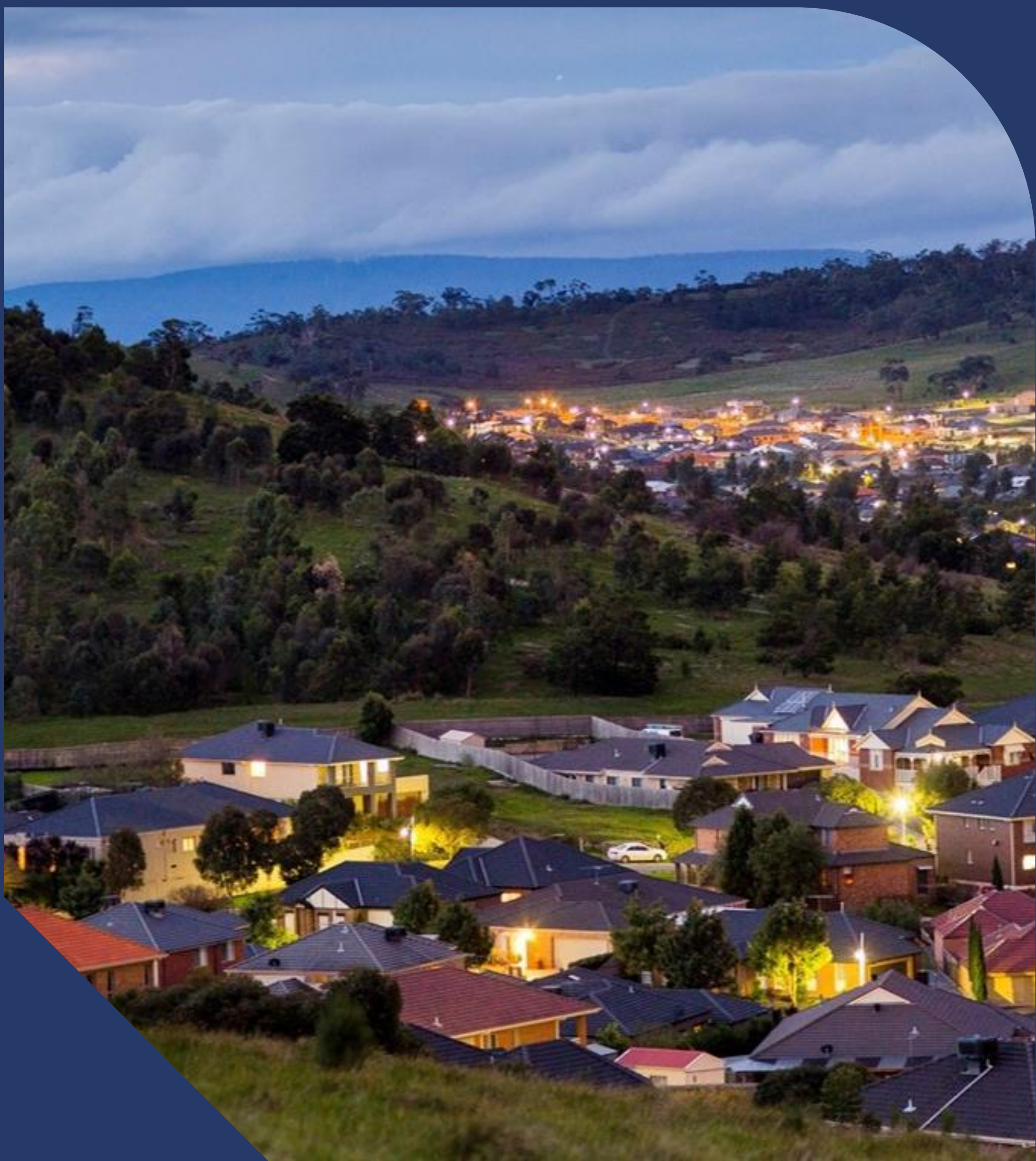
AusNet

Secure supply and enable connections: East Gippsland

Regulatory Investment Test for Distribution (RIT-D)

Final Project Assessment Report

Wednesday, 18 March 2026



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1 Executive summary

AusNet Electricity Services Pty Ltd (**AusNet**) is a regulated Victorian Distribution Network Service Provider (**DNSP**) that supplies electricity distribution services to more than 843,000 customers. Our electricity distribution network covers eastern rural Victoria and the fringe of the northern and eastern Melbourne metropolitan area.

As expected by our customers and required by the various regulatory instruments under which we operate, AusNet aims to maintain service levels at the lowest possible cost to our customers. To achieve this, we develop plans that aim to maximise the present value of economic benefit to all those who produce, consume and transport electricity in the National Electricity Market (**NEM**).

The East Gippsland 66kV sub-transmission loop, the longest in AusNet's system, supplies over 73,400 customers and is geographically isolated, which limits capacity transfers and increases susceptibility to voltage stability issues. Originating from the Morwell Terminal Station (**MWTS**), it comprises six zone substations: Traralgon (**TGN**), Sale (**SLE**), Maffra (**MFA**), Bairnsdale (**BDL**), Newmerella (**NLA**), and Cann River (**CNR**).

Demand is rising due to customer growth, home gas electrification, and EV adoption, with coincidental loading expected to exceed the loop's 144 MVA "N" capacity by 2026/27 under Probability of Exceedance (**POE**)50 condition and surpass the 162 MVA voltage collapse limit by 2025/2026 under POE10. Under worst-case N-1 conditions (MWTS-SLE outage), the loop's 86.3 MVA thermal limit would be exceeded under POE50. During the recent heatwave on 7 and 9 January 2026, the loop exceeded the thermal limits of the 66 kV line, requiring forced line outages and controlled load shedding to maintain network stability. These events highlight the critical need for timely augmentation of the loop. With no remedial action, significant load shedding may be required during the peak demand period to prevent voltage collapse and thermal overload. If only the currently committed generator connections proceed as planned, the system is projected to experience unserved energy with an undiscounted total value of approximately $767.2 million (real $2025) over the 30-year assessment period. However, there is a considerable uncertainty regarding the actual commissioning of these generators, primarily due to potential network constraints—particularly the need for system strength upgrades. If any of the committed generators were delayed or cancelled, the impact on reliability could be substantial in the absence of remedial action.

The Regulatory Investment Test for Distribution (**RIT-D**) is an economic cost-benefit assessment designed to identify the credible option that addresses an identified need while maximizing net economic benefits for stakeholders in the NEM. This involves a probabilistic planning methodology to account for rare but possible scenarios, such as extreme demand or outages, ensuring all credible options are considered.

AusNet initiated this RIT-D by publishing an Options Screening Report (**OSR**) in February 2025 in accordance with clause 5.17 of the NER and section 4.2 of the AER's RIT-D Application Guidelines to investigate and evaluate options to cater the rising demand in the East Gippsland sub-transmission network. AusNet received no submissions in response to the OSR.

When the OSR was published, the analysis was based only on demand forecasts. To make the Draft Project Assessment Report (**DPAR**) more accurate and reflect future conditions, AusNet included two generation projects in the modelling: Fraser Solar Farm (77 MW, anticipated) and Fulham Solar and Battery Energy Storage System (80 MW solar and 64 MW / 128 MWh battery, committed). Since network congestion occurs during night-time peaks, Fraser Solar Farm's impact was considered negligible for economic analysis, while the Fulham battery was treated as committed and included in the base case. Upgrading the constrained sections of the two MWTS–TGN lines was also added to the scope of all options under consideration in the DPAR and published in November 2025. The consultation period ended on 09 February 2026, and no submissions received on DPAR. This Final Project Assessment Report (**FPAR**) represents the final stage of the Regulatory Investment Test for Distribution (RIT-D) consultation process and confirms the findings presented in the DPAR.

AusNet followed the AER's RIT-D application guidelines to analyse and rank the economic cost and benefits of the investment options considered in this RIT-D. The robustness of the ranking was investigated through sensitivity analysis that involve variations in the input assumptions and other parameter values.

AusNet evaluated the following options to identify the preferred options which delivers the highest net economic benefit:

1. Option 1: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & reconductor the entire Traralgon - Maffra (**TGN-MFA**) 66 kV line with 19/4.75 AAC conductor
2. Option 2: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & construct new Traralgon - Sale (**TGN-SLE**) 66 kV line with 19/4.75 AAC conductor
3. Option 3: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & establish a TGN-SLE/MFA 66 kV line with 19/4.75 AAC conductor
4. Option 4: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & construct a 30 MW/150 MWh BESS at Bairnsdale Switching Station (**BDSS**)

The economic analysis for FPAR ascertains that Option 1 "Augment the MWTS – TGN No.1 and No.2 66kV lines & TGN-MFA 66 kV line with 19/4.75 AAC conductors" provides the highest net economic benefits, as shown in Table 1. Further information on the scenario selection is provided in section 7 of this FPAR.

Following points should be noted in relation to the data provided in the table below:

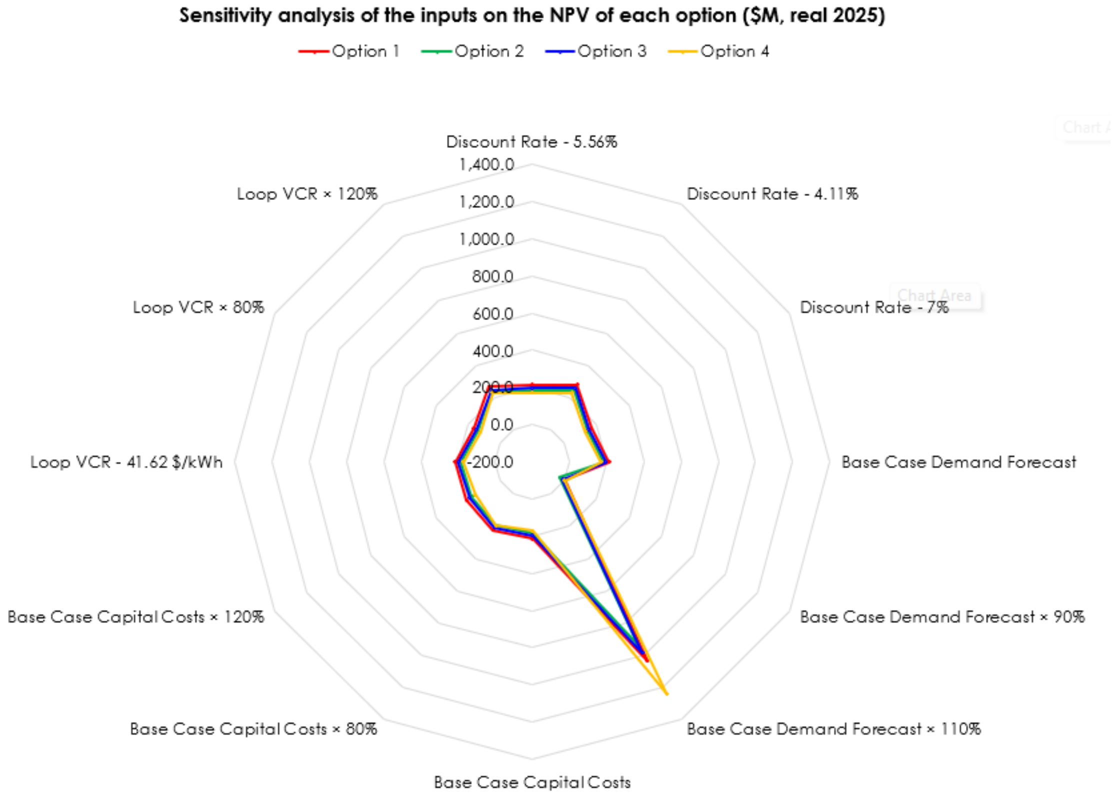
- Financial data are expressed in present value terms and $M, real 2025 prices; and
- The assessment period is over 30 years (2025/26 to 2053/54) with an asset life of 45 years for network options and BESS units being replaced at every 15th year for BESS options.

