to the people of Victoria and more broadly to the global industry.

The findings of the work to date are evident in the “*Regulatory Impact Statement – Bushfire mitigation Regulation Amendment*” issued on November 17, 2015. Nexans Olex would like to make the following comments which are limited to the aspects of the acceptance and implementation of the Covered Carbon Composite Core Conductor – Lo-Sag™ Covered Conductor:

1. The timeline for commercialisation of the Lo-Sag™ Covered Conductor is well before the implied/ stated 2020. Nexans have worked with carbon composite core for nearly twenty years and have commercial sales of carbon composite core/ aluminium wire stranded conductors for high voltage applications. Furthermore, Nexans Olex is in a position to supply commercial quantities of LoSag™ Covered Conductor to the Victorian Utilities in 2016.
2. The production of a covered carbon composite core conductor is a world first and an example of the engineering innovation and focus on customer needs that distinguish Nexans Olex within the market place. Nexans Olex is working on a family of such LoSag™ Covered Conductor suitable to address the polyphase and SWER networks in Victoria.
3. During the development of the commercial market for the LoSag™ Covered Conductor Nexans Olex have utilised the global production capacity of Nexans to produce the carbon composite rod in France and to apply the aluminium conductor at our sister factory in Belgium. Both activities are sensitive to the fluctuations in foreign exchange rates. As such the price utilised in the Allen consultants modelling of A\$20/m needs to consider other factors such as movements in foreign exchange rates. The total cost benefit of utilising the Lo-Sag™ Covered Conductor is still considerable as the conductor design is unique in its ability to utilise the existing 22kV infrastructure – notably with no additional poles – while still delivering a stronger; abrasion resistant; corrosion resistant conductor with more current carrying capacity than the bare steel wires currently in use.
4. The field trial experience at Bambra - Aireys Inlet coupled with the commitment of Nexans Olex, Sicame and the Victorian Utilities (notably Powercor) indicates that the commercial implementation of LoSag™ Covered Conductor system should be considered for inclusion in the regulations in 2016 via the current Regulatory Impact Statement.
5. Once local commercial sales can be committed to Nexans Olex are keen to examine the next phase of our business model in order to increase the local manufacturing content.

Nexans Olex is committed to, and have been energetically focused since the tragedy of the *Black Saturday Bushfires* on improving the safety of overhead line infrastructure via the Lo-Sag™ Covered Conductor program. We are eager to implement the world class technology that is the LoSag™ Covered Conductor system in our own backyard and adding to the legacy of all of the activities within Victoria that have been dedicated to the improvement of the safety of powerlines in bushfire prone areas.

Regards,

A handwritten signature in black ink, appearing to read "S. Thunder".

Stephen Thunder  
Director  
Nexans Olex