



Call for non-network options – 2024 Integrated System Plan

Queensland – New South Wales
Interconnector (QNI) Connect

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Notice of consultation

2024 INTEGRATED SYSTEM PLAN CALL FOR NON-NETWORK OPTIONS – QUEENSLAND – NEW SOUTH WALES INTERCONNECTOR (QNI) CONNECT PROJECT

This notice informs all Registered Participants and interested parties that AEMO is requesting submissions for non-network options for the Queensland – New South Wales Interconnector (QNI) Connect project. This project is identified as an actionable ISP project in the 2024 *Integrated System Plan* (ISP). This request for submissions for non-network options has been prepared in accordance with the requirements of clause 5.22.14(c)(1) of the National Electricity Rules (NER).

Matter under consultation

The Northern New South Wales (NNSW) to Southern Queensland (SQ) corridor represents a portion of the network which forms part of the QNI. A project to increase the transfer capacity of the existing QNI (referred as ‘QNI Minor’) has recently been completed.

An augmentation of the interconnection between Queensland and New South Wales (QNI Connect) would further increase transfer capacity between Queensland and New South Wales to share renewable energy and firming services between regions. Powerlink and Transgrid completed preparatory activities for QNI Connect 500 kilovolts (kV) and 330 kV options in June 2023, and Transgrid provided an addendum to the preparatory activities in March 2024.

AEMO has identified the QNI Connect project as an actionable ISP project in the 2024 ISP. Additional transmission network augmentation to increase the transfer capacity between NNSW and SQ, local generation and/or energy storage, or load reductions within Queensland and New South Wales at peak times (depending on the direction of transfer) is needed to increase the transfer capacity between the two regions and optimise the sharing of low-cost renewable energy.

The matter for consultation is a call for non-network options for the QNI Connect project. This consultation notice:

- Describes the identified need that the QNI Connect project (including any non-network option) is addressing; and
- Provides detail on the required technical characteristics that non-network options must meet for the QNI Connect project.

Identified need for investment

The identified need for QNI Connect is to increase power transfer capability of the transmission network to:

- *support the expected increase in renewable generation in Queensland and New South Wales,*
- *enable integration of REZs into existing networks by providing alternative flow paths for REZ generation and facilitating energy supply to consumers, and*

- *optimise generation sharing between Queensland and New South Wales by increasing interconnector capacity, leading to cost effective substitution of high fuel cost plants with low-cost renewables.*

Technical characteristics

During periods of high variable renewable energy (VRE) in Queensland or New South Wales that are in excess of each local region's needs, network constraints on the existing interconnector provide opportunities for strategically placed battery storage, pumped hydro and/or local generation. These solutions could defer or reduce the scale of proposed transmission network augmentation between Queensland and New South Wales.

AEMO is not prescriptive at this early stage of the regulatory process regarding the role of non-network options and operating profiles for these solutions. AEMO is interested to hear from parties regarding the potential for non-network options to satisfy, or contribute to satisfying, the identified need, and from potential proponents of such non-network options.

AEMO encourages proponents of potential non-network solutions to make a submission to this consultation, as any new credible options received must be considered in the Regulatory Investment Test for Transmission (RIT-T).

Information to be provided by proponents of a non-network option

The types of non-network services mentioned above are not intended to limit the potential non-network services that may meet the identified network need. AEMO welcomes all non-network service providers to provide a submission for proposed non-network options they believe can address the identified need outlined above.

To aid RIT-T proponents in their consideration of non-network option proposals, AEMO recommends that submissions include the following details:

- Organisational information and key contact details.
- Relevant experience to demonstrate the capability and current utility-scale delivery of the technology.
- Technical details of the service, including location (transmission substation), size, operating profile and limitations, and availability.
- Total cost and scalability of service, separating capital and operating expenditure.
- Confirmation of any timelines involved in providing the service, including construction, grid connection, testing, and commissioning dates.
- Responsibility and liability arising directly or indirectly from the operation or failure of the non-network solution.
- Demonstration of the proponent's financial viability.
- Evidence of external funding contributions (such as from the Australian Renewable Energy Agency (ARENA) or government).

The consultation process

The consultation process is outlined below.

Process stage	Date of publication
Publication of notice of consultation	26 June 2024
Closing date for submissions	18 September 2024
Project Assessment Draft Report (PADR) publication	25 June 2026

Following the receipt of non-network option submissions, AEMO will provide these to the relevant RIT-T proponent identified in the 2024 ISP, Powerlink and Transgrid, to consider in the RIT-T for this actionable ISP project. RIT-T proponents are required to consider any new credible non-network options that were not previously considered in the ISP that meet the identified need, including any non-network options submitted to AEMO in response to this notice¹.

Invitation to make submissions

AEMO invites written submissions on the matter under consultation.

Please identify any parts of your submission that you wish to remain confidential, and explain why. AEMO may still publish that information if it does not consider it to be confidential, but will consult with you before doing so. Copies of all submissions received by AEMO will be provided to Powerlink and Transgrid as the RIT-T proponent for the the QNI Connect project as specified in the 2024 ISP.

Closing date and time

Submissions in response to this Notice Consultation should be sent by email to isp@aemo.com.au by 5.00 pm (AEST) on 18 September 2024. All submissions must be forwarded in electronic format (PDF preferred). Please send any queries about this consultation to the same email address.

Publication

All submissions will be published on AEMO’s website, other than confidential content.

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¹ Australian Energy Regulator (AER), *Regulatory Investment Test for Transmission*, paragraph 2(c)(iii).