



Submission

AEMO Western Victorian Renewable Energy Integration | Regulatory Investment Test – Transmission | Project Assessment Draft Report

The Murray River Group of Councils (MRGC) provides the following submission to the Project Assessment Draft Report (PADR) to assist AEMO in the finalisation of the Western Victoria RIT-T process.

Submission Summary

MRGC supports upgrades to the Transmission Network, but the Preferred Option is limited in scope and will not unlock the potential for solar generation in the region

The PADR Preferred Option is predicated on assumptions for growth in solar generation in the North West that do not align with MRGC data

The constraints on the RIT-T process prevent the Preferred Option from responding in the best possible way to the fast pace of change in the industry and Government policy

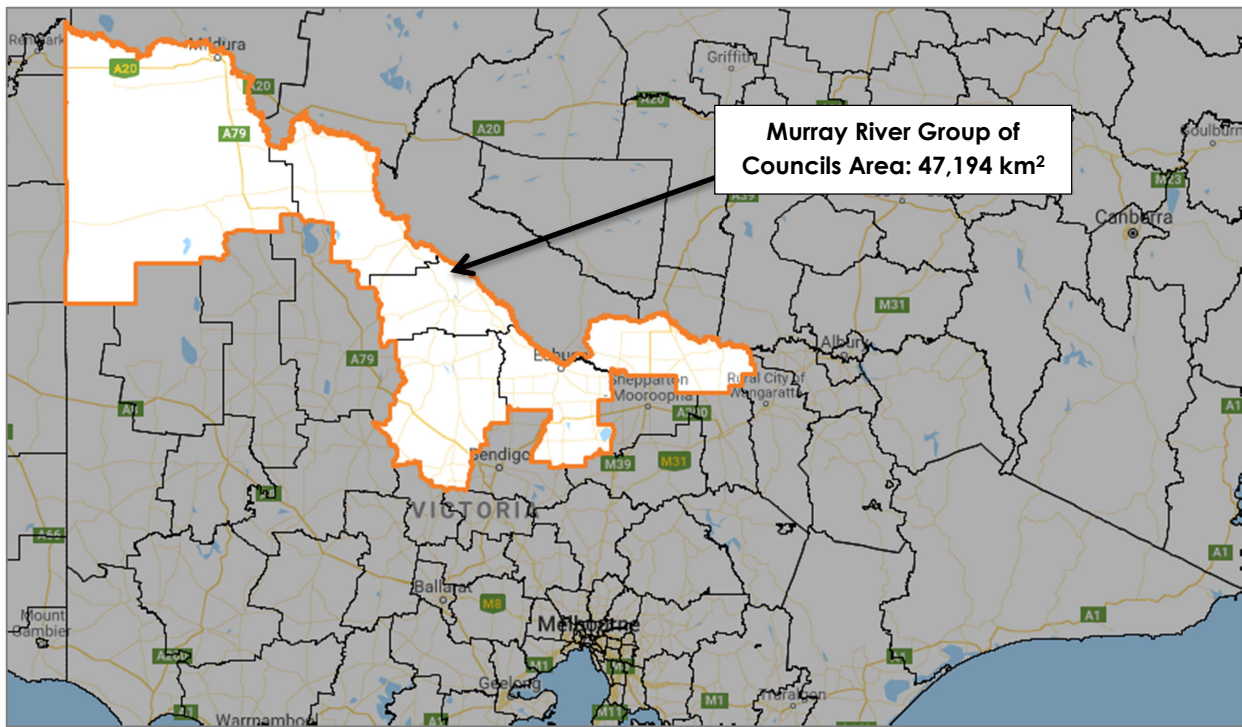
MRGC is very supportive of the proposed Sydenham – Ballarat 500kV line and is in principle supportive of the minor augmentations to the Ballarat – Horsham – Red Cliffs – Wemen – Kerang – Bendigo Transmission Network

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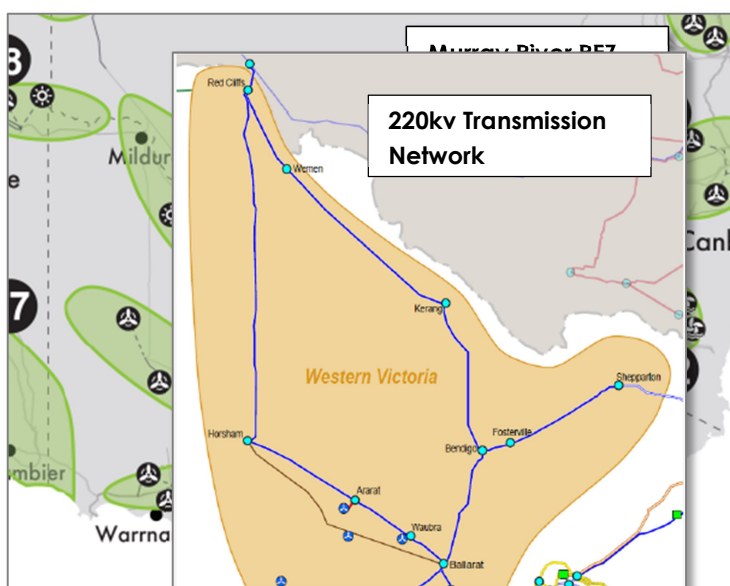


