

Grampians New Energy Taskforce response to the Australian Energy Market Operator's Project Assessment Draft Report for the Western Victorian Regulatory Investment Test – Transmission

The Grampians New Energy Taskforce (GNET) is charged with leading and driving a region-wide approach to understanding and facilitating a transition to a low-carbon economy, in the best interests of the region.

GNET's membership includes nominated representatives from each of the Wimmera Southern Mallee and Central Highlands Group of Councils, the Wimmera Southern Mallee and Central Highlands Regional Partnerships, the Committee for Ballarat, the Wimmera Development Agency, Regional Development Victoria, Regional Development Australia Grampians, the Clean Energy Council and the Department of Environment, Land, Water and Planning. GNET's representation across the three tiers of government, community and business allows us to reduce barriers to investment and work collaboratively to ensure that benefits are shared by communities across the region.

GNET supports option C2, construction of a new double circuit 500kV line from Sydenham to Ballarat, and a new 220kV double circuit line from Ballarat to Bulgana. We are excited about the potential economic and social benefits investment in this infrastructure will bring to the Grampians region.

We note that this option provides the highest net market benefit, under the rules of the Regulatory Investment Test – Transmission (RIT-T). However, we also note that this calculation is based upon committed renewable energy projects as at July 2018. Since that time, the Victorian government has made an election commitment to increase the Victorian Renewable Energy Target (VRET) to 50% by 2030 and this policy certainty is driving increased investment in renewables in the region. Our concern is that, by the proposed completion date for option C2 of 2025, the system will be already experiencing constraints and further transmission and distribution upgrades will be almost immediately required. We are comforted, however, by advice from AEMO that the annual Integrated System Plan (ISP) review will lead to a responsive RIT-T process that, while providing value for money, also deals with emerging demand in the electricity network.

In the interim, we welcome your strategy of minor system augmentation through option A1 while the larger transmission upgrades are planned. Should these upgrades be determined to be non-contestable services and therefore delivered by AusNet Services, we welcome discussion with AusNet.

With regard to the proposed construction period of 2021 to 2025, we note that approvals processes for new infrastructure construction can take considerable time to see through from beginning to end. GNET, as a peak representative body on new energy for all eleven councils in the Central Highlands and Wimmera Southern Mallee, is ready and willing to support AEMO and the successful tenderer in understanding their regulatory obligations in planning and environmental approvals.

We are able to draw together all councils through which your proposed routes will travel, with the appropriate local staff from the Department of Environment, Land, Water and Planning (DELWP), to commence a strategic discussion about your planning requirements and what pre-application work you may need to undertake to support your planning application. Given that option C2 involves construction of new transmission lines through a new corridor, the project may reach the threshold for an Environmental Effects Statement. GNET invites AEMO and the successful tenderer to engage early with our partner councils and DELWP in a structured, systematic way to ensure you are on track to meet your regulatory obligations and therefore your construction timeline. We also recommend that you consider your social licence, and how you can best engage with communities and community groups along your proposed route.

We appreciate the time that staff from the Australian Energy Market Operator (AEMO) have taken to provide briefings to our members during the consultation period on the Project Assessment Draft Report (PADR). This has helped our members better understand the options analysis in the PADR and identify how GNET can work with AEMO and its successful tenderer to deliver much needed powerline upgrades in western Victoria, to support the unprecedented increase in investment in renewable energy in the area.

GNET is ambitious to see the proposed western Victorian transmission upgrade delivered in as timely a manner as possible, with the best outcome for communities and business. We are keen to work with AEMO and your successful tenderer to ensure that is the case.

Stuart Benjamin
Chair

26 February 2019