Table 1- Net economic benefit of each option in present value terms ($M, real 2025)

OPTION	NET PRESENT VALUE ($M, REAL 2025)
Option 1: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & reconductor the entire TGN-MFA 66kV line with 19/4.75 AAC conductor	215.0
Option 2: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & construct new TGN-SLE 66kV line with 19/4.75 AAC conductor	185.2
Option 3: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & establish a TGN-SLE/MFA 66kV line with 19/4.75 AAC conductor	196.7
Option 4: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & construct a 30 MW/150 MWh BESS at Bairnsdale Switching Station (BDSS)	171.7

AusNet tested the robustness of the investment decision against four inputs in the sensitivity. As shown in the Figure 1, Option 1 provides the highest net economic benefit for all the sensitivities, except the high demand sensitivity.

Figure 1 - Sensitivity analysis of the inputs on the NPV of each option ($M, real 2025)



On the basis of the analysis presented in this FPAR, AusNet concludes that Option 1 "Augment the MWTS – TGN No.1 and No.2 66kV lines & the entire TGN-MFA 66 kV line by reconductoring all undersized conductors and redesigning to achieve a minimum summer cyclic rating of 881A" is the preferred option to address the identified need described in this RIT-D. The optimal timing (economic timing) of the preferred option is FY30.

The capital expenditure related to the preferred option (Option 1), including AusNet's overheads and finance charges, is $39.23 million (real $2025). The direct capex component (including P50 risk allowance), excluding AusNet's overheads, finance charges and P90 risk allowance is $32.61 million (real $2025).

This FPAR concludes the RIT-D process. Any comments or enquiries should refer to 'RIT-D FPAR LD TGN MFA' in the subject heading be directed to: Email: ritdconsultations@ausnetservices.com.au.

In accordance with clause 5.17.5(c) of the NER, within 30 days of the date of publication of this FPAR, any party disputing the conclusion made in this FPAR should give notice of the dispute in writing setting out the grounds for the dispute (the dispute notice) to the AER with a copy of the dispute notice to AusNet via above email address. If there are no dispute notices within 30 days of the date of publication of this FPAR, AusNet will proceed to implement the preferred option subject to AER's EDPR decision and AusNet's internal approvals.

2 Introduction

2.1 Purpose of the FPAR

As required by clause 5.17.4(j) of the National Electricity Rules (**NER**) and outlined in Section 4.4 of the AER RIT-D Application Guidelines (November 2024), the FPAR documents the final conclusions of the RIT-D assessment, incorporating stakeholder feedback received during the OSR and DPAR consultation. It supports transparency, accountability, and informed decision-making prior to finalising the investment decision.

2.2 Background on the RIT-D process.

AusNet published an OSR in February 2025 and a DPAR in November 2025 in relation to the identified need arising from forecast demand growth in the East Gippsland area, in compliance with clause 5.17 of the NER and Section 4.2 of the AER's RIT-D Application Guidelines. During the consultation period following the OSR's and DPAR's publication, AusNet received no responses.

Publication of this FPAR represents the final step in the RIT-D process. It outlines:

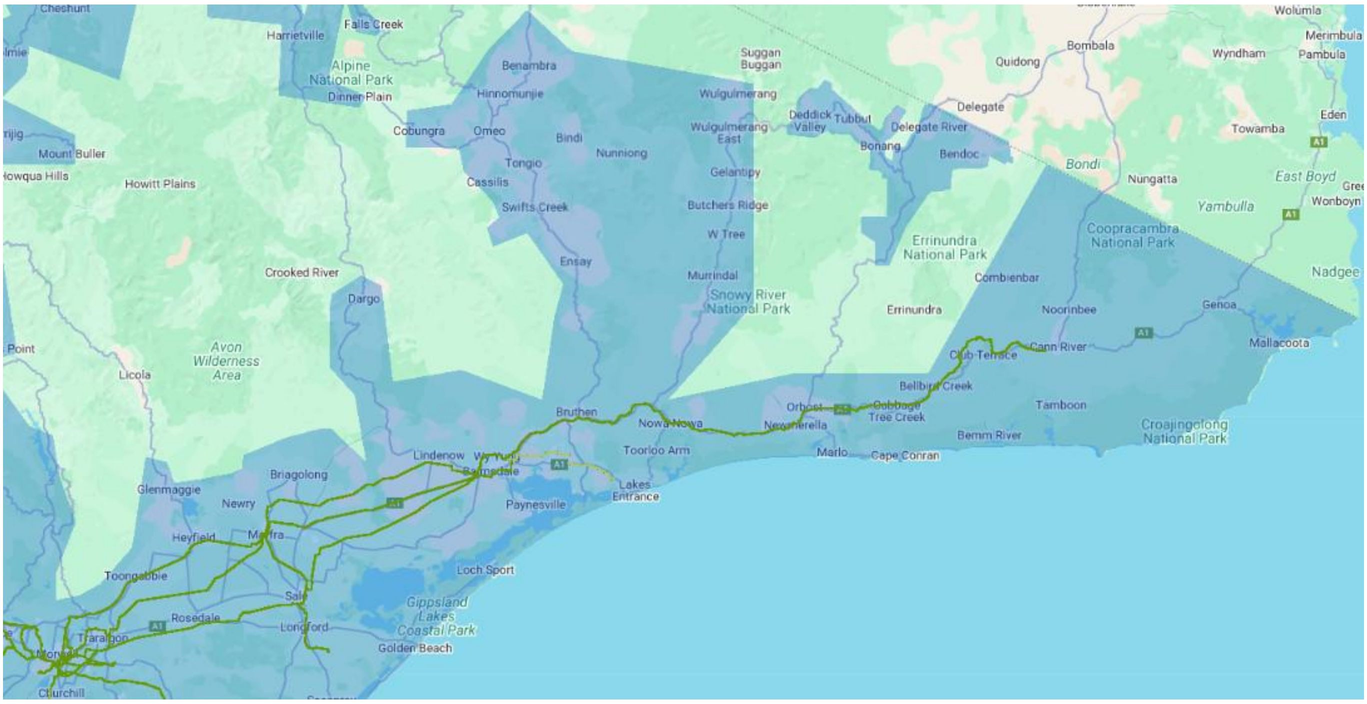
- the identified need that AusNet is seeking to address;
- credible network and non-network options that may address the identified need;
- the assessment approach and assumptions that AusNet has employed in this RIT-D assessment, as well as the specific categories of market benefits that are unlikely to be material; and
- the identification of the proposed preferred option, the expected costs and construction timetable.

Appendix A - provides an overview of the RIT-D assessment and consultation process.

3 Background

This FPAR relates to the East Gippsland 66kV sub-transmission loop, located within the east part of AusNet's network operating area (shaded in blue colour), as shown by Figure 2.

Figure 2 - AusNet network area map with East Gippsland 66kV network loop



The loop originates from Morwell Terminal Station (MWTS) and comprises six zone substations, including Traralgon (TGN), Sale (SLE), Maffra (MFA), Bairnsdale (BDL), Newmerella (NLA) and Cann River (CNR), as shown in Figure 3 below.

Figure 3 – Map showing East Gippsland 66kV network loop and location of terminal station and zone substations

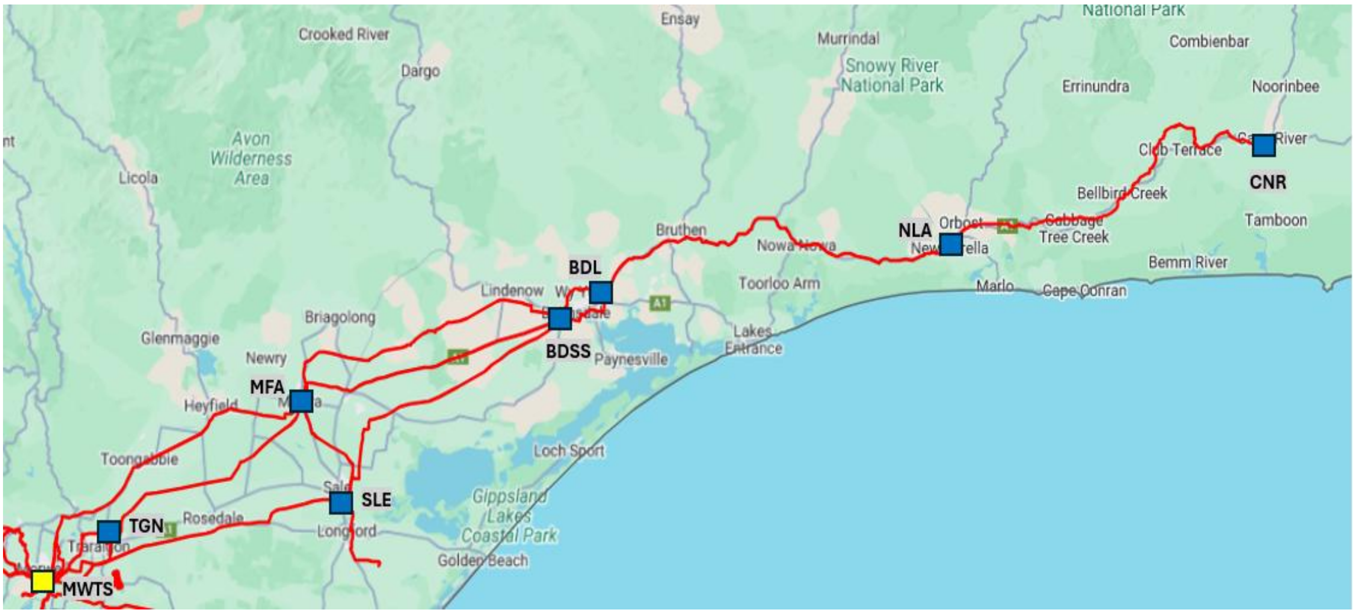
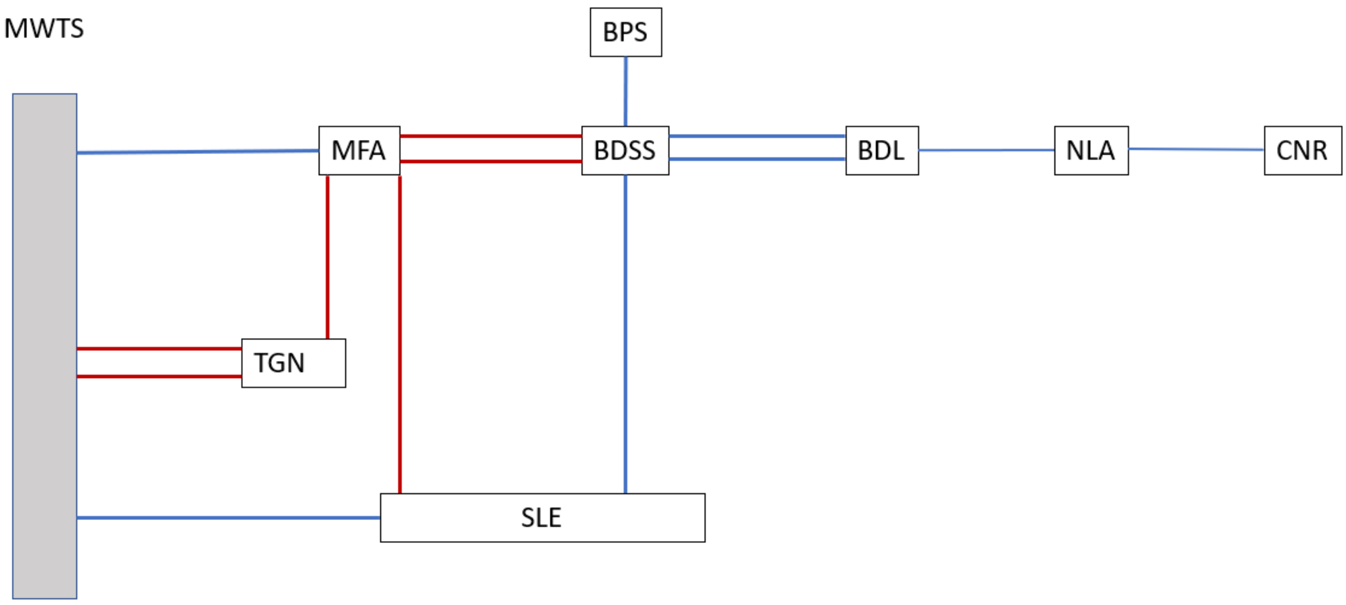


Figure 4 depicts a 66 kV network diagram of the region and indicates the high-capacity lines (these are represented by red lines in the diagram) and low-capacity lines (denoted by red lines) on the East Gippsland network loop.

