



Forecasting and Planning consultation, Integrated System Plan
Australian Energy Market Operator
Level 22, 530 Collins Street
Melbourne VIC 3000

7 February, 2020

Sent by email to: forecasting.planning@aemo.com.au

To Whom It May Concern,

Thank you for the opportunity to participate in the GenCost project, which contributes to AEMO's Integrated System Plan for the Australian electricity system.

We welcome the inclusion of offshore wind in the new draft report for stakeholder review (*GenCost 2019-20: preliminary results for stakeholder review*).

However, we think the way in which certain technologies are included in the report and the modelling does not reflect the evidence, and should be changed.

Currently nuclear SMR reactors are included in the main listings of the different types of technologies available (p.14).

However, offshore wind is in the 'other technologies' section, implying that its use is more speculative (p.18-19). The draft report says that these technologies 'have not been included in cost projection studies' or 'have higher uncertainty about their future potential investment prospects (ocean located technologies...) but remain of interest' (p.18).

This is despite the fact that SMR technology does not actually exist yet anywhere in the world. Nuclear power generation is also currently banned in Australia, and costed at \$16,000 \$/kW in the report (p.14).

In contrast offshore wind is a well-known and established technology, costed at \$6,000 \$/kW in the report (p.18). There is a 2GW project with serious investment support proposed by an experienced developer off the coast of Victoria. There are currently over 4,500 grid-connected offshore wind turbines operating in Europe alone, and more being built across Asia and North America.

On the basis of the evidence, we believe offshore wind should be listed with the main types of technologies listed on pages 9-18, and included in the Gencost modelling. Nuclear SMR should be moved to the 'other' technologies section as it is genuinely speculative and unproven.

We look forward to the future reports that include the cost of balancing renewable energy, and the consultation around this foreshadowed on p.1. Offshore wind must be properly included in these projections as it could offer significant network-level benefits due to the potential for larger projects to use existing transmission infrastructure, and the ability to balance other renewable energy generators.

We look forward to discussing these matters with you further. Please feel free to contact our National Research Officer Penny Howard to discuss these matters further, at penny.howard@mua.org.au.

Yours Sincerely,
Will Tracey,

A handwritten signature in black ink, appearing to read 'Will Tracey', written over a horizontal line.

**Deputy Divisional National Secretary
Maritime Union of Australia Division
Construction, Forestry, Maritime, Mining and Energy Union**

Cc: Allen Hicks, Secretary, Electrical Trades Union