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13 August 2019 Joe Spurio Group Manager Victorian Transmission Planning Australian Energy Market Operator Via electronic lodgement <u>Planning@aemo.com.au</u>

## **Reactive Power RIT-T PADR Feedback**

AusNet Services welcomes the opportunity to make a submission on the Victorian Reactive Power Support Regulatory Investment Test for Transmission (RIT-T) Project Assessment Draft Report (PADR). The RIT-T considers solutions to manage high voltage in the 500 kV transmission network in Victoria during periods of low demand.

AusNet Services is concerned that the ongoing use of short term operational measures (line switching) and continued reliance on market intervention via Non-Market Ancillary Services (NMAS), is costly, reduces system resilience, increases system security risks and accordingly does not represent an efficient and effective long term solution.

The PADR has identified a preferred option to address these issues is to install:

- Two 100 MVAr shunt reactors at Keilor Terminal Station in 2021 and 2022 respectively.
- One 330 kV +200/-100 MVAr synchronous condenser at South Morang Terminal Station in 2022.
- Two 220 kV 100 MVAr shunt reactors at Moorabool Terminal Station in 2023.

This solution addresses the identified need and delivers the greatest net market benefit, by a significant margin and across the range of scenarios and sensitivities tested. AusNet Services agrees that this solution will most effectively provide ongoing reactive support to maintain network voltages without the need for network reconfiguration or market intervention. AEMO notes the frequency and severity of high voltage events has increased more rapidly than expected. AusNet Services encourages AEMO to complete this RIT-T and implement the solutions as quickly as practicable to reduce system risks and costs for Victorian customers.

AusNet Services continues to offer our assistance to progress this RIT-T and would be pleased to discuss any of the comments in this response. Please contact Jacqui Bridge, our Manager Transmission Network Development, if we can assist with any queries in relation to this submission.

Yours sincerely,

Adrian Hill General Manager, Regulated Energy Services AusNet Services