

Grampians New Energy Taskforce

Submission to the Victorian Renewable Energy Zones Development Plan Directions Paper



Introduction

The Grampians New Energy Taskforce (GNET) is charged with leading and driving a region-wide approach to understanding and facilitating a transition to a low-carbon economy, in the best interests of the region.

GNET's membership includes nominated representatives from each of the Wimmera Southern Mallee and Central Highlands Group of Councils, the Wimmera Southern Mallee and Central Highlands Regional Partnerships, the Committee for Ballarat, the Wimmera Development Association, Regional Development Victoria, Regional Development Australia Grampians, the Clean Energy Council and the Department of Environment, Land, Water and Planning. GNET's representation across the three tiers of government, community and business allows us to reduce barriers to investment and work collaboratively to ensure that benefits are shared by communities across the region.

GNET welcomes the opportunity to provide a submission on the Renewable Energy Zones (REZ) Development Plan Directions Paper. We are pleased to see a focus on removing barriers to the renewable energy transition, through a more coordinated approach and a desire to deliver efficient utilisation of our renewable energy resources. The Grampians region, which encompasses the Western Victoria REZ, is contributing to Victoria's renewable energy transition and, with further network planning and enhancements, has the capacity to contribute even more generation capability beyond what is already in the pipeline.

The [Grampians Roadmap to Net Zero Emissions](#), produced by GNET in 2020, highlighted pathways for the Grampians region to reach net zero emissions by 2044, 6 years ahead of the State Government's ambition for net zero emissions by 2050. One of the recommendations under the Energy domain of action was that local authorities can work with state and federal governments and with infrastructure providers to upgrade the region's existing power grid. This is both to improve the renewable energy output of the region, and to improve access to reliable, adequate power for communities across the region.

With this in mind, GNET proposes that VicGrid to be located in Ballarat. This would send a strong signal that regional communities are critical to delivery of Victoria's energy transformation. Ballarat is ideally placed to be the home of VicGrid, as it is a central point for the two key transmission infrastructure transformation projects, the Western Victoria Transmission Network Project and the Victoria-New South Wales Interconnector – West. It also has good transport connectivity to Melbourne and hosts the new GovHub development, as well as being the home of Federation University, which has built its Asia-Pacific Renewable Energy Training Centre to specifically respond to the emerging requirements of a renewable-energy focused generation and transmission system.



GNET's response to the questions posed in the Directions Paper is below.

Initial REZ Development Plan

- *What are stakeholder views on the Stage 1 projects prioritised for immediate investment for example type, location and feasibility?*
- *What are stakeholder views on the appropriate procurement, and cost recovery and asset ownership mechanisms for these prioritised projects?*
- *Are there alternative medium-term investments to the above that should be considered in the RDP?*

GNET supports the Stage 1 projects prioritised for immediate investment:

- 250MVAr synchronous condenser at Horsham
- Increase the rating of the Western Victoria Transmission Network Project (WVTNP) from 220kV to 500kV from North Ballarat to Bulgana

These two investments will provide increased system strength and capacity in the Western Victoria REZ, while further network planning is undertaken on implementation of Stage 2 projects. This will allow renewable energy development to continue to expand in the REZ, although it does not fully address the issue at the western end where there are good renewable energy resources and poor connection capacity. Increasing the rating of the line between North Ballarat and Bulgana from 220kV to 500kV will assist in resolving the issue that arose through AEMO's RIT-T process, where the proposed line upgrade has been based on committed capacity rather than potential capacity. GNET's view is that the line upgrade, delivered as early as possible, is essential to delivery of the capacity promise of the Western REZ and will help alleviate potential congestion issues in other REZs while further transmission infrastructure upgrades are working through approvals processes.

GNET also supports the proposed Stage 2 projects for the Western REZ:

- 125MVAr synchronous condenser at Murra Warra
- 350MW × 3h of storage capacity
- New 220kV OH DCCT line from Murra Warra to Bulgana via Horsham
- Second 350MW × 3h of storage capacity

And the two projects proposed for the South West REZ that intersect with the Western REZ:

- New 500kV OH SCCT line from Mortlake to North Ballarat
- 500kV OH line from Bulgana to Mortlake

The four projects in the Western REZ offer a sensible strengthening of the network to realise currently unmet opportunities. GNET's preferred outcome is that the synchronous condenser and storage projects, which have been identified as low risk, be fast tracked to provide greater network flexibility within the Western REZ and to support improved local access to reliable, adequate electricity for communities in the Western REZ. GNET would like to see the planning and approvals process for the 220kV line from Murra Wara to Bulgana to commence immediately, to ensure it comes online in a timely fashion after the 500kV line upgrade to Bulgana.