Figure 4 – Location of high-capacity (Blue) and low-capacity lines (Red) on the East Gippsland 66kV network loop



The loop supplies electricity to over 71,400 customers comprising commercial (37%), agricultural (12%), industrial (8%), and residential consumers (43%). The East Gippsland loop is geographically isolated, servicing an extensive area between Traralgon and Mallacoota and is the longest sub-transmission network in AusNet's 66kV network, being 597.28 km in loop line length. This characteristic makes the East Gippsland 66kV network particularly prone to voltage issues due to the long line lengths and has necessitated the installation of three voltage regulators to help manage voltage. Additionally, due to the remoteness and geographic isolation from other 66kV networks, the network loop has less transfer capability than other 66kV network loops in AusNet's network, with transfers of only 4 MVA available in the west portion of the loop from Traralgon (TGN) to Morwell (MWL). All other zone substations on this loop have no available transfers out of the loop, which creates operational challenges in managing the load limit on the loop.

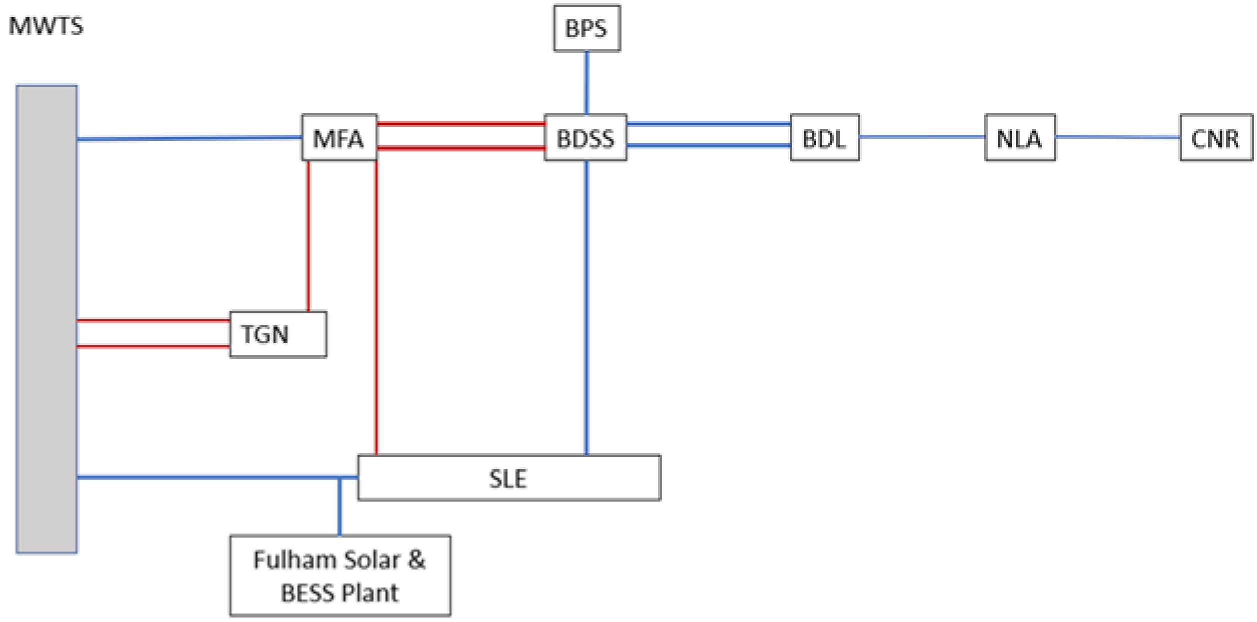
East Gippsland 66kV loop has:

- A maximum (N) capacity of 144 MVA and firm capacity (N-1) of 86.3 MVA
- A voltage collapse limit of 162 MVA and 121.4 MVA under (N-1) conditions; and
- transfer capacity of 4 MVA which is expected to diminish overtime from load growth at receiving zone substations. Additionally, as the primary constraint is located further down the sub-transmission loop from TGN towards NLA and CNR, these transfers have an extremely limited ability to mitigate risk.

In accordance with Section 3.8 of the AER's RIT-D Application Guidelines and Clause 5.17.1(c)(2) of the NER, AusNet included committed generation projects in the East Gippsland sub-transmission loop in the modelling for DPAR, Specifically, the analysis incorporated the Fulham Solar and BESS Plant (Fulham Plant) comprising 80 MW solar and 64 MW / 128 MWh battery.

Fulham Plant is expected to be operational by December 2027. This project is located within the East Gippsland 66kV network loop and is expected to materially influence future load profiles and network flows. At the time of publishing the OSR, the analysis was based solely on demand forecasts and did not account for committed generation from Fulham plant. To ensure the assessment reflects the most likely future operating conditions, Fulham Plant has been included in the base case scenario for modelling and analysed for DPAR and FPAR, considering the different timings of the operational timelines. Its inclusion supports a robust evaluation of credible options. Configuration of the network with the connection of the Fulham plant is indicated in Figure 5 (constrained lines are highlighted in red). AusNet considered the Fulham battery to be effectively 'committed' and assumed to be operating as part of the wholesale market and included in the base case for DPAR and FPAR of this RIT-D.

Figure 5 - Network with connection of the Fulham plant



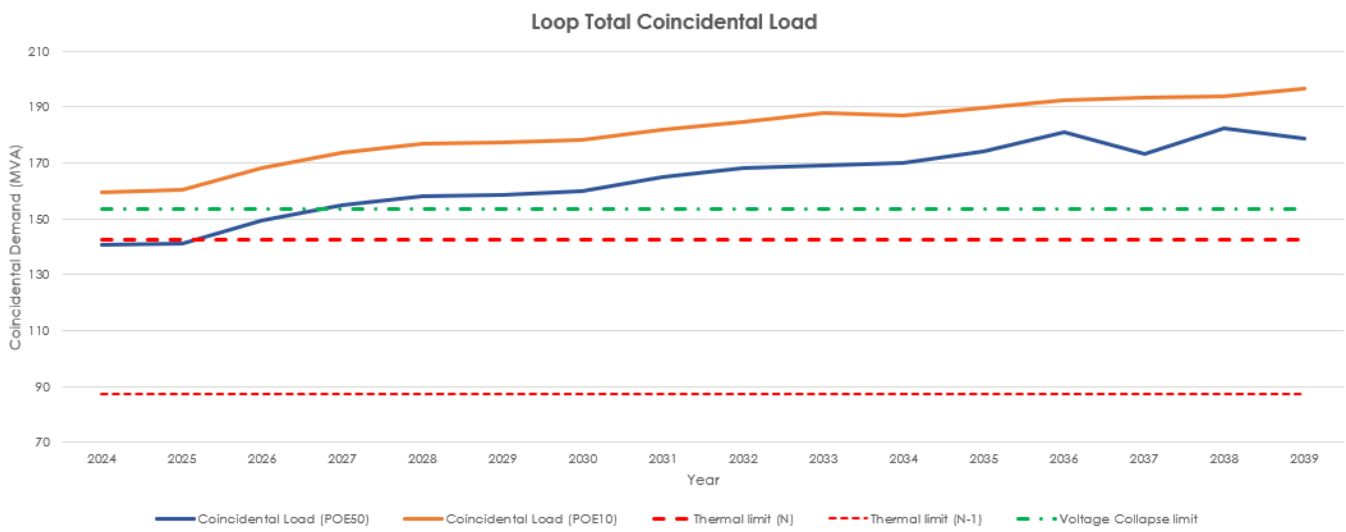
4 Identified need

4.1 Description

In the 2026-2030 Distribution Annual Planning Report (DAPR), AusNet has identified that there is energy at risk over the Summer period on the current East Gippsland 66kV sub-transmission loop. Figure 6 shows that:

- Demand is forecast to increase sharply from 2024 Summer and continue to increase over the remainder of the regulatory control period (2026-2031). This is primarily driven by customer growth, electrification of homes, and electric vehicle (EV) uptake within the region.[1]
- The loop has an N capacity of 144 MVA, while the coincident loading of the six zone substations is forecast to reach 160 MVA in 2029/30 summer under POE50 and 173.5 MVA during the 2026/27 summer under POE10 demand conditions, exceeding the N rating.
- The loop's N voltage collapse limit is 162 MVA, which is projected to be reached by summer 2025/26 under POE10 conditions, posing longer-term voltage stability concerns.
- Previously, contracted network support from Bairnsdale Power Station (BPS) mitigated thermal and voltage risks under N-1 scenarios, particularly during high demand. However, this support expired in 2022, and BPS is now only available as a non-obligated commercial generator, significantly reducing its reliance as a support option.
- Under worst-case N-1 conditions, where the MWTS–SLE line section is out of service, the loop is constrained by a thermal capacity limit of 86.3 MVA. Without BPS support, POE50 demand forecasts indicate that the loop would exceed this limit, leading to thermal overload risks.
- During the recent heatwave events on 9th January 2026, the loop exceeded the thermal limits of the 66 kV line, requiring forced line outages and controlled load shedding to maintain network stability which resulted in loss of more than 10,000 customers for a period of 2.5 hours over the day. These events highlight the critical need for timely augmentation of the loop.

Figure 6 - Load capacity of the East Gippsland 66kV network loop



Historically, AusNet has managed thermal overload and voltage-collapse risks on the East Gippsland sub-transmission loop (under both N-1 contingency conditions and planned maintenance outages during summer period) through a network support agreement (NSA) with Bairnsdale Power Station (BPS). Under this arrangement, BPS provided committed generation support during periods of summer high demand, enabling the network to meet reliability and security obligations at least cost.

The NSA expired in 2022, and BPS no longer provides guaranteed generation support. Since the expiry of the agreement, BPS has operated solely as a merchant generator. As a result, its market-driven operating profile is no longer aligned with local network support needs. Recent dispatch data indicates that BPS has not been actively

[1] Refer to Victoria State Government, 'Gas Substitution Roadmap – Update: Victoria's Electrification Pathway.'

bidding into the market over the past 12 months, suggesting that prevailing market conditions—particularly gas prices—do not support its commercial operation. Additionally, the Energy at Risk analysis indicates that unserved energy is expected even during winter high-demand periods. This implies that network support would be required for an extended duration across the year, significantly increasing the cost of securing such support. As a result, the network support option is not considered economically viable. The loss of a firm support arrangement has materially increased supply-risk exposure for the East Gippsland region. Furthermore, any potential generation from BPS cannot be assumed to be available during times of network stress. BPS's availability is subjected to factors outside AusNet's visibility or control, including scheduled maintenance, gas-supply availability and commerciality, and the generator's discretionary participation across different energy and ancillary service markets (e.g., FCAS). These uncertainties significantly limit the extent to which BPS can be relied upon to support the network during peak loading periods. In addition, the Victorian Government's Gas Substitution Roadmap outlines a long-term transition away from gas as part of the State's broader decarbonisation agenda. This policy direction creates further uncertainty regarding the long-term availability and commercial viability of gas-fired generation such as BPS. Collectively, these factors mean that BPS can no longer be considered a dependable source of network support and its contribution to resolve energy unserved is not considered.

The absence of a guaranteed support arrangement is a key driver of the increasing thermal and voltage-related constraints emerging on the East Gippsland network loop. With respect to the Fraser solar farm, its contribution to alleviating network congestion is minimal, as the congestion typically occurs during periods when solar generation is unavailable. Consequently, Fraser's impact during high-demand periods is limited. In contrast, the Fulham solar farm, equipped with a BESS, demonstrates significant generation capability during peak demand intervals.

