

Written record of energy consumer advocates' verbal submissions on the Draft 2023 Transmission Expansion Options Report (TEOR)

Purpose of this document

On 2 May 2023 AEMO published the Draft 2023 Transmission Expansion Options Report (TEOR)¹ for consultation.

To support the capacity for consumer advocates to provide a formal submission to the Draft 2023 TEOR Consultation, AEMO held dedicated sessions for energy consumer advocates to discuss the contents of the report on 19 May 2023 and to provide a verbal submission on 31 May 2023. AEMO staff did not respond to these comments in the session.

AEMO produced this written record of the verbal submission provided by consumer advocates, which has been agreed with attendees. AEMO will consider the submissions made in the session, as recorded below, along with all other written submissions to the Draft 2023 TEOR.

Attendees:

Name	Organisation	Name	Organisation
Levi Rosenbaum	AEMO	Craig Memery	Public Interest Advocacy Centre (PIAC)
Luke Falla	AEMO	Michael Lynch	Public Interest Advocacy Centre (PIAC)
Samantha Christie	AEMO	Jennifer Brownie	Queensland Electricity Users Network (QEUN)
Samantha Lloyd	AEMO	Georgina Morris	South Australian Council Of Social Service (SACOSS)
Mark Grenning	ISP Consumer Panel		

Submission topics

Consumer advocates provided comments on the following topics.

1. General comments
2. Affordability
3. Costs
4. Generation
5. Databases

¹ See <https://aemo.com.au/consultations/current-and-closed-consultations/2023-transmission-expansion-options-report-consultation>

1 General

- **QEUN:** AEMO should be consistent with naming; either “expansion” or “augmentation” for everything.
- **PIAC:** At the current stage, this report cannot ask for informed stakeholder feedback or evaluation without including the entire function of each options. AEMO should capture stakeholder input through option rankings, providing a metric based on all stakeholder considerations.
- **PIAC:** The report name should be changed to "Transmission Expansions *Aims* report" and be accompanied by "Generation and Storage" and "DER Expansion" Aims reports. This would better reflect the ISP as a whole of system plan, with all options assessed in the modelling.
- **QEUN:** It is great that social license is now being considered.

2 Affordability

- **SACOSS:** To keep consumer costs low, the ISP should investigate all alternatives to new transmission.
- **SACOSS:** The ISP Cost Benefit Analysis should consider the distributional impacts on consumer affordability. The cost burden of new transmission will mostly fall on consumers without Consumer Energy Resources (CER), who cannot afford to shield themselves from retail price increases. This increases energy affordability issues in South Australian.
- **QEUN:** The current transition plan means that the grid is being overbuilt without increasing reliability. This increases wholesale and retail prices and reliability costs, causing energy to become inequitable for many consumers.
- **QEUN:** Government funding is not enough to cover all their rewiring the nation transmission projects. The enormous cost of transmission expansion will ultimately be paid for by consumers. For example, the federal government is considering funding bonds for offshore wind, but not onshore wind.
- **QEUN:** An independent consultant should model expected bond costs over the project life, to compare with government estimates.

3 Costs

- **PAIC:** Recently, larger transmission projects comparable to the TEOR options, have consistently been significantly over budget. The base cost of projects in the report should include the expected cost increase, up to 100% in some projects. An extra 50% would cover uncertain cost increases.
- **QEUN:** Mott McDonald’s cost report should include the costs of bonds, and other recycling and site rehabilitation costs after a project expires. This is especially important if nuclear enters the energy mix, making lots of solar and wind obsolete. The final Mott McDonald report should be published before the final TEOR to allow some for feedback.

4 Generation

4.1 Storage

- **QEUN:** Reliability requires generation, not transmission. We need "actionable" and "priority" storage projects and certainty about whether they will actually occur, otherwise we'll be committing to useless and costly transmission lines.
- **QEUN:** Pumped hydro and chemical batteries, which require reliable wind and solar to charge, should not be considered "dispatchable" generation. If a perfect storm occurs, with prolonged low wind and solar, there will not be enough generation.

4.2 Green Hydrogen

- **QEUN:** There needs to be more certainty about hydrogen. Will transportation be through transmission or pipelines? Any increase in weighting of the *Green Energy Export* scenario could significantly increase the need and costs of more transmission in the ISP.
- **QEUN:** Green hydrogen production needs to be linked to water sources.

4.3 Offshore wind

- **PIAC:** Offshore wind is unlikely to be viable; it has very high Social Licence costs and does not re-use conventional, cost effective, transmission. This should be considered when including government policies.

5 Databases

- **QEUN:** The Transmission Augmentation Page (TAP) should include project funding, allowing stakeholders to assess project likelihood.
- **QEUN:** The TAP should track project costs to show how costs change as projects progress.
- **QEUN:** AEMO should publish a dynamic electrolyser database, unlike CSIRO's HyResource².
- **QEUN:** Generation Information surveys should ask offshore wind generators to split fixed and floating.

² Available at <https://research.csiro.au/hyresource>