

12 March 2020

Australian Energy Market Operator
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Submitted by email to VNIWestRITT@aemo.com.au

Submission to VNI West PSCR consultation

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC welcomes the opportunity to respond to AEMO and TransGrid's Project Specification Consultation Report (PSCR) for the VNI West RIT-T.

Interaction with other major transmission investment projects

PIAC notes that this RIT-T is closely related to and interacts with a number of other transmission projects either underway or still under consultation such as Project Energy Connect, HumeLink, and the minor VNI upgrade.

This is reflected in the PSCR which states the options analysis "assumes completion of the VNI Upgrade RIT-T as well as anticipated works as part of the HumeLink RIT-T.¹", neither of which are finalised.² PIAC considers this may affect the timing for the identified need, and underestimate the potential costs of the options, in turn affecting the case for deferring network investment through non-network options.

Recommendation 1

PIAC recommends AEMO provide costings for the VNI West options analysis both with and without the anticipated completion of Minor VNI and HumeLink projects while these are still undergoing regulatory review.

Interaction with the Victorian System Integrity Protection System

PIAC notes that, since AEMO published this PSCR, the Victorian Government and AEMO have sought expressions of interest for the provision of a System Integrity Protection Scheme (SIPS) service capable of enabling an additional import capacity of up to 250 MW on the existing Victoria - New South Wales interconnector.³ PIAC considers this may affect the timing for the

¹ AEMO, *VNI West Project Specification Consultation Report*, December 2019, 31.

² The HumeLink RIT-T has only recently closed submissions on its draft report and, while the VNI upgrade has completed its RIT-T consultation, it is still awaiting AER approval.

³ <https://aemo.com.au/en/initiatives/major-programs/victorian-government-sips-2020>

identified need and underestimate the potential costs of the options, in turn affecting the case for deferring network investment through non-network options.

Recommendation 2

PIAC recommends AEMO provide clarity of how the identified need for this RIT-T is impacted by the proposed provision of a SIPS for Victoria. AEMO should also reflect this in its analysis of credible options and its consideration of non-network options.

Continued engagement

PIAC would welcome the opportunity to meet with AEMO, TransGrid and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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