For both DPAR and FPAR, the Fulham BESS, committed for commissioning in FY2028, has been included in the base-case modelling as a committed generation project. Its operational behaviour was simulated in PLEXOS (energy modelling software used by the Australian Energy Market Operator (**AEMO**) for long-term planning and forecasting, such as the Integrated System Plan (ISP) and the Electricity Statement of Opportunities (**ESOO**), using five years of half-hourly dispatch traces to represent regional demand and generation conditions. From these simulations, the 90th-percentile discharge rate during daily peak-demand periods was derived to represent the BESS's dependable contribution to network support. This output was applied as an embedded generation injection at Fulham in load-flow analyses, effectively increasing the loop's capacity to supply demand without breaching thermal or voltage limits under N and N-1 conditions. With network support from Fulham, the thermal capacity of the loop increases from 144 MVA to 154 MVA, and the voltage-collapse-limited capacity increases from 162 MVA to 179 MVA. However, these additional capacity margins are expected to be exceeded once demand reaches the POE50 forecast levels in 2027/28. Additionally, relying on network support from Fulham introduces further risk, as AusNet does not have a network support agreement with the Fulham generation facility. Consequently, there is no guaranteed availability of this support during periods when unserved energy risk is highest. The modelling reflected this (i.e.: Modelling assumes Fulham is a market participant at its will and therefore AusNet did not include a network support payment/cost in the modelling during DPAR).

Network load flow studies have found that with the loss of guaranteed service level network support functions supplied by BPS and even with generation form Fulham Plant, there are voltage and thermal capacity issues that need to be addressed, particularly with load starting to exceed N thermal capacity limits from 2026, as shown by Figure 6.

This load at risk is expected to increase over the next regulatory control period (2026-2031), given the loop has long exceeded N-1 thermal capacity limits. The emerging issue of voltage collapse limits is a complicating factor that places additional constraints on the network and limits the types of solutions that can be considered.

4.2 Thermal Capacity Limitations

From a thermal capacity perspective, without an emergency control scheme to enact load shedding in place the existing East Gippsland network should not be loaded above its secure system normal planning limit of 86.3 MVA in Summer. Doing so risks 66kV lines being loaded above their normal rating immediately following a network outage. Due to conductor thermal inertia characteristics, loading 66kV lines above their normal rating does not allow network controllers sufficient time to reduce load to within asset ratings, and can therefore potentially result in irreversible conductor damage and cascade tripping of network elements.

Supply to the East Gippsland region is also limited under network outage conditions by the thermal capacity of some key 66kV lines. Thermal ratings will be exceeded on the:

- TGN-MFA 66kV line when all lines are in service and net load in the East Gippsland loop exceeds 144 MVA.
- TGN-MFA 66kV line when the MWTS-MFA 66kV line is out of service and net load in the East Gippsland region exceeds 89.3 MVA.
- TGN-MFA 66kV line when the MWTS-SLE 66kV line is out of service and net load in the East Gippsland region exceeds 86.3 MVA.

4.3 Voltage Stability Limitations

The East Gippsland region is supplied by TGN, SLE, MFA, BDL, NLA and CNR zone substations. The 66kV network supplying the region is subject to voltage instability, where outage of a 66kV line during high demand periods can cause network voltages to drop uncontrollably (voltage collapse), ultimately leading to cascading 66kV line trips and loss of supply to over 71,400 customers in the East Gippsland region.

The East Gippsland 66kV sub-transmission network is voltage stable up to 162 MVA in summer with all lines in service and the BDSS static VAR compensator (SVC) operating at its full reactive power capability of 30 MVAr.

The present network is also expected to suffer voltage collapse for any one of the following conditions:

- MWTS-SLE 66kV line is out of service when net load in the East Gippsland region exceeds 121.4 MVA.
- MWTS-MFA 66kV line is out of service when net load in the East Gippsland region exceeds 138.5 MVA.
- TGN-MFA 66kV line is out of service when net load in the East Gippsland region exceeds 155 MVA.

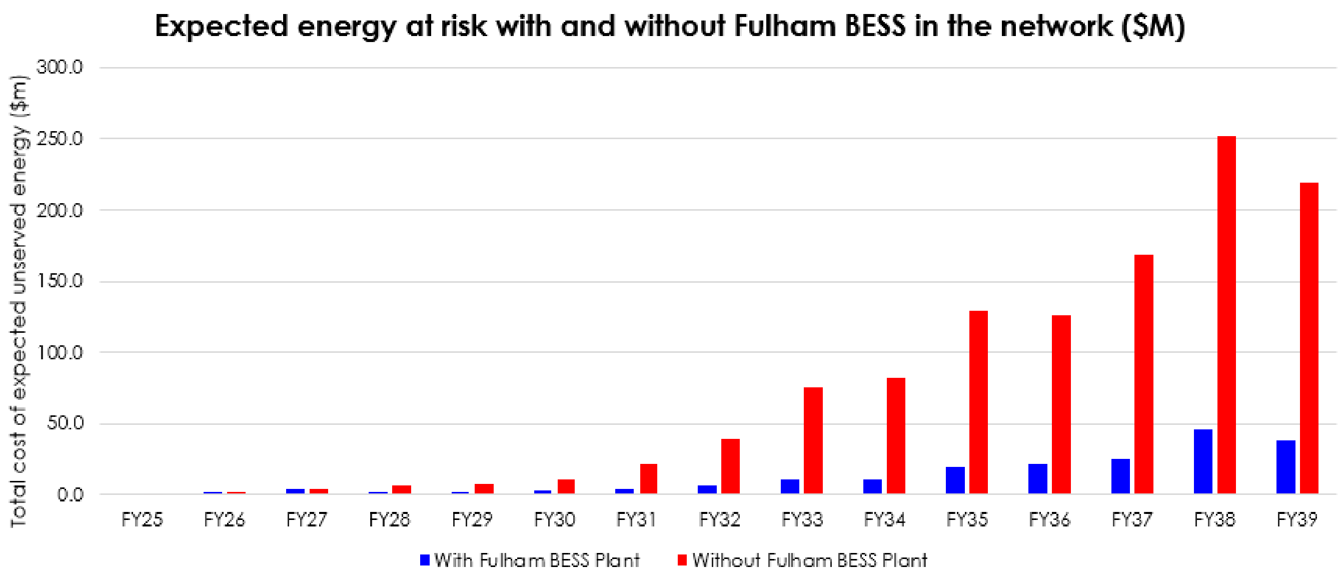
4.4 Risk assessment

Under specific N-1 contingency scenarios during summer peak conditions, immediate load shedding of up to 50% may be required at four major zone substations—BDL, MFA, SLE, and TGN—to prevent voltage collapse and thermal overload. If these risks are not mitigated, the resulting unserved energy is estimated to have an undiscounted total value of approximately $767.2 million (real $2025) within the existing network configuration. This risk is compounded by uncertainty in the commissioning of currently committed generation projects. However, potential network constraints—particularly system strength upgrade requirements—pose a significant risk to timely delivery of these generation projects. Any delays or cancellations of these generation projects could impact system reliability and increase the cost of expected unserved energy in the absence of remedial action. The estimate is based on the AER's Value of Customer Reliability (VCR) and reflects the broader economic impact on customers.

AusNet remains committed to delivering reliable and affordable energy while supporting the transition to electrification. A probabilistic planning approach has been adopted to assess energy at risk and evaluate the economic viability of mitigation strategies. Analysis indicates that energy at risk will reduce following the commissioning of the Fulham Battery Energy Storage System (BESS) but is expected to increase progressively from 2030 onwards.

The energy at risk forecast is shown in Figure 7. A probabilistic planning approach has been used to assess energy at risk and the economic viability of mitigation. The analysis indicates energy at risk will drop once the Fulham plant is operational but increases progressively from 2030 onwards.

Figure 7 - Energy at risk on the East Gippsland 66kV network loop with and without Fulham BESS in the system



4.5 Summary of identified need

Feedback from our customer engagement has highlighted the importance of ensuring that we provide our customers with reliable electricity supply, with minimal unplanned disruptions. Customers have expressed concern regarding the impacts of poor reliability given customers' increasing reliance on electricity to meet a range of different needs such as transport, telecommunications, working from home, maintaining comfort during extreme weather conditions, and to meet health needs.

Addressing the identified network capacity constraints will help to ensure that AusNet is able to prudently and efficiently meet forecast load growth in the East Gippsland region to:

- support economic growth anticipated in the region;
- support the electrification of homes, businesses and transport2; and
- meet our customers' expectations that AusNet should provide a reliable electricity supply and take prudent and efficient actions to minimise unplanned outages.

4.6 Assumptions underpinning the identified need

Key factors underpinning the identified need include:

- Demand forecast –The demand forecast is based on AusNet's standard forecasting methodology and accounts for organic growth and block loads.
- The assessment of Expected Unserved Energy (EUE) is based on a weighted-demand methodology. Total EUE is calculated using a 30 % weighting of the EUE derived under POE10 maximum demand conditions and a 70 % weighting of the EUE derived under POE50 maximum demand conditions. This approach reflects both high-demand and central-demand conditions in the risk evaluation and ensures that the timing of required investment is informed by the full distribution of plausible demand outcomes rather than a single POE forecast
- Bairnsdale Power Station's network support agreement has lapsed and is not expected to be reinstated. Historically, network support from Bairnsdale Power Station has been relied on to address network issues and defer network augmentation.
- Fulham plant is considered to be effectively 'committed' and included in the base case for this RIT-D and it will be commissioned and in operation by FY2028 and its output is modelled as a dependable generation source based on 90th percentile generation rates derived from five years of market modelling using PLEXOS simulations, contributing to resolve unserved energy in do nothing scenario
- Sub-transmission line unavailability rates have been determined in accordance with AusNet's Distribution Network Planning Standards and Guidelines, applying a standard outage duration of 2 hours for rural line segments and 1 hour for urban line segments.
- In the case of an N-1 event on the loop, where the loading is above the limit for voltage collapse, all load on the loop is assumed to be lost for a duration of 1 hour.

5 Summary of Submissions to the OSR and DPAR

Following the publication of the OSR in February 2025 and DPAR in November 2025, AusNet did not receive any submission proposing a non-network solution to address the identified need in the East Gippsland 66kV network sub-transmission loop.

6 Credible Options

This section describes the potential credible options that have been considered to address the identified need, including:

- the technical characteristics of each option;
- the estimated construction timetable and commissioning date based on the economic timing; and
- the total indicative capital and operation and maintenance costs.

The purpose of this RIT-D is to identify the credible option for addressing the identified need that maximises the net market benefit. An important aspect of this task is to consider non-network and network options on an equal footing, so that the optimal solution can be identified, evaluated and determined.

Unlike the OSR, which assumed that MWTS–TGN Lines 1 and 2 were already augmented, for DPAR explicitly included the augmentation of these two lines with 19/4.75 AAC conductor in the base case. This approach represents the **least-cost solution** among the evaluated options to alleviate thermal constraints on MWTS–TGN Lines 1 and 2. The options considered were:

1. Augment Line 1 only with 19/4.75 AAC conductor

2. Augment both Lines 1 and 2 with 19/4.75 AAC conductor

3. Augment both Lines 1 and 2 with 37/3.75 AAC conductor

Without addressing the constrained sections of these two lines, any augmentation within the MWTS–TGN loop would remain limited by these bottlenecks. Therefore, augmentation of the constrained sections of MWTS–TGN Lines 1 and 2 was incorporated into the scope of all options identified in the OSR to ensure network reliability and capacity adequacy.

6.1 Option 0: Do Nothing

The Do Nothing or business as usual (BAU) option assumes that AusNet would not undertake any investment, outside of normal operational and planning processes for managing peak demand and voltage limits. This option is the counterfactual to the other options considered and establishes the base level of risk (base case) and basis for comparing other credible options.