ABOUT MRGC

The MRGC comprises six councils in northern Victoria: Mildura Rural City Council, Swan Hill Rural City Council, Gannawarra Shire, Loddon Shire, Shire of Campaspe and Moira Shire.



The MRGC covers an area of some 4.7 million hectares in the north of Victoria. It incorporates the Victorian portion of the AEMOs Murray River Renewable Energy Zone. It is connected to the electricity grid by the Ballarat – Horsham - Red Cliffs – Kerang - Bendigo - 220kv transmission lines and the Shepparton Transmission line



Source: AEMO

Submission

1. MRGC supports upgrades to the Transmission Network, but the Preferred Option is limited in scope and will not unlock the potential for solar generation in the region.
 - 1.1. The AEMO Preferred Option provides for only minor system augmentation for the parts of the transmission network critical to MRGC and to unlock the enormous solar generation potential in the north of Victoria.
 - 1.2. MRGC is disappointed that AEMO did not consider the further options set out in our submission to the PACR of upgrading the Bendigo – Kerang – Wemen-Red Cliffs transmission network which would not only support additional investment but would work to bring forward infrastructure that will be built in the medium term such as the “Snowy-Link” interconnector between Sydenham – Kerang and into NSW.
2. The Preferred Option is predicated on assumptions for growth in solar generation in the North West that do not align with MRGC data.
 - 2.1. AEMO assumptions are that some 5000MW of generation capacity will be built in the Western Victoria region of the state in total by 2025. Of this the highest total for the North West predicted by AEMO is 1400MW.
 - 2.2. MRGC data shows that the current pipeline for potential large scale solar generation is 5810MW in the North West of Victoria. Of this, projects totalling 2789MW of generation are currently (February 2016) at or past Planning Permit Approval stage.
 - 2.3. Taking into account the entire MRGC region, including those areas serviced by the Shepparton Transmission line, the total pipeline amounts to some 29 projects with planning approval with generation potential of 3484MW with interest in a further 3565MW.
 - 2.4. Proponents are consistently informing our member councils that the limiting factor is the capacity of the transmission network. The Preferred Option will not in our view result in the construction of the appropriate infrastructure for Australia's long term future.
3. The constraints on the RIT-T process prevent the Preferred Option from responding in the best possible way to the fast pace of change in the industry and Government policy

- 3.1. The RIT-T process is heavily constrained by the National Electricity Rules and these constraints have, in our view, resulted in a Preferred Option that is not in Victoria's best interests.
 - 3.2. The Preferred Option does not take account of potential industry investment in the transmission network. Currently MRGC is aware of two such credible proposals.
 - 3.3. The industry and the market are moving at a far faster pace than AEMO is able to and Government policy is also moving (for example, February 2019 announcements for investment which may bring forward a second Tasmanian interconnector and Snowy 2.0) - potentially undermining the RIT-T assumptions about the retirement of coal.
 - 3.4. The geographical and time limitations on the RIT-T mean that in our view, it does not take proper account of the development of the NSW-SA interconnector and of the future "Snowy Link" Victoria-NSW interconnector
 - 3.5. These are artificial limitations which, in our view, result in a sub-optimal Preferred Option.
4. MRGC is very supportive of the proposed Sydenham – Ballarat 500kV line and is in principle supportive of the minor augmentations to the Ballarat – Horsham – Red Cliffs – Wemen – Kerang – Bendigo Transmission Network
 - 4.1. The proposed construction of a new 500kV line between Sydenham and Ballarat is a critical part of the required infrastructure. It is vital that this upgrade is prioritised and commences in the immediate term.
 - 4.2. As set out in the AEMO 2018 Integrated System Plan (ISP), this will support the future construction of a 500kV interconnection via Kerang into NSW "Snowy Link". It is the view of MRGC that this is a critical piece of infrastructure that should be prioritised in order to maximise the current investment opportunity.
 - 4.3. MRGC also supports the upgrade to the interconnector at Red Cliffs – Buronga as part of the proposed new SA – NSW interconnector from Wagga Wagga to Robertstown which will provide additional capacity for further solar generation in the Mildura and Swan Hill region.