

NOTICE OF CONSULTATION

2020 INTEGRATED SYSTEM PLAN ACTIONABLE PROJECTS

CALL FOR NON-NETWORK OPTIONS – CENTRAL-WEST ORANA REZ TRANSMISSION LINK

Date of Notice: 30 July 2020

This notice informs all Registered Participants and interested parties that AEMO is requesting submissions on non-network options for the Central-West Orana REZ Transmission Link project. The scope of this consultation is limited to exploring options that can improve the grid's hosting capacity of renewable energy¹. This project has been identified as an actionable project in the 2020 Integrated System Plan (ISP).

This request for submissions on non-network options for the Central-West Orana Transmission Link project has been prepared in accordance with the requirements of clause 5.22.14(c)(1) of the National Electricity Rules.

Matter under Consultation

The Central-West Orana REZ is highlighted in the New South Wales Government's Electricity Strategy for development as the first pilot REZ in New South Wales. The New South Wales Government has stated in the strategy that it will support the transmission upgrades for a pilot 3,000 MW REZ in the Central West REZ by the mid-2020s², and the Commonwealth Government has committed to financially support the infrastructure via the Grid Reliability Fund or ARENA³.

The matter for consultation is a call for non-network options for the Central-West Orana REZ Transmission Link project. In line with the requirements of the National Electricity Rules, this consultation notice:

- Describes the identified need that the Central-West Orana REZ Transmission Link project (including any *non-network option*) is addressing; and
- Provides detail on the technical characteristics that the *non-network options* for the Central-West Orana project must meet.

Identified need for investment

The Central-West Orana REZ Transmission Link is as defined in the New South Wales energy strategy. The identified need is to increase the capability of the transmission network to enable the connection of expected generation in the Central-West Orana REZ:

¹ The delivery of renewable energy projects is outside the scope of this consultation.

² New South Wales Government. The New South Wales Electricity Strategy, at <https://energy.nsw.gov.au/government-and-regulation/electricity-strategy>.

³ The Commonwealth of Australia, The State of New South Wales. *Memorandum of Understanding – NSW Energy Package*, available at <https://energy.nsw.gov.au/media/2001/download>. Commonwealth underwriting will only be called upon if there remains a gap between the cost-benefit requirements of the RIT-T and the cost of developing the transmission upgrades, less funds raised from generators through the auction process and any funding received from the ARENA.

- increasing the transfer capacity between expected generation in the Central-West Orana REZ and the existing 500 kV transmission network between Bayswater, Wollar and Mount Piper; and
- ensuring sufficient resilience to avoid material reductions in transfer capacity during an outage of a transmission element,

or as otherwise consistent with the NSW Government’s Central-West Orana REZ program, including any change of law.

Technical Characteristics

During periods with high variable renewable energy (VRE) generation, there will be network constraints which provide opportunities for strategically placed battery storage and/or pumped hydro. These could defer or reduce the scale of proposed transmission network augmentation, . Central-West Orana REZ has access to good pumped hydro resources which, if strategically developed, can increase the hosting capacity within this REZ.

AEMO is not prescriptive at this early stage of the regulatory process regarding the role of non-network options and operating profiles for these solutions. AEMO is interested to hear from parties regarding the potential for non-network options to satisfy, or contribute to satisfying, the identified need, and from potential proponents of such non-network options. AEMO encourages proponents of potential non-network solutions to make a submission to this consultation, as any non-network solutions considered will require indicative costs and timings to be transparently evaluated alongside the other options in the RIT-T.

Information to be provided by proponents of a non-network option

The above is not an exhaustive list of potential non-network services. AEMO welcomes potential non-market service providers making submissions on proposed non-network options they believe can address the identified need outlined above. Submissions should include details on:

- Organisational information.
- Relevant experience to demonstrate the capability and current utility scale delivery of the technology.
- Technical details of the service, including location, scale and operating profile.
- Cost and scalability of service, separating capital and operational expenditure.
- Confirmation of any timelines involved in providing the service.
- Responsibility and liability arising directly or indirectly from the operation or failure of the non-network solution.
- Demonstration of the proponent’s financial viability.

The Consultation Process

The consultation process is outlined below.

PROCESS STAGE	DATE
Publication of notice of consultation	30 July 2020
Closing date for submissions	22 October 2020

Invitation to Make Submissions

AEMO invites written submissions on the matter under consultation.

Please identify any parts of your submission that you wish to remain confidential, and explain why. AEMO may still publish that information if it does not consider it to be confidential, but will consult with you before doing so. Copies of all submissions received by AEMO will be provided to TransGrid as the Jurisdictional Planning Body in New South Wales.

Please note that material identified as confidential may be given less weight in the decision-making process than material that is published.

Closing Date and Time

Submissions in response to this Notice Consultation should be sent by email to isp@aemo.com.au, to reach AEMO by 5.00pm (Melbourne time) on 22 October 2020.

All submissions must be forwarded in electronic format (pdf preferred). Please send any queries about this consultation to the same email address.

Submissions received after the closing date and time will not be valid, and AEMO is not obliged to consider them. Any late submissions should explain the reason for lateness and the detriment to you if AEMO does not consider your submission.

Publication

All submissions will be published on AEMO's website, other than confidential content.