

28 February 2019

Niluksha Akurugoda
niluksha.akurugoda@aemo.com.au

By email: westvicritt@aemo.com.au

Dear Niluksha,

Submission to WestVic RIT-T consultation

Thank you for the opportunity to submit comments to AEMO on the RIT-T PADR report for the Western Victoria transmission planning process. Pacific Hydro is investing in projects within the Victorian outer state loop and is aware of the congestion issues that have arisen due to the excess of generation projects that are planned or under construction affecting the power flows on the existing network.

Pacific Hydro is pleased that a number of minor upgrades are taking place over the next year which aid the ratings of the lines in the loop and improve communications. We encourage AEMO to identify and approve these minor augmentations that fall within the regulatory limits early in the planning process and aim to avoid late decisions that impact operational timeframes. Alleviating congestion due to minor equipment ratings ought to be a planning priority, the industry and market will benefit overall. For example the change out of VTs that has a lesser limit than the line etc. Such small upgrades do not require a RIT-T and AEMO can approve the expenditure as planner for Victoria.

Network Planning must have the foresight to initiate and approve network upgrades within the expenditure limits in advance of problems occurring on the grid, not after they have occurred. In this sense it is uneconomic to wait until congestion has occurred and projects have been built to identify minor works that improve the ratings or communications of the network. Delaying cost effective minor works that improve transmission ratings is reactionary, inefficient and fails to satisfy the NEO.

The preferred option adopted in the PADR (C2) is cautiously welcomed, while it would appear to alleviate some of the constraints that exist in the outer state loop and provides for an expansion of 500 kV, it does not address the extent of the problem throughout the 220 kV loop. It should be noted that option B3 achieves higher benefits for each \$1Mil of cost and would be a reasonable alternative should the 500 kV line proposal C2 be delayed and run into community opposition. Furthermore, most of the higher benefits identified in table 15 are dependent on the interconnector augmentation between Kerang and NSW, the timing of which was proposed to be 2035 in the ISP.

It is clear that AEMO has aimed to avoid use of the existing easements due to the desire to open the delivery of the new transmission to competition. This economic driver appears to defeat common sense, as most new substations around the loop will have been required to provide sufficient land to extend terminal stations. The decision to not use existing easements leaves these substations with oversized land purchases and is likely to cause significant delays in the delivery of new lines. The purchase of the substation land is a sunk cost by participants and is a requirement set by AEMO. Negotiation of new easements and land purchases is highly likely to delay the timeframe for the delivery of the new transmission as the community is unlikely to welcome further the environmental impact of tree clearing for

construction. It also defeats the purpose (and cost) of providing substations with sufficient land for extension as required by AEMO during connection negotiations, if there is no intention to expand the existing 220 kV transmission and use the existing easements.

Extensions or widening of the existing easements is more likely to provide a quicker pathway to the delivery due to pre-existing relationships with the land owners and acceptance of infrastructure on the land. The PADR is unclear on how much work was undertaken examining this as an option as it appears to have been dismissed early in the project. Pacific Hydro would like to see more transparency regarding the results around an expansion of the existing 220 kV transmission to include a parallel single or double circuit 220 kV around the entire outer state loop.

Nevertheless, Pacific Hydro is pleased to see that this PADR concludes that there are benefits in expanding the transmission system around Ballarat and recognises the importance of the generation developments that represent a significant contribution to Victoria meeting its emissions target.

Yours sincerely



Kate Summers
Manager, Electrical Engineering
Pacific Hydro

For enquiries regarding this letter, please contact:

Kate Summers
ksummers@pacifichydro.com.au
Tel. 03 8621 6442