

5th April 2023

Australian Energy Market Operator Victorian Planning (AVP)

Via email: VNIWestRITT@aemo.com.au

To whom it may concern,

Re: Central Victorian Greenhouse Alliance response to VNI West Consultation Report – Options Assessment

The [Central Victorian Greenhouse Alliance](http://www.cvga.org.au) (CVGA) is a formal partnership of 13 local governments in central and north west Victoria, including the cities and shire councils of Ararat, Ballarat, Buloke, Central Goldfields, Bendigo, Loddon, Gannawarra, Hepburn, Macedon Ranges, Mildura, Mt Alexander, Pyrenees and Swan Hill. We are part of a broader network of [Victorian Greenhouse Alliances](#) collaborating across the state on projects to reduce greenhouse gas emissions, support a fast and fair clean energy transition, and enhance community resilience to climate change.

We welcome the opportunity to respond to the VNI West Consultation Report – Options Assessment. This submission builds on our [previous response](#) to the VNI West Project Assessment Draft Report (PADR), our extensive engagement with communities in the development of the [Loddon Mallee Renewable Energy Roadmap](#), and more recent work with member Councils to understand best practice community engagement standards for transmission and renewable energy development.

1) Cautious support for new preferred route (Option 5)

CVGA and our members are supportive of targeted investment in transmission network upgrades to unlock opportunities for renewable energy generation in the region, to enable the transition to cheaper and cleaner renewable energy for all Victorians, and to provide opportunities for regional development. We recognise the impact that transmission and distribution constraints are having on existing and planned renewable energy generation in our region, and the urgent need for upgrades.

CVGA is cautiously supportive of the new preferred route for VNI West (Option 5 via Bulgana), subject to further council and community engagement on route refinement.

We understand that Option 5 involves relocating the WRL proposed terminal station from north of Ballarat to Bulgana and the uprate of the proposed WRL transmission line from north of Ballarat to Bulgana from 220 kV to 500 kV, following the same WRL route with a slight variation around Waubra. We note that this option performs better on cost, consumer benefits, and social and environmental constraints than the other six options assessed, and is robust under sensitivity and boundary testing.

We acknowledge that significant efforts have been made to improve the project in the identification of a new preferred route. We welcome the inclusion of a multi-criteria assessment (MCA) that goes beyond the minimum requirements of the RIT-T process, and focuses on social and environmental impacts in determining a preferred route option that delivers better outcomes for communities. We understand that the MCA has been largely desk-based and note the critical importance of further on-ground assessment and validation in consultation with councils and communities to ensure a sufficiently detailed and nuanced understanding of local values and concerns.

We are pleased that community concerns have been heard in relation to the proposed terminal station at Mount Prospect in Hepburn Shire, and that this is no longer the preferred terminal site. We note, however, that larger transmission towers traversing the same landscape remain of significant concern to local communities.

We are disappointed that Option 5 offers the lowest indicative improvement to REZ transmission limits of the seven options assessed. Further route refinement should explore opportunities to increase generation capacity and diversity to maximise the benefits that this once-in-a-generation transmission project will deliver. For example, there are opportunities for route refinement between Charlton, Boort and Kerang, and to consider a new northern river crossing, in order to address local environmental concerns and to maximise current and future transmission capacity for wind and solar in the Murray River REZ.

Shared network loading on the Kerang-Bendigo 220kv line is already resulting in transmission limits for the Murray River REZ. As the preferred route will no longer pass through Bendigo, we urge AVP to proactively address electricity demand and generation issues impacting transfer capacity, and to engage proactively with councils in the area on route refinement options and ongoing joint planning.

2) Ongoing community concerns

As noted in our previous submission, there is a relatively strong social licence for transmission and renewable energy projects in the north west of our region. Further south, communities remain concerned and continue to advocate for undergrounding along sections of the Western Renewables Link and VNI West.

Concerns emerging in response to the new preferred VNI West route include:

- Inadequate consultation with councils and communities impacted by the new preferred route, and narrow consultation timeframes.
- The impact of larger transmission towers on the landscape and land use in key farming and tourism areas in the Hepburn, Pyrenees and Loddon Shires.
- The impact of transmission lines on farming operations, including irrigation, the use of technologies such as remotely-controlled autonomous vehicles and communications.
- Inequity in the allocation of compensation payments to landowners, particularly for small scale farmers.
- No existing mechanisms to compensate or share benefits with neighbours who may also experience visual amenity and economic impacts due to changes in local land use and value.