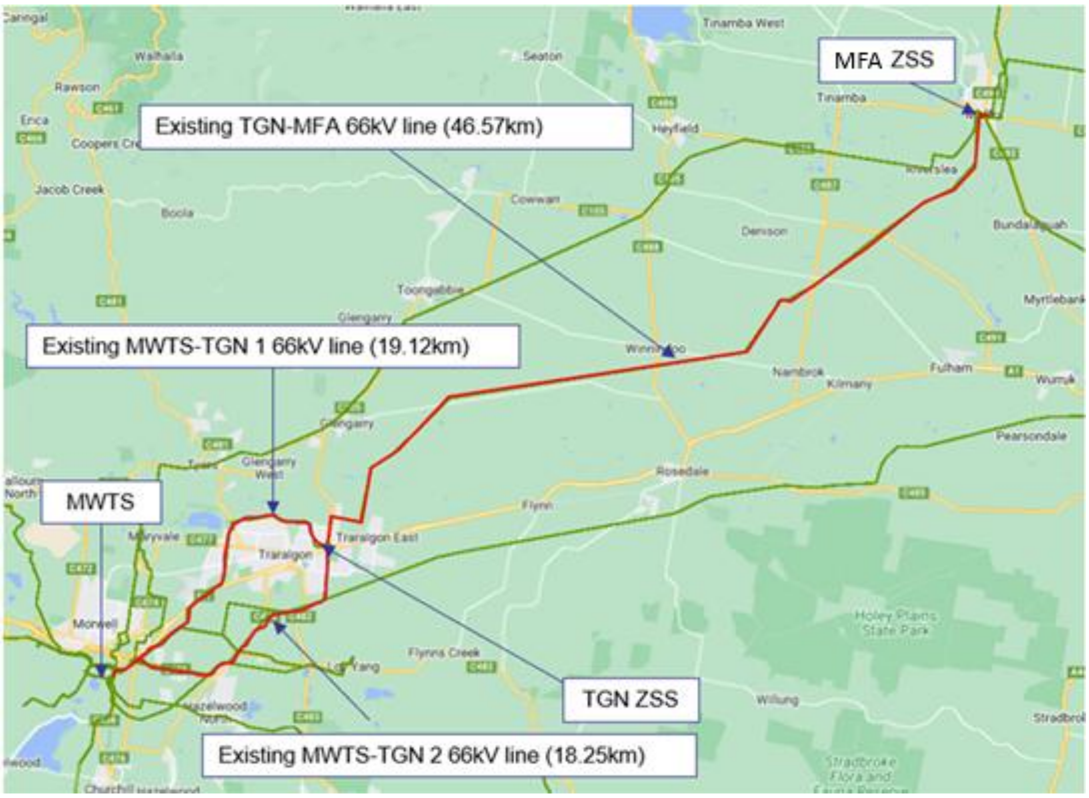
While this option does not entail any upfront capital costs, it exposes customers to the continuing risk of network outages as it does not address the identified need, which is the risk of unserved energy because of the capacity and voltage limits on the loop being exceeded. AusNet has quantified the expected undiscounted total cost of unserved energy to be $767.2 million (real $2025) over the evaluation period.

This option does not meet our customers' expectations of a reliable electricity supply, which requires investment to avoid unplanned network outages. Furthermore, this option does not align with AusNet's asset management objectives of being future ready and meeting customer needs by maintaining the long-term reliability of our distribution network.

6.2 Option 1: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & reconductor the entire Traralgon - Maffra (TGN-MFA) 66kV line with 19/4.75 AAC conductor

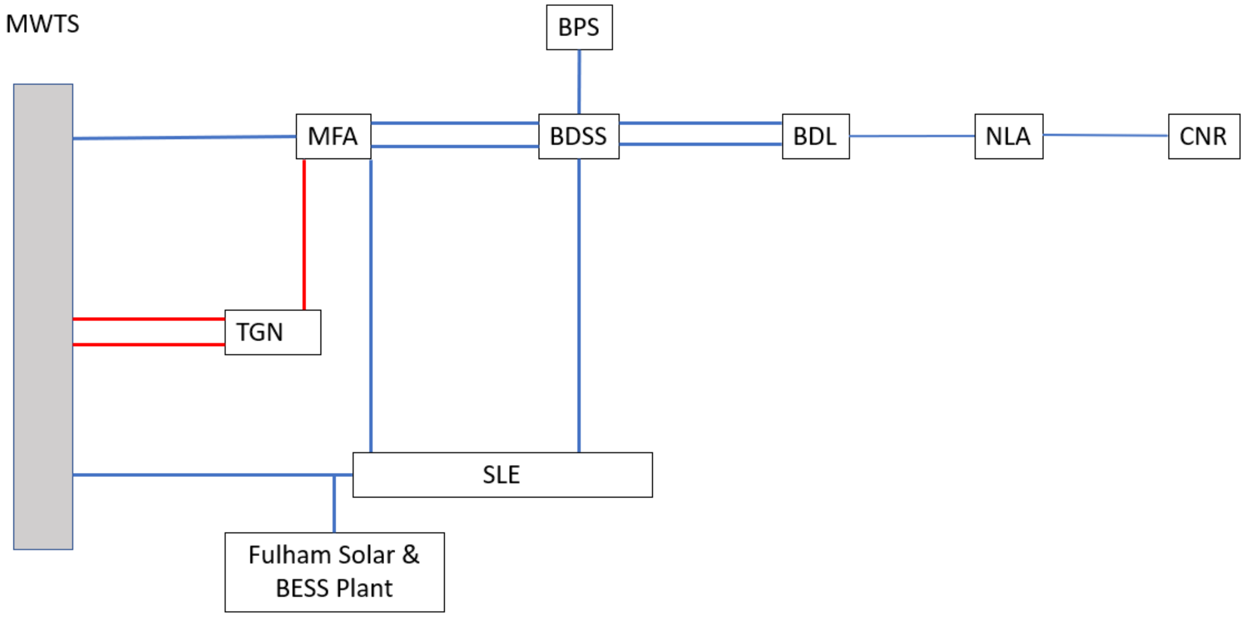
This option involves reconductoring all undersized conductors (6/4.72, 7/1.57 ACSR) along the full length of the MWTS-TGN 1 &2 and TGN-MFA 66kV lines (approximately 83.94 km indicated in Figure 8) with 19/4.75 AAC conductors and redesigning them to a maximum conductor temperature of 100 degrees Celsius to achieve a minimum summer cyclic rating of 881 A.

Figure 8 - Map indicating existing MWTS-TGN and TGN-MFA 66kV line routes



Undersized conductors on this network loop have been identified by AusNet with a complete list of conductors that need to be replaced. The red lines in Figure 9 indicate the work to be carried out under this option.

Figure 9 - Works in the East Gippsland 66 kV loop for reconductoring of MWTS–TGN 1 & 2 and MFA–TGN 66 kV lines



Reconductoring undersized conductors along the MWTS-TGN 1, MWTS-TGN 2 and TGN-MFA lines will increase the line rating from 345 A to 881 A, while significantly reducing the impedance of this line. Key benefits from this augmentation would include:

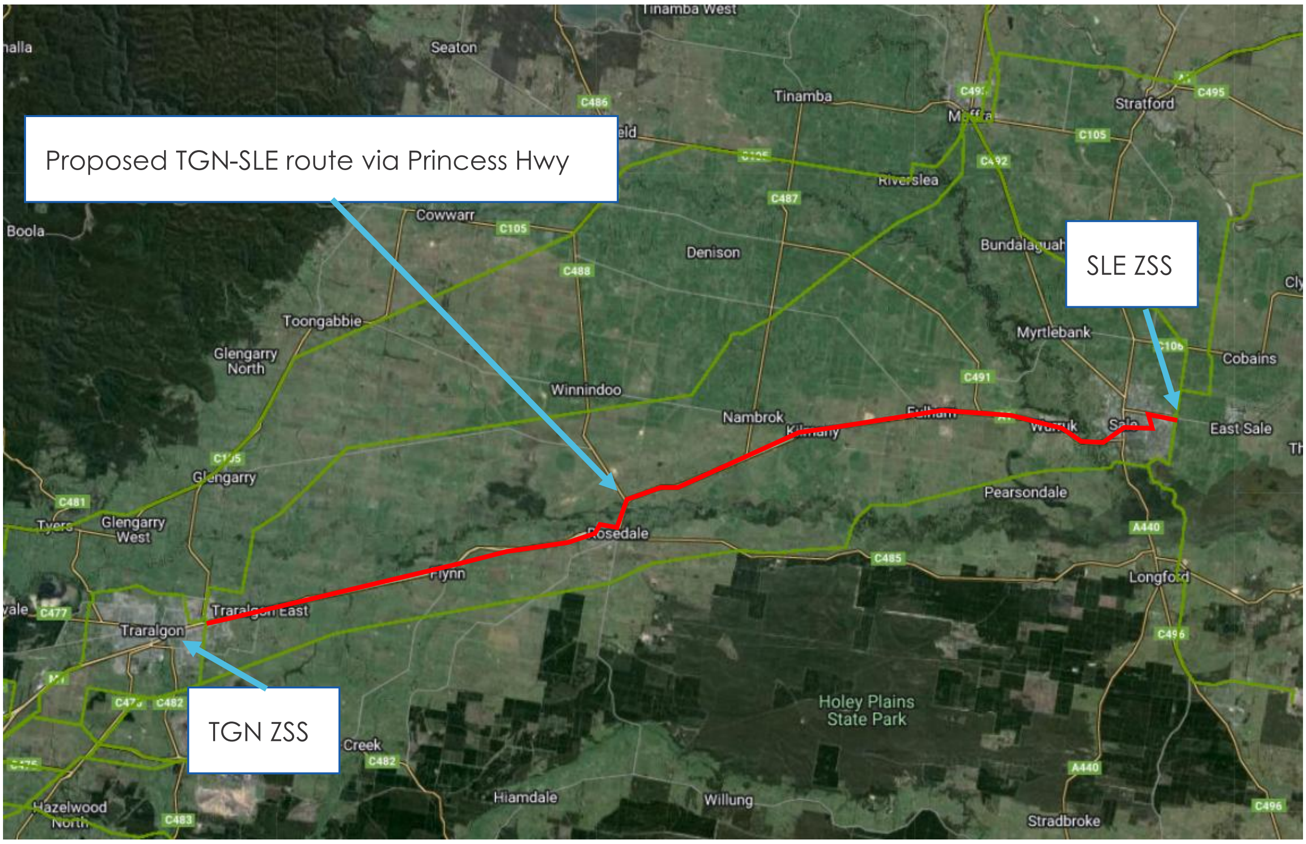
- Increasing the system normal planning limit and thermal capacity of the East Gippsland 66kV network.
- Increasing the N-1 voltage collapse limits for outages of either the Morwell Terminal Station to Sale (MWTS-SLE) or Morwell Terminal Station to Maffia (MWTS-MFA) 66kV lines.
- Reducing network losses.

The estimated total cost of this option including AusNet's overheads and finance charge is estimated to be $39.23 million (in real $2025). In relation to O&M expenditure, annual routine maintenance expenditure would be $0.39 million.

