



# Call for non-network options – 2024 Integrated System Plan

Waddamana to Palmerston transfer  
capability upgrade project

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Australian Energy Market Operator Ltd ABN 94 072 010 327

# Notice of consultation

## 2024 INTEGRATED SYSTEM PLAN CALL FOR NON-NETWORK OPTIONS – WADDAMANA TO PALMERSTON TRANSFER CAPABILITY UPGRADE PROJECT

This notice informs all Registered Participants and interested parties that AEMO is requesting submissions for non-network options for the Waddamana to Palmerston transfer capability upgrade project. This project is identified as an actionable ISP project in the 2024 *Integrated System Plan* (ISP). This request for submissions for non-network options has been prepared in accordance with the requirements of clause 5.22.14(c)(1) of the National Electricity Rules (NER).

### Matter under consultation

The Waddamana to Palmerston transfer capability upgrade project increases hosting capacity in Tasmania's Central Highlands Renewable Energy Zone (REZ) for potential renewable generation development. The Tasmania Central Highlands REZ has excellent quality wind resources and has good pumped hydro resources for potential future build. It is located close to major load centres at Hobart.

The Tasmania Central Highlands augmentation options are influenced by the Project Marinus augmentations. This upgrade project will facilitate increased power transfer between Waddamana and Palmerston and enhance power sharing between Palmerston to Sheffield and Palmerston to Hadspen 220 kilovolts (kV) transmission corridors to support increased power transfer on proposed Project Marinus interconnector upgrades. Additional transmission network augmentation to increase the transfer capability between Palmerston and Waddamana in the Central Highlands of Tasmania, local generation, or load reductions are needed to reliably supply variable renewable energy (VRE) in the North West Tasmania, or in the opposite direction supply Hobart.

The matter for consultation is a call for non-network options for the Waddamana to Palmerston transfer capability upgrade project. This consultation notice:

- Describes the identified need that the Waddamana to Palmerston transfer capability upgrade project (including any non-network option) is addressing; and
- Provides detail on the required technical characteristics that non-network options must meet for the Waddamana to Palmerston transfer capability upgrade project.

### Identified need for investment

*The identified need for the Waddamana to Palmerston transfer capability upgrade project is to:*

- *increase power system capability of the transmission network between Central and North Western Tasmania, and*
- *support the expected increase in renewable generation in Central Highlands REZ in the vicinity of Waddamana region.*

### Technical characteristics

During periods of high VRE in Central Highlands Tasmania, network constraints provide opportunities for strategically placed battery storage, pumped hydro and/or local generation. These solutions could

defer or reduce the scale of proposed transmission network augmentation from Waddamana to Palmerston.

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 new credible options received must be considered in the Regulatory Investment Test for Transmission (RIT-T).

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

The types of non-network services mentioned above are not intended to limit the potential non-network services that may meet the identified network need. AEMO welcomes all non-network service providers to provide a submission for proposed non-network options they believe can address the identified need outlined above.

To aid RIT-T proponents in their consideration of non-network option proposals, AEMO recommends that submissions include the following details:

- Organisational information and key contact details.
- Relevant experience to demonstrate the capability and current utility-scale delivery of the technology.
- Technical details of the service, including location (transmission substation), size, operating profile and limitations, and availability.
- Total cost and scalability of service, separating capital and operating expenditure.
- Confirmation of any timelines involved in providing the service, including construction, grid connection, testing, and commissioning dates.
- Responsibility and liability arising directly or indirectly from the operation or failure of the non-network solution.
- Demonstration of the proponent’s financial viability.
- Evidence of external funding contributions (such as from the Australian Renewable Energy Agency (ARENA) or government).

**The consultation process**

The consultation process is outlined below.

Process stage	Date of publication
Publication of notice of consultation	26 June 2024
Closing date for submissions	18 September 2024
Project Assessment Draft Report (PADR) publication	26 June 2025

Following the receipt of non-network option submissions, AEMO will provide these to the relevant RIT-T proponent identified in the 2024 ISP, TasNetworks, to consider in the RIT-T for this actionable ISP project. RIT-T proponents are required to consider any new credible non-network options that were not previously considered in the ISP that meet the identified need, including any non-network options submitted to AEMO in response to this notice<sup>1</sup>.

### **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 TasNetworks as the RIT-T proponent for the Mid North South Australia REZ Expansion project as specified in the 2024 ISP.

### **Closing date and time**

Submissions in response to this Notice Consultation should be sent by email to [isp@aemo.com.au](mailto:isp@aemo.com.au) by 5.00 pm (AEST) on 18 September 2024. All submissions must be forwarded in electronic format (PDF preferred). Please send any queries about this consultation to the same email address.

### **Publication**

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

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<sup>1</sup> Australian Energy Regulator (AER), *Regulatory Investment Test for Transmission*, paragraph 2(c)(iii).