We understand that a more detailed route selection study will commence following the release of the PACR, and that this study will consider project impacts and constraints in more detail.

We know that undergrounding is costly and can also create land use and environmental impacts, but communities expect that this solution will be fully and transparently investigated along sections of the route where there is concern about land use impacts. More effective communication with communities about the outcomes of investigations into undergrounding is needed.

We urge AVP and Transgrid to engage more proactively and openly with councils and communities along the corridor of interest to consider all practicable route refinement options, to take advantage of the social licence that has already been built for this project in communities to the north, and to support the identification of solutions to mitigate the social and environmental impacts of the project on local landscape, places of natural and cultural significance, and agricultural operations.

3) Community consultation

The new preferred route for VNI West will impact communities that were not previously affected by the project. Communities in the Pyrenees, Ararat and Loddon Shires have been less engaged in consultations to date, and some are feeling blindsided with only six weeks to digest and consider their response to a highly technical consultation report. Extended consultation timeframes are required to facilitate more meaningful community engagement.

Engagement processes for the Western Renewables Link Project have largely failed to meet local expectations for genuine, thorough, inclusive, timely, and transparent communication and consultation. Trust lost in the RIT-T process is difficult to regain in future project development and consultation phases.

We were pleased to note in the VNI West PADR that AVP and Transgrid had undertaken a review of engagement processes undertaken in similar projects, identifying the following key lessons:

- **Engage early**, listen, and communicate with honesty and integrity to understand views and concerns.
- **Involve stakeholders in the design of engagement approaches.**
- Be clear about the engagement process and opportunities for all stakeholders and **provide ample notices of consultation or engagement opportunities** to facilitate meaningful participation.
- Ensure project information is accessible through a variety of channels including websites and other platforms, and that any **information can be easily understood.**
- Provide timely feedback regarding how stakeholder ideas and concerns are being taken into account.

Once again, we would like to reiterate the importance of these lessons, some of which have not been adequately integrated into consultation processes for the VNI West Project to date.

Earlier and more transparent provision of information on the potential benefits for host communities, how larger transmission towers may impact landholders and neighbours, and possible mitigation solutions, is critical to building trust. Communities must also have opportunities to determine how they participate in consultation processes, to ensure that these processes are accessible, inclusive, and credible.

As noted in our previous submission, Councils play a key role in keeping communities informed, and must be adequately supported and resourced to proactively address community concerns, and to share information about the potential benefits and opportunities presented by transmission network upgrades in the region.

CVGA and our member councils are keen to work with AVP and Transgrid to support more effective local engagement processes, and to share local insights, but must be enabled to do so with appropriate consultation timeframes and more proactive information sharing.

4) Compensation for landholders and community benefit sharing

We understand that the RIT-T process does not extend to exploration of benefit sharing options, but that best practice community engagement and benefit sharing is absolutely critical to securing social licence for major transmission projects and future renewable energy development in the regions.

CVGA is supportive of the work being undertaken by VicGrid on the proposed Victorian Transmission Investment Framework (VTIF) to identify new ways to better share the benefits of transmission projects with the regional communities hosting this critical infrastructure.

We welcome the Victorian Government's recent announcement of compensation payments to landholders hosting transmission lines. We are concerned, however, that the standard rate of \$8,000 per year per kilometre of transmission for 25 years unfairly disadvantages smaller landholders, who may experience disproportionate impacts from transmission towers on their land.

Fair payment to landholders is essential but not sufficient to secure social license for transmission projects. Transmission companies must listen to, understand, and proactively identify strategies to mitigate the impacts of projects on landholders, neighbours and surrounding communities, working collaboratively with local stakeholders to seek mutual value outcomes.

It is of significant concern that there are currently no mechanism to compensate or deliver benefit sharing outcomes to neighbours or communities also impacted by transmission lines.

We understand that VicGrid, through the proposed VTIF, aims to deliver social and economic benefits in ways that are fairer, more meaningful, and more participatory, including opportunities for earlier and deeper engagement with local communities, and innovative benefit sharing arrangement to make the most of regional development opportunities.

We acknowledge the following statement in the VNI West Consultation Report – Options Assessment, that *“Although VNI West will not be delivered under the VTIF, AVP and Transgrid anticipate that the principles detailed within the framework will be incorporated into the various phases of the project where possible.”*

We would like to see a much firmer commitment by AVP and Transgrid to ensure that best practice community engagement and benefit sharing principles are fully adopted and integrated into all further project planning, consultation, tendering, and delivery phases for VNI West.

Yours Sincerely,



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