6.3 Option 2: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & construct new Traralgon - Sale (TGN-SLE) 66kV line with 19/4.75 AAC conductor

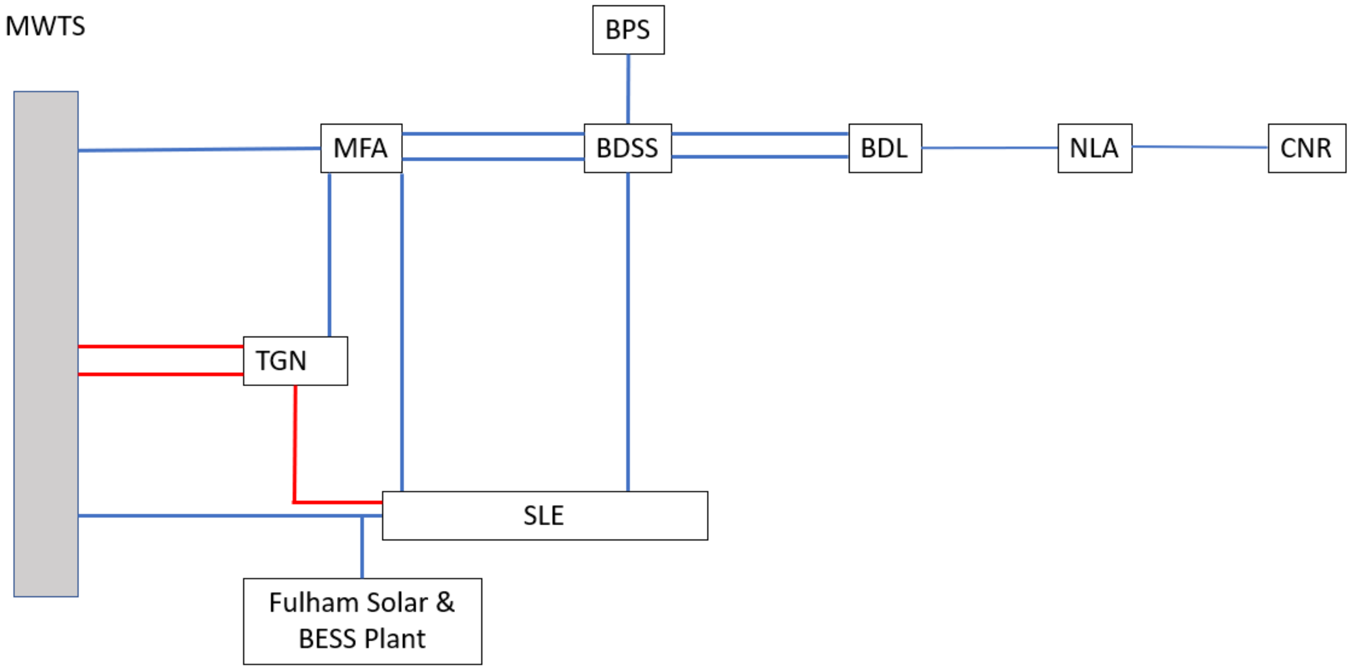
This option involves reconductoring all undersized conductors (6/4.72, 7/1.57 ACSR) along the full length of the MWTS-TGN 1 & 2 with 19/4.75 AAC conductor and constructing a new TGN-SLE 66kV line over a 51.5 km route length, by effectively rebuilding 22kV line segments adjacent to or along the Princess Highway, as shown by Figure 10.

Figure 10 - TGN-SLE 66kV lines works



The red lines in Figure 11 show the work to be carried out under this option.

Figure 11 - Works in the East Gippsland 66kV loop for constructing new TGN-SLE line and MWTS-TGN 1 & 2 line augmentation works



These works will include reconductoring undersized conductors along the MWTS-TGN 1, MWTS-TGN 2 and establishing a new TGN-SLE 66kV line, constructed from 19/4.75 AAC conductor designed to a maximum conductor temperature of 100 degrees Celsius, rated to 881 A which would:

- Increase the thermal capacity of the East Gippsland 66kV network.
- Significantly increase the N-1 voltage collapse limits for outage of either the Morwell Terminal Station to Sale (MWTS-SLE) or MWTS-MFA 66kV lines.

- Reduce network losses.

The construction of a new 66kV TGN-SLE line will require enabling works to be carried out at both the Sale and Traralgon zone substations.

There are several possible alternative routes for installing new 19/4.75 AAC 66kV line between Traralgon and Sale, along the Princess Highway. Factors that may impact on route selection or the need for undergrounding segments include river, rail, and road crossings, the need to avoid multiple lines on a pole or the lines crossing. The establishment of a new 66kV line will be in bushfire prone areas and subject to stricter design and construction requirements. All new lines are to be constructed using concrete poles to mitigate the risk of bushfire hazards and are subject to stricter vegetation trimming requirements to maintain safe clearances.

The estimated total cost of this option including AusNet’s overheads and finance charge is estimated to be $65.72 million (in real $2025). In relation to O&M expenditure, annual routine maintenance expenditure would be $0.64 million.

6.4 Option 3: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & establish a TGN-SLE/MFA 66kV line with 19/4.75 AAC conductor

This option involves reconductoring undersized conductors along the MWTS-TGN 1, MWTS-TGN 2 and constructing a new 66kV switching station at Winnindoo (WISS) on the existing TGN-MFA 66kV line (approximately 27.5 km from Traralgon), constructing 25 km of new 66kV line from the new WISS to Sale (Shown in Red)and reconductoring the 27 km of line between Traralgon and the new tee point, as shown by Figure 12. These works will replace the line segment from TGN-WISS on the existing TGN-MFA 66kV line with a TGN-SLE/MFA 66kV line.

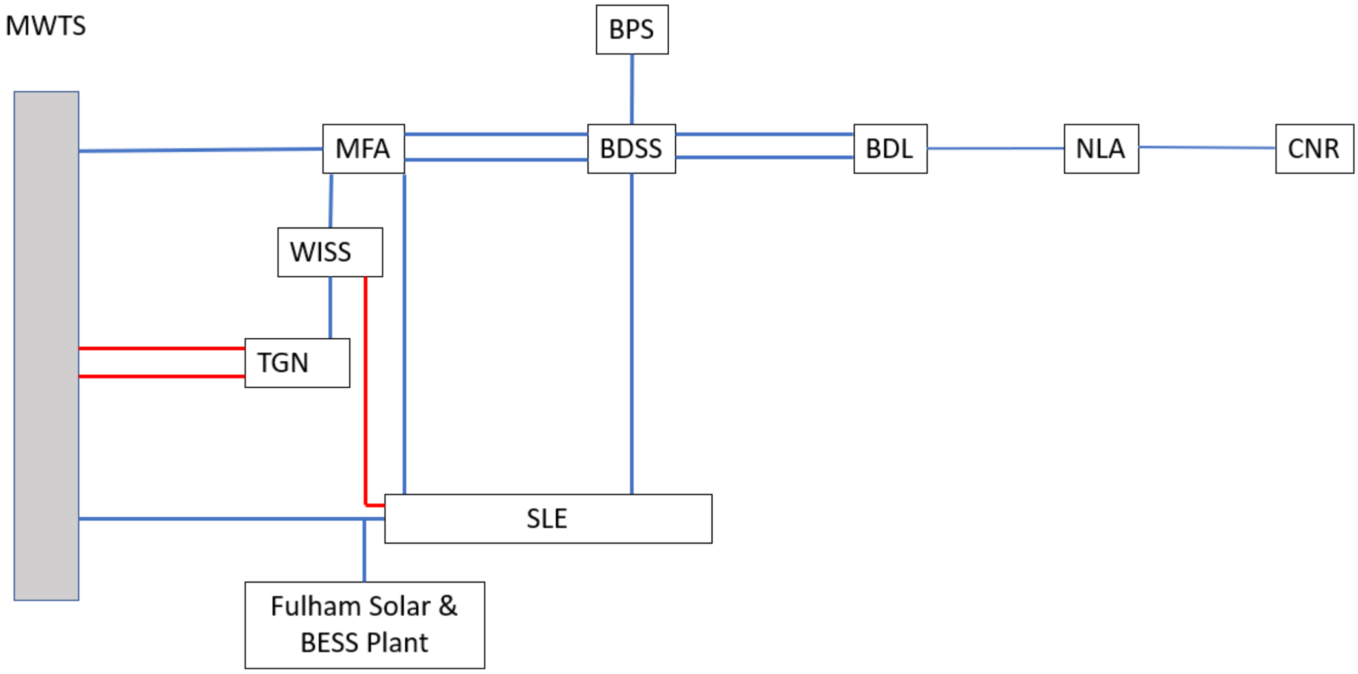
Figure 12 - Map of new TGN-SLE/MFA 66kV line

The new line segment between the 66kV switching station and the Sale zone substation will utilise the existing 22kV line easement by rebuilding the 22kV poles to support the new 66kV line. This will reduce the impact on the local community and the social license costs compared to the construction of a new 66kVline. This option will entail enabling works to the Sale zone substation to facilitate a new 66kV bay.

Sections of the existing MWTS-TGN 1 & 2 and TGN-MFA line, up to the new 66kV switching station location, are to be reconductored. All reconductoring of undersized conductors and new lines are to utilise 19/4.75 AAC and designed to a maximum conductor temperature of 100 degrees to achieve a minimum 881 A summer cyclic rating. Enabling works at the Sale zone substation include installation of one additional feeder.

Red lines in Figure 13 depicts the works involved with the establishment of the WISS between Traralgon and Maffra zone substations, reconductoring the TGN-WISS section and the new SLE-MFA line.

Figure 13 - Works in the East Gippsland 66kV loop for establishing TGN-SLE/MFA 66kV line together with reconductoring MWTS-TGN 1 & 2 lines



These works will result in the TGN to SLE section of the line to be augmented with 19/4.75 AAC conductor designed to a maximum conductor temperature of 100 degrees Celsius, rated to 881 A, and the section between the switching station and MFA remaining rated to 345 A. These works would:

- Increase the thermal capacity of the East Gippsland 66kV network.
- Significantly increase the N-1 voltage collapse limits for outage of either the MWTS-SLE, MWTS-MFA or BDSS-SLE 66 kV lines.
- Reduce network losses.

The establishment of a new 66kV line will be in bushfire prone areas and subject to stricter design and construction requirements. All new lines are to be constructed using concrete poles to mitigate the risk of bushfire hazards and are subject to stricter vegetation trimming requirements to maintain safe clearances.

The estimated total cost of this option including AusNet's overheads and finance charge is estimated to be $57.6 million (in real $2025). In relation to O&M expenditure, annual routine maintenance expenditure would be $0.56 million.

6.5 Option 4: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & construct a 30 MW/150 MWh BESS at Bairnsdale Switching Station (BDSS)

This option involves reconductoring undersized conductors along the MWTS-TGN 1, MWTS-TGN 2 and constructing a 30 MW/150 MWh BESS at the existing 66kV switching station located at Bairnsdale Switching Station (BDSS) to provide support at a major load centre on the loop. This analysis assumes a battery life of 15-years and battery replacement at each 15th year during the 30-year assessment period.

The BESS will reduce the loading requirement on the loop by providing a temporary source close to the major load centre of Bairnsdale, reducing the current through major legs MWTS-SLE, MWTS-MFA and TGN-MFA. Support provided by the BESS will significantly defer the requirement to reconductor TGN-MFA to beyond the forecasting period, however, this reconductoring will still be required at either battery end of life or should load increase beyond the forecasting period. The battery has been sized to support the loop for 5 hours – based on historic peak load duration. The proposed battery and associated works would:

- Significantly increase the system normal planning limit and thermal capacity of the East Gippsland 66kV network.
- Significantly increase the N-1 voltage collapse limits for outage of either the MWTS-SLE and MWTS-MFA lines.
- Reduce network losses.

The estimated total cost of this option including AusNet's overheads and finance charge is estimated to be $87.13 million (in real 2025). In relation to O&M expenditure, annual routine maintenance expenditure would be $0.85 million.

6.6 Options considered and not progressed

6.6.1 Demand management

There is limited ability for demand reductions to reduce peak demand on the East Gippsland 66kV network loop of the magnitude required to defer the need for augmentation. There is only one customer directly connected to the 66kV loop at Longford, which is radially supplied from Sale. This customer has indicated their intent to increase loading but has agreed to reduce load at peak loop times to avoid paying 66kV augmentation costs to run their increased load at peak times. Similarly, while there is the potential for 750 kW of demand reduction on the 22kV networks this does not deliver the necessary load reduction required to address the identified need. This would total 0.5% of the expected coincident demand in 2025 under 50POE conditions which is insufficient to defer augmentation under AusNet's POE50 summer forecasts.

6.6.2 Establishment of new Bairnsdale Terminal station

The establishment of a new Bairnsdale Terminal Station would entail extending the 220 kV network from Morwell Terminal Station (MWTS) to a new Bairnsdale Terminal Station (BDTS) via approximately 130 km of new 220kV line. While this option has several advantages such as increasing loop overload thresholds significantly, improving voltage constraints, and increasing generation capacity and reliability for the region it has been assessed as not currently economically viable and has several technical challenges associated with 220kV installations.

7 Economic assessment of the credible options

7.1 Assessment approach

Consistent with the RIT-D requirements and RIT-D Application guidelines by AER, AusNet undertook a cost-benefit analysis to evaluate and ranked the net economic benefits of the credible options over a 30-year period while assuming a 45-year asset life for network options. For the BESS proposals, a battery life of 15-years and battery replacement at each 15th year during a 15-year battery life cycle is assumed.

