Welcome to ICN’s accessing resources seminar

Bob Bagnara
Wilson Tranformers

2013 FORMULA 1 ROLEX AUSTRALIAN GRAND PRIX
Wednesday 13 March 2013, 1.00pm – 6.30pm
Path to Becoming A Chevron Global Supplier

13 March 2013

Bob Bagnara, Sales & Marketing Manager
Wilson Transformer Company

The Independent Australian
Agenda

- WTC Overview
- Chevron Qualification Story
- Challenges
- WTC Value Proposition
- Experience in Overseas Market
Overview - Wilson Transformer Company (WTC)
WTC Overview

Founded in 1933, Australian owned transformer manufacturer

World class transformer plants in Melbourne and Wodonga

Annual sales >$250m

700 employees including over 80 engineers
Wilson Transformer Company

- Power Transformer
- Distribution Transformer
- TJ|H₂b Analytical Services
- Dynamic Ratings
- Services

WTC
Power Transformer
Glen Waverley Plant

Up to 500MVA and 400kV

- Substation transformers
- Generator transformers
- Rectifier and Furnace transformers
- Traction transformers (both track-side and on-board)
- Mobile transformers
- Transformers with FR3 Fluid
Distribution Transformer
Wodonga Plant

Up to 5000kVA and 72kV

☐ Pole mounted transformers
☐ Ground mounted transformers
☐ Kiosk and Pad mounted Transformers
☐ Speciality transformers up to 5000kVA
☐ Electrostatic Precipitator Transformers
☐ Compact Substations
☐ Transformers with FR3 fluid
Wilson Service Team

Services Manager

External Works Team

Installations Team

Support Team

NSW

VIC

QLD

WA

TAS

United Kingdom
Associated Products & Services

- Monitoring, Control and Communication Solutions
- Operations in Australia and USA

- HV Equipment Diagnostic Laboratory
- Operations in Australia, Malaysia and Philippines
Expansion Projects

Glen Waverley & Wodonga Plants

- $80m expansion projects completed in 2012

- **Purpose:**
  - World class manufacturing facilities
  - Increased capacity & productivity
  - Improved quality and reliability
  - Design safety into manufacturing processes
Glen Waverley – Power Transformer Plant
Wodonga – Distribution Transformer Plant
Chevron Qualification Story

2009 – 2012
Support Infrastructure
Policy & Service

Australian Industry Participation Plan (AIP)

Local Industry Participation Plan (LIPP)

ICN Gateway and ProjectConnect
Chevron Qualification Story

**Early 2009**
Contacted by ICN

**August 2009**
Coordinated AIP plan with Chevron

- Chevron were interested in the Value Proposition that WTC provided to the Electricity Utilities
- WTC investment commitment to local market was of great interest to Chevron
- Commencement of the qualification process
- WTC advised process would take 2 years and cost substantial time and resources (>500k)

**January 2010**
First Visit to Chevron in Houston, TX

- Visited by GM and Sales Manager
- Presented commercial & technical capabilities
- Technical capability to meet AS/IEC & ANSI standards
- Design and manufacturing capability to comply with Chevron specification (copper winding)
Chevron Qualification Story (Cont.)

July 2010
Chevron visited WTC
- Included Chevron Procurement Manager, Senior Engineer, Principal Auditor and AIP Coordinator
- Discussed technical, quality, safety and commercial details

September 2010
Second Visit to Chevron in Houston, TX
- Visited by MD, GM, Sales Manager and Engineering
- Detailed technical presentations
- Discussed with multiple audiences

November 2010
Third Visit to Chevron in Perth
- Discussed HSE system
- WTC rewrote its HSE manual and system to meet Chevron needs
Chevron Qualification Story (Cont.)

- **Early 2011**  
  Fourth Visit to Chevron in Houston, TX  
  - Visited by Engineering  
  - Discussed technical details including AS2374 and ANSI specification

- **December 2011**  
  Completed the qualification  
  - WTC awarded a Chevron supplier accreditation

- **August 2012**  
  First project awarded  
  - WTC successful in winning $21m Wheatstone LNG contract
Outcome

WTC is the **first Australian supplier** to achieve full qualification by Chevron

WTC is the **first qualified supplier** who can provide full range of IEC and ANSI transformer requirements to Chevron specification

WTC is now qualified to compete for Chevron projects in Asia-Pacific and Australian region
Challenges
Challenge – Technical

- Product complying to IEC, ANSI and AS standards
- Utilisation of specific materials to Chevron specification
- Design to meet specific temperature rise
Challenge – Health, Safety & Environment

Before the audit
- With 80 years experience WTC believed its HSE policy and procedures (compliant to AS4801) were of a high standard

After the audit
- WTC was informed the HSE system did not meet Chevron’s exceptionally high standards (CHESM)

Action
- WTC recognised that its HSE system was fragmented and accepted this as a challenge and an opportunity to improve and overhaul its HSE system to meet Chevron best practice
# WTC Value Proposition to Chevron

<table>
<thead>
<tr>
<th>Section</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technical Expertise</strong></td>
<td>• Ability to comply with various standards: ANSI, IEC, AS</td>
</tr>
<tr>
<td></td>
<td>• Comply with Chevron specific material requirements</td>
</tr>
<tr>
<td><strong>Ability to manage large contracts</strong></td>
<td>• Demonstrated through past projects</td>
</tr>
<tr>
<td></td>
<td>• Dedicated customer account manager</td>
</tr>
<tr>
<td></td>
<td>• Factory upgrade and expansion</td>
</tr>
<tr>
<td><strong>Local manufacturer and support</strong></td>
<td>• Understand Australian needs – Common language/law</td>
</tr>
<tr>
<td></td>
<td>• Rapid response service</td>
</tr>
<tr>
<td></td>
<td>• After Sales support with local representation</td>
</tr>
<tr>
<td><strong>Flexibility</strong></td>
<td>• Customisation – design for specific customer requirements</td>
</tr>
<tr>
<td><strong>Commitment</strong></td>
<td>• Cradle to grave philosophy</td>
</tr>
<tr>
<td></td>
<td>• Offer end-to-end solutions</td>
</tr>
<tr>
<td><strong>Open communication</strong></td>
<td>• Keep Chevron informed (good + bad news)</td>
</tr>
</tbody>
</table>
WTC Experience in Overseas Markets
Overseas Experience

- London Olympics site
- Clyde Wind Farm for Scottish Power
- Euro Tunnel
- EDF Energy London Networks

United Kingdom

- Powerco
- Contact Energy
- Unison Networks
- Transpower

New Zealand

- Qualified as a supplier to SEC Utility
- Safwa
- Al-Jouf
- Alhansi Commercial Centre

Saudi Arabia

- Sharjah Electricity & Water Authority

United Arab Emirates

- Tenaga Nasional Berhad (TNB)

Malaysia

- PT International Nickel
- PLN (Perusahaan Listrik Negara)

Indonesia
Challenges – Overseas Markets

- Strong Australian dollars
- Price sensitivity
- Strong Competition