The two South West REZ projects that intersect with the Western REZ appear to provide much greater network resilience in western Victoria. At a conceptual level GNET is supportive, but we would need to understand more about the risks and potential impacts of these projects.

There are opportunities for more localised discussions on what initiatives will add the most value and the order in which they could be delivered to meet multiple objectives, that the REZ planning team may be unaware of. GNET can help facilitate these conversations. However the system improvements are approached, they need to be designed to accommodate current and future technologies.

GNET welcomes the articulated understanding that there will be a range of positive and negative impacts upon communities, and that these need to be responded to as part of REZ development. Success will require understanding of the community aspirations for renewable energy, communities' energy security and access to renewable energy, and their perception of cumulative impacts and how these can be mitigated and/or ameliorated.

REZ Governance and Funding

- *What functions would stakeholders like VicGrid to perform and what governance model would be appropriate?*
- *Are there effective features of REZ development bodies in other jurisdictions in Australia and internationally which stakeholders consider would be most effective for Victoria's VicGrid? • How best should VicGrid engage with local communities, businesses and local governments to ensure appropriate and beneficial REZ development?*
- *Victoria is contributing to national market and regulatory reforms in REZ development and careful consideration will be given to these arrangements. What features are important for consideration in the establishment of VicGrid to support complementarity of these reforms and effective outcomes in Victorian renewable energy development?*

GNET's view is that VicGrid should be responsible for:

- Transmission network planning
- Energy security planning and implementation for all Victorians
- Management of approvals processes for transmission infrastructure
- Community engagement on REZs, tailored to each REZ and its constituent communities
- Review of REZ boundaries, and adjustment as required
- Integration with behind-the-grid energy, both at the commercial and residential scale
- Providing community energy groups with tools to enable them to assess the viability of their project and pathways to implementation

The obvious role for VicGrid is in statewide transmission network planning, to ensure adequate generation for Victoria's needs. Part of this responsibility should encompass forward planning, beyond catering for known network needs. Planning beyond current projects will allow for development in parts of the REZ with weaker transmission infrastructure, creating opportunities for developers where they know the infrastructure will be built in the future. This is particularly relevant for the Western Vic REZ, where at the western end renewable energy development is constrained due to poor transmission infrastructure, which is driving potential development to higher density locations with consequential potential impacts on social acceptance.

There is also another role critical to regional communities: providing energy security for all Victorians by ensuring adequate supply and stability of power. Many communities within GNET's coverage, in the Western REZ, experience energy poverty, which hampers their economic development and affects their quality of life. This includes the ability to open new businesses, put air conditioning in public buildings or manage the water supply. VicGrid, as part of its system planning role, should have responsibility for ensuring that all communities have adequate energy supply, through whatever means is most appropriate.

VicGrid should take on the approvals process for proposed transmission upgrades, where regulatory approvals are required. This would deal with the current situation where the RIT-T process is divorced from the regulatory approvals process, creating uncertainty and unnecessary community concern. Projects could be scoped from beginning to end, with factors such as environmental impact and social acceptance considered in the initial planning, rather than relying solely on consumer cost to determine their viability. The Western Victoria Transmission Project is an example of how a failure to align processes has generated uncertainty and concern for affected communities.

A key remit for VicGrid must be active community engagement to understand community renewable energy aspirations and concerns within the REZ. This is critical for social acceptance of the large scale changes that must come to support the transition to renewable energy. The Grampians region is overall supportive of renewable energy, but VicGrid will need to be aware of and respond to community concerns to maintain that support. A sensible approach would be to formally adopt the Community Engagement and Benefit Sharing Guidelines and create a formal obligation to review these regularly to ensure they are meeting current standards for community engagement.

GNET's view is that the REZs need to be somewhat dynamic. VicGrid should also have primary responsibility for reviewing and adjust REZ boundaries, in response to renewable energy investment, transmission infrastructure development opportunities, emerging technologies and community feedback.

Factors other than large-scale transmission infrastructure will come into play in the operation of Victoria's energy network. VicGrid should also have a role in ensuring the interface between behind-the-grid projects and the transmission and distribution networks is smooth, allowing for innovation in generation and use of electricity. This should apply to both commercial and residential scale behind-the-grid initiatives.

Finally, there is intense interest in community energy as a solution for communities that struggle with energy poverty. VicGrid can have a role in providing tools and information to community groups that will help them assess the viability of their project and outline the pathways to implementation. This service would add value to VicGrid's community engagement approach, and in developing its understanding of energy poverty and economic development issues across the REZs.

Conclusion

GNET welcomes opportunities to further explore the content of this submission with the REZ Development Plan team, either as a whole or with any of our constituent members. Should you wish to discuss any matters further, please contact the GNET Chair, Stuart Benjamin, at stuart@gnet.org.au.



Stuart Benjamin – Chair