All options considered have been assessed against a business-as-usual or base case where no proactive capital investment to address the identified need is made.

7.2 Material classes of market benefits

Clause 5.17.4 (j)(5) of the NER requires the RIT-D proponent to consider whether each credible option provides the classes of market benefits described in clause 5.17.1(d). To address this requirement, Table 2 sets out AusNet's approach to each of the market benefits listed in that clause for each credible option.

Table 2 - Analysis of Market Benefits

CLASS OF MARKET BENEFIT	ANALYSIS
(i) changes in voluntary load curtailment;	Any changes in voluntary load curtailment will be valued in accordance with any applicable network support agreements that may be in place.
(ii) changes in involuntary load shedding and customer interruptions caused by network outages, using a reasonable forecast of the value of electricity to customers;	The credible options may reduce involuntary load shedding, by increasing network capacity or sharing the load between the ZSSs.
(iii) changes in costs for parties, other than the RIT-D proponent, due to differences in: *(A) the timing of new plant;* *(B) capital costs; and* *(C) the operating and maintenance costs;*	There are no expected significant differences between the credible options.
(iv) differences in the timing of expenditure;	There are no expected significant differences between the credible options.
(v) changes in load transfer capacity and the capacity of distribution connected units to take up load	Available load transfers out of the loop were considered during the analysis.
(vi) any additional option value (where this value has not already been included in the other classes of market benefits) gained or foregone from implementing the credible option with respect to the likely future investment needs of the NEM	There will be no impact on the option value in respect of the likely future investment needs of the NEM.
(vii) changes in electrical energy losses;	The credible options are not expected to result in material changes to electrical energy losses.

CLASS OF MARKET BENEFIT	ANALYSIS
(viii) changes in Australia's greenhouse gas emissions	The credible options are not expected to result in material changes to greenhouse gas emissions.
(ix) any other class of market benefit determined to be relevant by the AER.	There are no other classes of market benefit that are relevant to the credible options.

7.3 Methodology

The purpose of this section is to provide a high-level explanation of AusNet's methodology for identifying the preferred option. As a general principle, it is important that the methodology takes account of the identified need and the factors that are likely to influence the choice of the preferred option. As such, the methodology is not a 'one size fits all' approach, but one that is tailored to the circumstances under consideration.

For this project, there is a significant market benefit component, which is mainly generated by reducing the risk of Unserved Energy and calculated based on the VCR.

The preferred option is the one that delivers the highest Net present Value (NPV) to the NEM, which is the Present Value of the sum of the net benefits of implementing that option. The identification of the preferred option is complicated by the fact that the future is uncertain and that various input parameters are 'best estimates' rather than known values. Therefore, the RIT-D analysis must be conducted in the face of uncertainty.

To address uncertainty in our assessment of the credible options, we use sensitivity analysis and scenario analysis in our cost benefit assessment. As recommended by the AER's application guidelines, we use sensitivity analysis to assist in determining a set of reasonable scenarios. The relationship between sensitivity analysis and scenarios is best explained by the AER's practice note:[2]

(1). *Scenarios should be constructed to express a reasonable set of internally consistent possible future states of the world. Each scenario enables consideration of the prudent and efficient investment option (or set of options) that deliver the service levels required in that scenario at the most efficient long run service cost consistent with the National Electricity Objective (NEO).*

Sensitivity analysis enables understanding of which input values (variables) are the most determinant in selecting the preferred option (or set of options). By understanding the sensitivity of the options model to the input values a greater focus can be placed on refining and evidencing the key input values. Generally, the more sensitive the model output is to a key input value, the more value there is in refining and evidencing the associated assumptions and choice of value.

(2). *Scenario and sensitivity analyses should be used to demonstrate that the proposed solution is robust for a reasonable range of futures and for a reasonable range of positive and negative variations in key input assumptions. NSPs should explain the rationale for the selection of the key input assumptions and the variations applied to the analysis.*

In applying sensitivities and scenarios to our cost benefit assessment, we have regard to the different circumstances that may eventuate that would affect the choice of the preferred option. Where our analysis shows that an option is clearly preferred, we will not undertake further testing. This approach is consistent with clause 5.17.1(c)(2) of the Rules, which states that the RIT–D must not require a level of analysis that is disproportionate to the scale and likely impact of each credible option considered.

In preparing the RIT-D, AusNet has also had regard to 2025 Inputs Assumptions and Scenarios Report, August 2025.

AusNet's findings and scenario selection are discussed in detail under Section 7.5.

2 AER, Asset replacement planning, January 2019, page 36.

7.4 Key variables and assumptions

Table 3 lists the key variables and assumptions applied in the economic assessment, which are essential inputs to our methodology for the purpose of this FPAR. Table 3 also sets out the upper and lower bounds of the range of forecasts adopted for each of these variables. The lower bound and upper bound estimates are used to undertake sensitivity testing and scenario analysis. The detailed results of this modelling are provided in the next section.

In relation to the discount rate, we have adopted central, upper and lower bound estimates that are consistent with the guidance provided by AEMO and the AER. We note that discount rates are subject to change, particularly in the current economic climate. As such, the rates employed in this FPAR are considered reasonable in exploring the impact of different rates on the cost-benefit assessment of the competing options to address the identified need.

Table 3 - Input assumptions used for sensitivity studies

PARAMETER	LOWER BOUNDARY	CENTRAL (BASE) CASE	HIGHER BOUND
Project Cost	AusNet estimate × 80%	AusNet estimate	AusNet estimate × 120%
VCR	VCR × 80%	VCR	VCR × 120%
Discount Rate (real, pre-tax)	4.11%	5.56%	7 %
Demand	90% of AusNet Demand forecast	AusNet Demand Forecast	110% Of AusNet Demand forecast

7.5 Cost benefit analysis

The economic analysis allows comparison of the economic cost and benefits of each option to rank the options and to determine the optimal timing of the preferred option. It quantifies the capital costs and the cost of the residual risk for each option, to determine a total cost for each option. The net economic benefit for each credible option is the total cost associated with that option minus the costs of the Do Nothing/BAU option.

AusNet considered the following options in the evaluation to select the preferred option to address the identified need.

1. Option 1: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & reconductor the entire Traralgon - Maffra (**TGN-MFA**) 66 kV line
2. Option 2: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & construct new Traralgon - Sale (**TGN-SLE**) 66 kV line
3. Option 3: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & establish a TGN-SLE/MFA 66 kV line
4. Option 4: Augment the MWTS – TGN No.1 and No.2 66kV lines with 19/4.75 conductor & construct a 30 MW/150 MWh BESS at Bairnsdale Switching Station (**BDSS**)

As already explained, each of these options will provide additional network capacity to enable more customers to connect, deliver positive market benefits and reduce the expected unserved energy.

Table - 4 presents the capital expenditure and net benefits for each option, compared to the 'do nothing' or BAU base case. The data presented is expressed in present value terms and in $M real 2025 prices. The economic assessment period is 30 years covering the period from FY27 to FY54. It shows that Option 1 delivers the highest net market benefit.

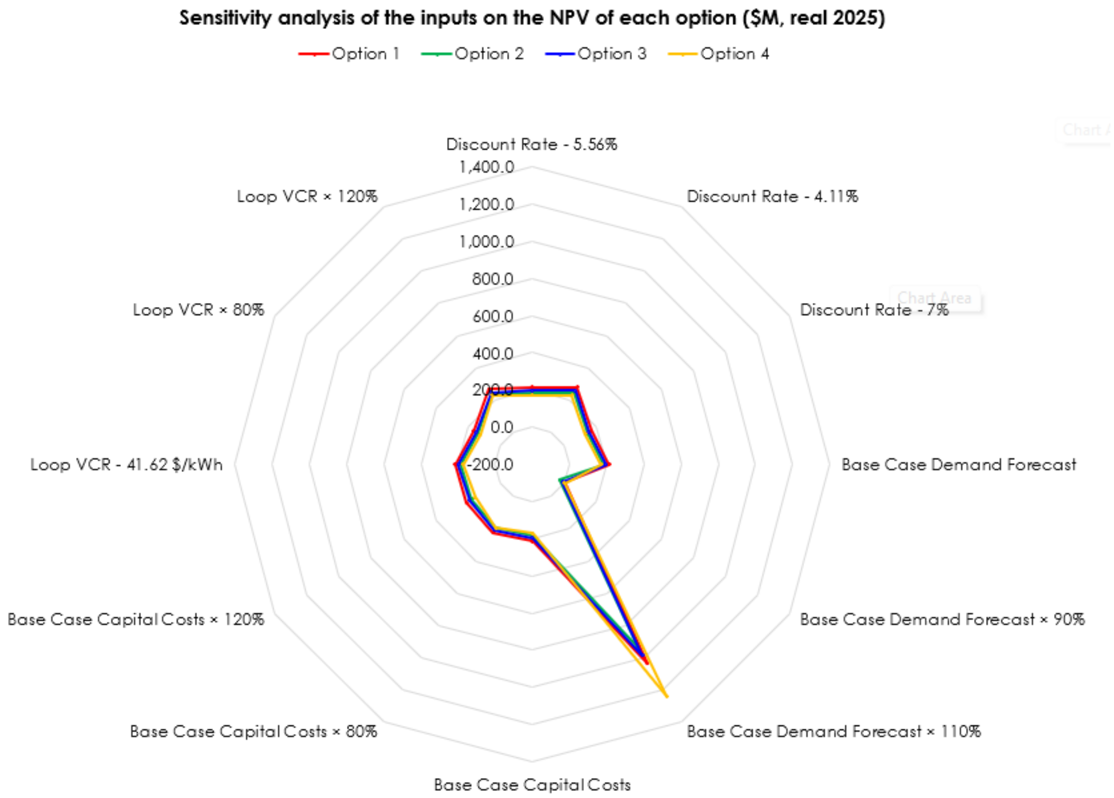
Table - 4 Capital expenditure and net economic benefits for each option in present value terms ($M, real 2024)

	OPTION 1	OPTION 2	OPTION 3	OPTION 4
Capital Expenditure (Desing, internal labour, Material, risk allowance and contract cost) ($M)	39.23	65.72	57.6	87.13
Net Present Value of total benefits ($M)	215.0	185.2	196.7	171.7

7.6 Sensitivity analysis

AusNet has tested the robustness of the investment decision by varying four inputs mentioned in Table 3, and the results are shown in Figure 14 for the base case scenario. The sensitivity study results show that Option 1 "Augment the MWTS – TGN No.1, MWTS – TGN No.2 and TGN-MFA 66kV lines with 19/4.75 conductor" provides the highest net economic benefit in all sensitivity scenarios, except high demand case.

Figure 14 - Sensitivity analysis of the inputs on the NPV of each option under base case scenario ($M, real 2025)



Under -low demand sensitivity, where peak demand is assumed to be 10 per cent lower than the Base Case, the optimal timing of the preferred augmentation is deferred to 2038. This result should be interpreted strictly as a sensitivity outcome rather than a basis for shifting the investment timing.

The central case remains the central input into the decision-making process, consistent with the AER's expectations that investment decisions be guided by the most likely scenario informed by a sound and validated forecasting methodology. AusNet's demand forecasts for the East Gippsland loop have been developed using AusNet sound approach and reflect known customer connections, demographic trends, electrification effects and local economic conditions. Given the robustness of the forecasting method, the Base Case should carry greater weight than sensitivities when determining the optimal investment timing.

It is also noted that the 10 per cent reduction applied in the low-demand sensitivity represents a materially more aggressive adjustment than historical load growth patterns. For reference, the average growth rate on the East Gippsland loop between 2025 and 2038 (excluding the anomalous 2038–2039 reduction) is estimated to grow approximately 2.5 per cent each year. The sensitivity therefore reflects an extreme downside scenario, rather than a realistic alternative forecast.

From a risk perspective, deferring the project based solely on this sensitivity would expose customers to materially higher expected unserved energy costs under the central case. Unless a credible non-network mitigation measure existed to reliably manage these risks, adopting the delayed timing implied by the sensitivity would not represent a prudent or efficient approach. On balance, the central case timing continues to minimise expected risk and cost to customers and therefore forms the appropriate basis for determining the preferred option.

