

Quote No L21/2881 : 11/161
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Telephone / Personal Enquiries
Ask for Mr Jay Nankivell

19 November 2021

Ms Kasia Kulbacka
Executive Manager - Network Planning & Operations
180 Thomas Street,
Sydney PO Box A1000 Sydney South
NSW 1235 Australia

Submitted via email: regulatory.consultation@transgrid.com.au.

Dear Ms Kulbacka

PADR Response

On behalf of its public and private sector ratepayers and the broader community of Broken Hill, the Broken Hill City Council herein provides its response to TransGrid's RIT-T – Revised Project Assessment Draft Report (PADR) for Maintaining Reliable Supply to Broken Hill (published October 6, 2021).

Broken Hill City Council represents over 17,000 residents and is committed to a sustainable future and reduced carbon footprint via its adopted Sustainability Strategy and Renewable Energy Action Plan (REAP).

Life extension of diesel-fired generation at odds with all levels of Australian Government policy and inconsistent with TransGrid's corporate vision

We acknowledge with interest in the revised PADR that TransGrid identifies that "prolonging the use of fossil fuel technologies is inconsistent with Broken Hill's City Council's Sustainability Strategy and the general transition of the electricity sector to low emission technologies." [pg 7 revised PADR]. Whilst this reference to our local government policy position is most welcome, we would further point out that the proposal to extend the life of the existing diesel-fired generators as a long-term reliability solution is completely at odds with a raft of recent government policy, including:

- NSW Government's Electricity Infrastructure Roadmap, which seeks to transform its electricity system into one that is "cheap, clean and reliable" and includes a target of 2GW long duration storage.
- NSW Government target of 50% reduction by 2030 and net zero by 2050
- Commonwealth Government's net zero policy by 2050 and a 35% reduction in emissions by 2030.
- AER's commitment to the newly launched international Regulatory Energy Transition Accelerator .

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Further to relevant Government Energy Policy, we struggle to understand how this proposed life-extension of the diesel-fired turbines supports TransGrid's own corporate vision of "A clean energy future for Australia", particularly given previous consultation with Council where reliability solutions that could support a renewable energy mini-grid were presented.

The retention of diesel-fired turbines is also at odds with Council's Renewable Energy Action Plan (REAP) which calls for Council to decrease its reliance on non-renewable energy, attract renewable energy business and innovation to the city, and play its part in mitigating climate change.

Life-extension of diesel-fired generation is inadequate to support the future growth of Broken Hill

The existing diesel-fired turbines are more than 40 years old and have been used by Essential Energy to support the transmission network at Broken Hill since the 1980's, they have provided backup power to the town but almost no backup to the existing mining operations. Whilst provision of backup power has proved problematic at times in the past, the life-extension of these assets we view as a risk to the economic prosperity of Broken Hill and a constraint to development in the region for the following reasons:

- The diesel-fired turbines have mostly provided backup power from one of the two units, since using both has not been dependable.
- Existing mining operations have been forced to provide their own onsite power generation at their own cost during periods of grid outage, instead of being adequately supported with reliable backup power, this has in the past caused major disruption and economic loss to the mines and to the town.
- Two new mines are currently in the latter stages of development and represent the future of the mining industry in the Broken Hill region (Cobalt Blue and Hawsons Iron), these mines cannot be adequately supported by the diesel-fired turbines and we believe this aspect of the PADR analysis has not been adequately considered.
- There is no detailed or convincing justification of the ability of the diesel-fired turbines to function successfully and reliably in the long-term in the PADR.
- The transmission line between Buronga and Broken Hill is ageing and requires a better backup power solution as it is more frequently shut down for maintenance or upgrade.

The reliability of power supply is crucial to the sustained economic activity of Broken Hill and to support future development, we suggest that this outcome is better supported by other solutions in the PADR than the life-extension of the diesel-fired turbines.

Other proposed reliability solutions

Unlike the diesel-fired turbines, Council seeks on its constituents' behalf, a more flexible, expandable, renewable reliability solution in keeping with the needs of policy at all levels of government and to meet the needs of new development. Through the PADR, direct consultation and media reporting we have learnt about the Advanced Compressed Air Energy Storage (A-CAES) alternative and acknowledge the many benefits this solution may be able to deliver, including:

- repurposing of an end of life mine located in Broken Hill.
- providing new employment and skills opportunities.
- supporting sustained economic growth with new sources of revenue.
- supporting more renewable energy generation in the region with better economic returns.

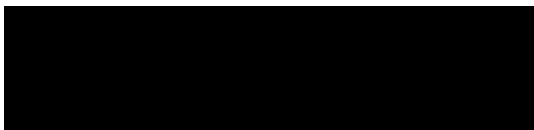
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From the Council's perspective, a reliability solution that can deliver investment in the order of \$500M in the Broken Hill region, creating many direct and indirect jobs; and making a total contribution of more than \$1B to the local economy for 40+ years operational lifetime¹ means a great deal in terms of the local economy.

Conclusion

We encourage TransGrid to consider closely Council's position and question the viability of the life-extension of the diesel-fired turbines as the preferred reliability solution for Broken Hill. We do not believe this solution meets our reasonable expectations of what the minimum requirements for such a solution should be and it is apparent that there are much better solutions proposed in the PADR.

Yours faithfully,

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JAY NANKIVELL
GENERAL MANAGER

¹ ACIL Allen Report