

AUSNET SERVICES GROUP AWARDED CONTRACT TO DELIVER WESTERN VICTORIA TRANSMISSION NETWORK PROJECT

The Australian Energy Market Operator (AEMO) is pleased to announce that, following a multi-stage, competitive tender process, AEMO has selected Mondo, the commercial division of the AusNet Services Group (AusNet Services), to plan, design, construct, own, operate and maintain the contestable transmission augmentations contemplated by the [Project Assessment Conclusion Report](#) (PACR) for the Western Victorian Regulatory Investment Test for Transmission (RIT-T).

The Western Victorian RIT-T PACR was published in July 2019. It outlined strategic investment to unlock future power system capabilities in the state by reducing the most urgent network congestion in the region and supporting additional generation connections in Western Victoria. This will expand the diversity and availability of energy supply and help to protect consumers from paying more than necessary for their electricity in the long term.

The preferred investment set out in the PACR will now be progressed through the Western Victorian Transmission Project (Project) and includes a combination of minor upgrades to existing infrastructure and major transmission works – including a new North Ballarat terminal station and long-distance high voltage transmission lines between Bulgana and Sydenham terminal stations – staged over several years, with the final component expected to be in operation by 2025.

AusNet Services will also construct, own, operate and maintain the majority of the non-contestable assets required for the Project, comprising primarily of interface and associated network changes to support the new contestable assets. Australian Energy Operations (AEO) will also undertake important upgrade works to support the Project at its Elaine and Ararat terminal stations.

This Project is consistent with the recommendations of AEMO's [Integrated System Plan](#) (ISP) and is estimated to deliver a total return of \$670 million (in 2019 dollars) in market benefits (that is all benefits to all those who produce, consume and transport electricity in the market), achieved through:

- The capital and dispatch cost of generation being significantly lower than they otherwise would have been.
- Facilitation of future transmission network expansion.
- Improvements to the Victoria to New South Wales interconnector transfer limit.

"This Project will deliver urgent transmission capacity to the western and north-western Renewable Energy Zones identified in the ISP, unlock renewable energy resources and maximise the productivity of existing assets, working to reduce the cost of electricity in the long term," said AEMO Managing Director and Chief Executive Officer Audrey Zibelman.

"The delivery of this critical energy infrastructure project against the economic envelope set by the RIT-T is a chief priority for AEMO and we conducted a robust competitive tender process to achieve the best possible outcome to deliver the contestable components of this Project.

"On behalf of AEMO, I would like to congratulate AusNet Services on its successful tender submission. Through this tender process, AusNet Services has demonstrated that it has the resources and capability to deliver this significant Project. We would also like to acknowledge and thank all those who contributed to this undertaking and submitted proposals to this tender process."

This transmission investment will support the development of major hubs for wind and solar energy in the region by strengthening transmission corridors to more efficiently transport large quantities of renewable energy to consumers. Furthermore, this project provides additional benefits for communities in Western Victoria such as employment, economic growth, training and other regional development opportunities that were not quantified in AEMO's RIT-T assessment.

At this early stage, the exact design, route and location of the new infrastructure required to deliver this Project is to be determined. AEMO acknowledges the important environmental, amenity, cultural and community matters raised by stakeholders through the RIT-T consultation process. These matters will be considered and addressed by AusNet Services in delivering the Project. AusNet Services will undertake extensive investigations, and further stakeholder and community engagement, before any routes or locations are approved, and will be responsible for securing the necessary planning and environmental approvals to deliver the infrastructure.

AEMO will complete a handover to AusNet Services in the coming weeks, and AusNet Services will assume full responsibility for delivering the Project, including liaising with stakeholders and providing updates and information on the Project, with more details available on its website WestVicTNP.com.au shortly. Please subscribe to receive Project updates via the AusNet Services Mondo website at WestVicTNP.com.au.

Further details on the final recommended transmission investment as outlined in the PACR is available [online](#). For more information and to view the reports published to date as part of the Western Victoria RIT-T, visit [AEMO's dedicated webpage](#) or contact AEMO on 1800 845 044 or WestVicRITT@aemo.com.au

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About AEMO:

AEMO is responsible for operating Australia's largest gas and electricity markets and power systems, including the National Electricity Market and interconnected power system in Australia's eastern and south-eastern seaboard, and the Wholesale Electricity Market and power system in Western Australia. As Australia's independent energy markets and power systems operator, AEMO provides critical planning, forecasting and power systems security advice and services to deliver energy security for all Australians. For more information, head to www.aemo.com.au