8 Preferred option

The preferred option (Option 1) is:

- reconductoring all undersized conductors along the full length of the MWTS – TGN No.1, MWTS-TGN No.2 and TGN-MFA 66kV lines with 19/4.75 conductor with 19/4.75 AAC conductors and redesigning them to a maximum conductor temperature of 100 degrees Celsius to achieve a minimum summer cyclic rating of 881 A.

In accordance with the RIT-D, this option is expected to maximise the present value of the net economic benefit to all those who produce, consume and transport electricity in the NEM.

8.1.1 Capital and operating costs of the preferred option

The Total capex of Option 1, including AusNet's overheads and finance charges, excluding P90 risk allowance is $38.03 million (real $2025).

The direct capex component (including P50 risk allowance), excluding AusNet's overheads, finance charges and P90 risk allowance is $32.61 million (real $2025) and is broken down as follows.

- Design and internal labour, $4.26 million;
- Materials, plant and equipment, $3.14 million;
- Contracts, $22.29 million; and
- Other, $2.91 million.
- In relation to O&M expenditure, annual routine maintenance expenditure would be $0.38 million.

AusNet has used total capex, including AusNet's overheads and finance charges, excluding P90 risk allowance, in our NPV calculation to ensure that we identify the preferred option based on total costs.

8.1.2 Proposed investment timing

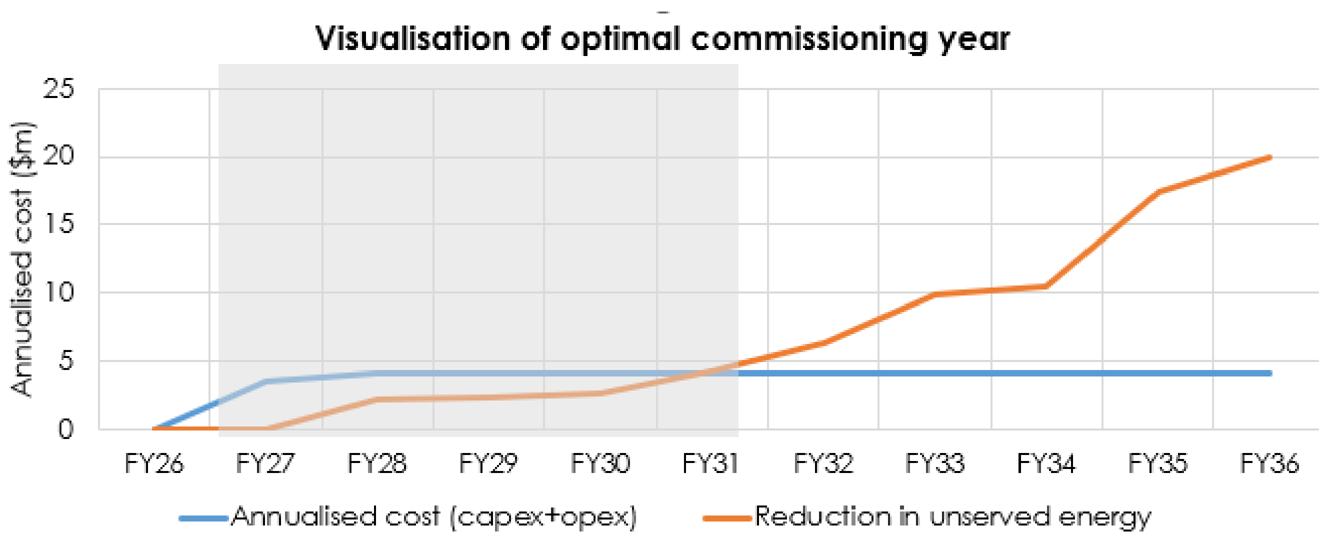
Optimal timing analysis is based on the 'crossover' method described by the AER. The method identifies the optimal year as the first year when net operating benefits are more significant than the annualised cost of an option (i.e., the 'crossover'). The optimal timing where the value of unserved energy from the 'No Proactive Intervention' scenario exceeds investment costs for Option 1 is FY30, as per Table 5 and Figure 15.

The proposed investment timing is either aligned with or deferred from the optimal timing of the preferred option due to deliverability adjustments at the portfolio level.

Table 5 - Annualised cost and optimal commissioning year for the preferred option (Option 1)

OPTION	ANNUALISED COST (REAL JUNE, 2025$)	OPTIMAL YEAR
Option 1	4.1	FY30

Figure 15 - Visualisation of optimal commissioning year for Option 1



8.1.3 Material inter-regional network impact

The proposed augmentations in the East Gippsland loop will not change the transmission network configuration and none of the network options considered are likely to have a material inter-regional network impact.

A 'material inter- regional network impact' is defined in the NER as:

> "A material impact on another Transmission Network Service Provider's network, which may include (without limitation): (a) the imposition of power transfer constraints within another Transmission Network Service Provider's network; or (b) an adverse impact on the quality of supply in another Transmission Network Service Provider's network."

9 Next steps

This FPAR concludes the RIT-D process. Any comments or enquiries should refer to 'RIT-D FPAR LD CBTS OFR' in the subject heading be directed to: Email: ritdconsultations@ausnetservices.com.au

In accordance with clause 5.17.5(c) of the NER, within 30 days of the date of publication of this FPAR, any party disputing the conclusion made in this FPAR should give notice of the dispute in writing setting out the grounds for the dispute (the dispute notice) to the AER with a copy of the dispute notice to AusNet via above email address. If there are no dispute notices within 30 days of the date of publication of this FPAR, AusNet proceeds to implement the preferred option subjected to AER's EDPR decision and AusNet's internal approvals.

10 Compliance with NER

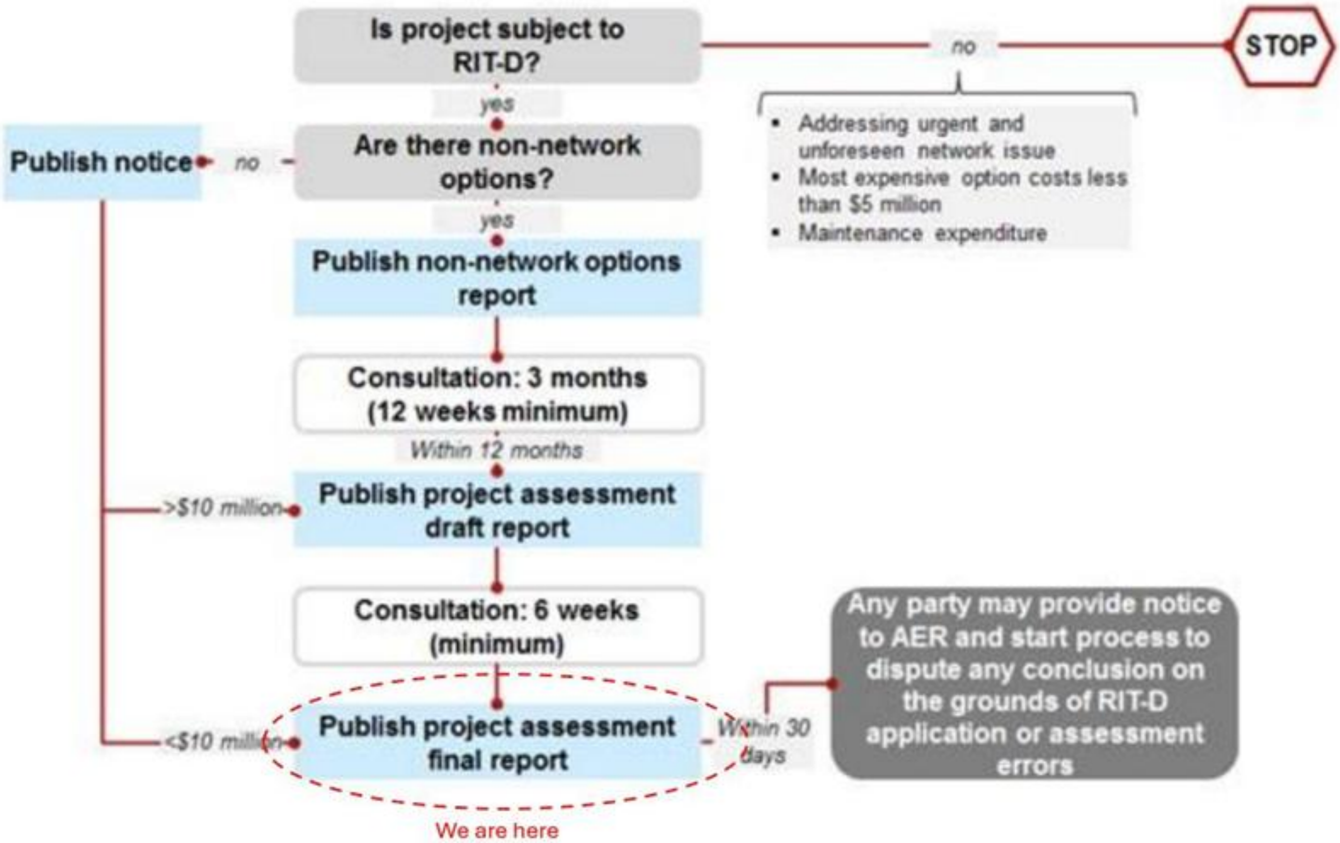
In accordance with clause 5.17.4(j)(11)(iv) of the NER, we certify that the proposed option satisfies the regulatory investment test for distribution. The table below shows how each of these requirements have been met by the relevant section of this report. Table 6 shows how each of these requirements have been met by the relevant section of this report.

Table 6 - Compliance with NER

REQUIREMENT	SECTION
Clause 5.17.4(j) of the NER - The draft project assessment report must include the following:	Noted. See details below.
(1) a description of the identified need for the investment;	Section 4.
(2) the assumptions used in identifying the identified need (including, in the case of proposed reliability corrective action, reasons that the RITD proponent considers reliability corrective action is necessary);	Section 4.6.
(3) if applicable, a summary of, and commentary on, the submissions on the options screening report;	Section 5.
(4) a description of each credible option assessed;	Section 6.
(5) where a Distribution Network Service Provider has quantified market benefits in accordance with clause 5.17.1(d), a quantification of each applicable market benefit for each credible option;	Section 7.5.
(6) a quantification of each applicable cost for each credible option, including a breakdown of operating and capital expenditure;	Section 6.
(7) a detailed description of the methodologies used in quantifying each class of cost and market benefit;	Sections 7.1, 7.2 and 7.3.
(8) where relevant, the reasons why the RIT-D proponent has determined that a class or classes of market benefits or costs do not apply to a credible option;	Section 7.2
(9) the results of a net present value analysis of each credible option and accompanying explanatory statements regarding the results;	Section 7.5
(10) the identification of the proposed preferred option;	Section 7.6
(11) For the proposed preferred option, the RIT-D proponent must provide:	
(i) details of the technical characteristics;	Section 6.2 and 8.1.1
(ii) the estimated construction timetable and commissioning date;	Section 6.2 and 8.1.1
(iii) the indicative capital and operating cost (where relevant);	Section 8.1.1
(iv) a statement and accompanying detailed analysis that the proposed preferred option satisfies the regulatory investment test for distribution; and	Sections 8 and 10

REQUIREMENT	SECTION
(v) if the proposed preferred option is for reliability corrective action and that option has a proponent, the name of the proponent;	Not applicable as the preferred option is not for reliability corrective action
(12) contact details for a suitably qualified staff member of the RIT-D proponent to whom queries on the draft report may be directed; and	Section 9
(13) if the estimated capital cost of the proposed preferred option is greater than $103 million (as varied in accordance with a cost threshold determination), include the RIT reopening triggers applying to the RIT-D project	Not applicable as the capital cost of the proposed preferred option is less than $103 million.

Appendix A - RIT-D assessment and consultation process[3]



[3] Australian Energy Regulator, *"Regulatory investment test for distribution, Application guidelines", Section 4*, November 2024.

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