



**Australian Energy Market Operator**

Level 22, 530 Collins St  
Melbourne, VIC 3000

1 March 2018

By email to: [ISP@aemo.com.au](mailto:ISP@aemo.com.au)

Attention: Craig Price

**Re: Submission on Integrated System Plan**

Dear Craig,

Tilt Renewables thanks AEMO for the opportunity to comment on the development of the Integrated System Plan. Tilt Renewables is a leading Australasian renewable energy operator and developer with 385 MW of operating assets in the NEM and a NEM development pipeline including wind, solar and storage of over 2000 MW. Tilt Renewables also has operating assets and development projects in NZ and development projects in WA.

Tilt Renewables considers that NEM-wide system planning is essential for efficient outcomes, and wishes to highlight to AEMO that both transmission capacity and power system security are required to maximise the value of generation assets. The ISP consultation paper mostly discusses transmission capacity, considering transmission line augmentation to reliably deliver supply across the NEM, but does not discuss power system security in detail. In SA at present, and likely to affect areas of VIC and QLD in future, system strength issues are preventing the dispatch of existing generation. Tilt Renewables considers that an Integrated System Plan must address these issues, including analysis of potential network equipment augmentation.

Tilt Renewables wishes to advise AEMO that while transmission certainty is an important factor in renewables development, providing some revenue certainty that underpins investment, it is not the only factor. A renewable developer will carefully assess numerous other factors including environmental parameters, site-specific construction and access issues, locational resource availability and local community issues in identifying high-quality sites. While Tilt Renewables agrees there is value in identifying areas of transmission shortfall given existing development work, Tilt Renewables warns AEMO against inadvertently picking winners by identifying sites or regions without considering the careful commercial decisions that are behind the choices experienced developers

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have made in choosing to progress specific development opportunities, including a consideration of the proximity and current and potential future capacity of network connection infrastructure.

Finally, Tilt Renewables wishes to provide AEMO with insight into the timeframes in the renewables development process, to assist in the ISP's modelling of potential sequencing of generation and transmission development:

- a particularly long-lead requirement is the planning permit, which can take 12 months or, in some cases considerably longer to obtain once the project site is identified and the necessary environmental studies and stakeholder consultation process is undertaken. These permits typically have an expiry date by which time construction needs to commence;
- land access rights can also typically only be secured for a fixed, finite period as landowners want a degree of certainty over future land use (i.e. will not grant a developer an open ended or very long term option); and
- technology can change relatively quickly, within the period of a few years with advances in efficiency and cost reductions, meaning that the most efficient generation solution (on a cost of energy basis) may no longer be compatible with the conditions of the original environmental approvals and lengthy amendments may be required, with some uncertainty over the outcome.

These considerations are particularly relevant given RIT-T timeframes are typically very long, potentially exceeding the term of validity of any environmental permits or land access arrangements.

If you wish to discuss our submission, please contact Marcelle Gannon at [marcelle.gannon@tiltrenewables.com](mailto:marcelle.gannon@tiltrenewables.com) or 0409 799 095.

Regards,

A handwritten signature in black ink, appearing to read "C. Delmarter".

Clayton Delmarter  
General Manager, Renewable Development  
Tilt Renewables

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