

Queensland Electricity Users Network (QEUN) Submission to the Western Victoria RIT-T

Questions

1. How did you calculate project costs.
2. How did you value the easement acquisition.
3. Have you negotiated with aviation authorities. Department of Defence as well as CASA.
4. What level of discussion with Councils have you had in terms of route location.
5. Have you gone public with the proposed route.

Recommendations

1. Modelling should include:
 1. Victorian Government Solar Homes Package for 650,000 households.
 2. 50% by 2030 Victorian Renewable Energy Target.
 3. Ancillary costs associated with increased intermittent supply.
 4. Costs of outages and decommissioning of assets.
 5. Whether there are benefits to Riverlink and Murraylink

Additional recommendation/ Information provided by QEUN

1. AEMO should add a mechanism to assess the impact on the Western Victorian RIT-T of new national legislation and state agreements that did not exist when the Western Victorian RIT-T commenced. Specifically, the need to consider the benefit to the AEMO planning process of the national 3-year generation closure notice and the Victorian agreement with Energy Australia and AGL for a 5-year generation closure notice for their Victorian coal-fired power stations. Both provide AEMO with additional time to assess the uptake of the Victorian Government's new policy of 650,000 homes with subsidised solar. If the uptake of residential solar meets the 650,000 target the overall capacity utilisation of Western Victorian transmission assets will fall (be under-utilised) causing network owners to increase the network costs to Victorian consumers.

QEUN remain seriously concerned that there is insufficient dispatchable generation going forward in all jurisdictions including Victoria and that the bulk of the new transmission infrastructure is not connecting consumers to dispatchable generation that consumers can afford.

Consumers cannot continue to pay wholesale prices in excess of \$100 per MWh and there is a lack of transparency regarding the wholesale electricity price sourced from future solar and wind farms with batteries e.g. CSIRO's GenCost 2018 Report.

The primary aim of any RIT-T (not just the Western Victorian RIT-T) should be the connection of consumers to affordable dispatchable generation, not consumers paying for the connection of generators to consumers, particularly generation which could result in average wholesale prices exceeding \$100/Mwh.

In Victoria the YTD 2018-19 average spot price is \$114.66/MWh compared to \$92.33/MWh in 2017-18 and only \$46.14/MWh in 2015-16. The Western Victorian RIT-T needs to publish public information on the cost of wholesale electricity produced from non-subsidised wind and solar farms with batteries to establish if consumers can afford to purchase the electricity supplied by the proposed Western Victorian generators.

YEAR	NSW	QLD	SA	SNOWY	TAS	VIC
2015	35.17	52.52	39.29	N/A	37.16	30.35
2016	51.60	59.99	61.67	N/A	102.70	46.14
2017	81.22	93.12	108.66	N/A	75.40	66.58
2018	82.27	72.87	98.10	N/A	86.98	92.33
2019	90.53	81.91	116.69	N/A	86.48	114.66

2. The Retailer Reliability Obligation (RRO) is another example of new national legislation that has the potential to significantly impact on the Western Victorian RIT-T and consequently should be taken into consideration in the planning process. Much of the new proposed or committed generation is intermittent which will require the addition of large-scale battery storage to provide a reliable and secure network. If the RRO removes price volatility from the market this is a disincentive to build battery storage. A Victorian generation fleet with a high penetration of intermittent solar and wind generation could cause the existing coal-fired generation to close early e.g. the neutral scenario with early coal retirements has the earliest coal retirement in 2024. With little market incentive for the construction of battery storage Victoria could find itself with a lack of dispatchable generation, particularly during the summer months.