



Victoria to New South Wales Interconnector West (VNI West) Progress Update February 2023 Project Update Six

AEMO Victoria Planning (AVP) and Transgrid continue to assess the technical and economic viability of expanding the transmission interconnector capacity between Victoria and New South Wales.

Following the release of the Project Assessment Draft Report (PADR) in July 2022, and consideration of stakeholder feedback received, AVP and Transgrid have undertaken further investigations to assess the feasibility of alternate connection points, still running via a terminal station near Kerang but with connection to the Western Renewables Link (WRL) west of the current proposed site. The NEVA Order, recently made by the Victorian Minister for Energy and Resources, enables AVP to consider alternate VNI West options that could reduce the risk of delays and still deliver the project at a reasonable cost to consumers.

The Minister for Energy and Resources made a Ministerial Order under section 16Y of the National Electricity (Victoria) Act 2005 (NEVA) enabling early works for the VNI West as well as the assessment and consultation on alternate options, including the connection to WRL, to facilitate and expedite the project. This order allows AVP to consider alternate VNI West options that could reduce the risk of delays and deliver the project at a reasonable cost to consumers. The six-week community consultation period for the alternate VNI West options has started, with feedback sought by 5 April 2023.

The additional analysis considers a total of seven credible options and includes a broader range of criteria in the options assessment, including environmental, social and cultural factors. As a result of this multi-criteria analysis (MCA), the proposed preferred VNI West option has changed to Option 5. This is a 500 kilovolt (kV) double-circuit overhead transmission line connecting to WRL at Bulgana and to EnergyConnect at Dinawan via a new terminal station near Kerang. Option 5 clearly outperforms all other options once other potential environment, social and engineering factors that could expedite development and delivery are considered.

We are now seeking feedback from a broad range of stakeholders on the outcomes of this assessment, the feasibility of Option 5 and whether the MCA has captured the salient ecological, social and engineering factors, including those that sit outside the scope of the RIT-T but which may impact on timely project development having regard to the terms of the NEVA order.

Stakeholder feedback, alongside the assessment results outlined in the Consultation Report, will help shape the selection of the preferred option for the forthcoming Project Assessment Conclusions Report (PACR). AVP will also be consulting with VicGrid on this decision.



The report takes into account stakeholder feedback on the PADR

One of the key issues identified through the feedback on the PADR was the connection of VNI West to WRL at a proposed terminal station north of Ballarat. Stakeholder feedback also requested further consideration of the impact of options on visual amenity, biodiversity, land use, culture, heritage, tourism and bush fire risk. In response, and as advised in the Project Update Five, AVP and Transgrid have investigated alternate credible VNI West options with a terminal station near Kerang, but with connection to WRL further west of the proposed terminal station near Ballarat. We are now consulting on the outcomes of this assessment.

Seven options have been assessed in the report

Five new options have been assessed in the Consultation Report, in addition to the two options initially presented in the PADR. A map of options assessed is provided below and detailed analysis of all seven options can be found in the [Consultation Report](#).

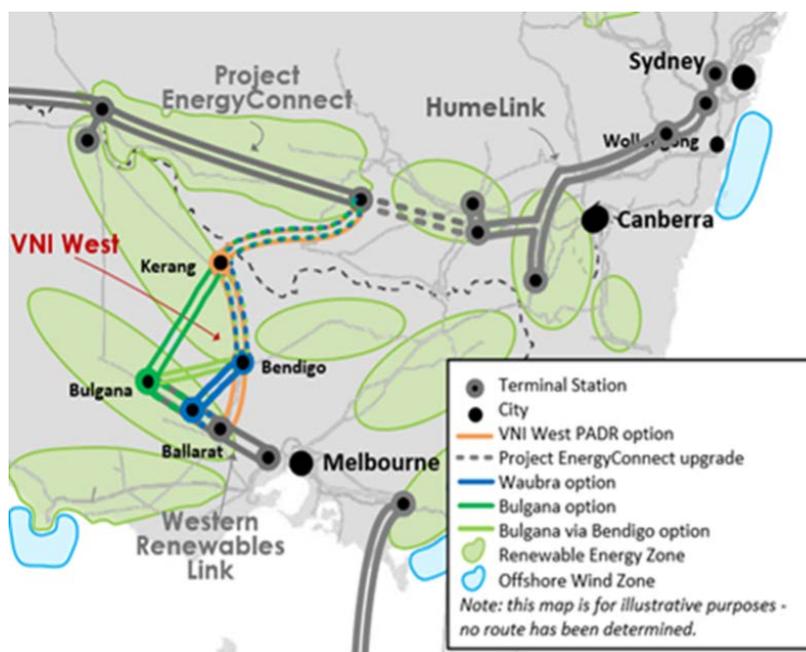


Figure 1 - Options assessed

Assessment process

Each option was assessed using the Net Present Value (NPV) analysis to determine the costs and benefits delivered. To refine these results and identify the strongest performing options overall, the MCA methodology was employed to give greater consideration of social, land planning, environmental, and cultural factors that may increase the likelihood of timely project delivery and better reflect local community concerns. The MCA was informed by a desktop study of known cultural, environmental and social factors. Full details on the MCA process and criteria can be viewed in the [Consultation Report](#).



Assessment outcomes

Based on the combined NPV and MCA assessments, the strongest performing option was identified as **Option 5 (to Bulgana)**. **Option 5 is therefore the proposed preferred option for further development.**

Option 5 connects from Dinawan NSW, via a new terminal station near Kerang directly to WRL at a new terminal station near Bulgana (Wotjobaluk Country). This option requires relocation of the WRL proposed terminal station from north of Ballarat to a location near Bulgana and the uprate of the proposed WRL transmission line from north of Ballarat to Bulgana from 220 kV to 500 kV following the same WRL route for much of the length except for a slight variation around Waubra.

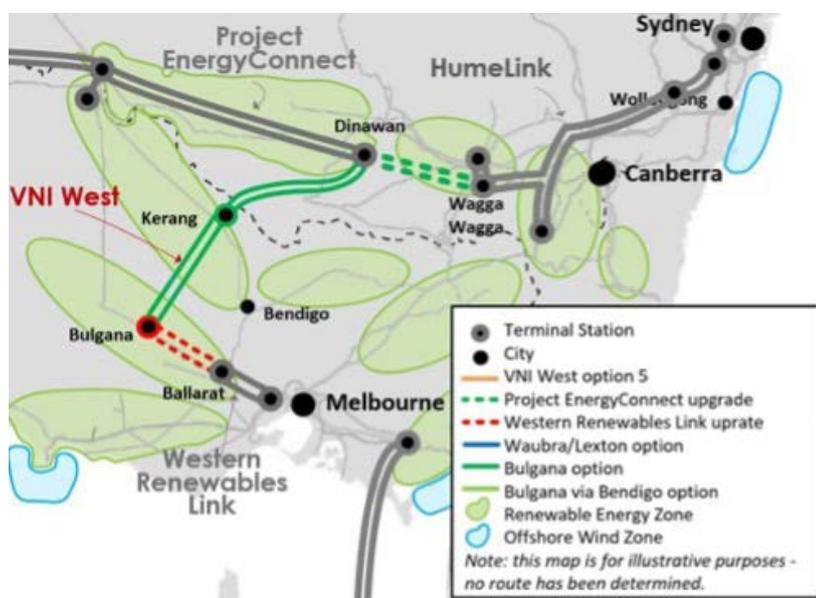


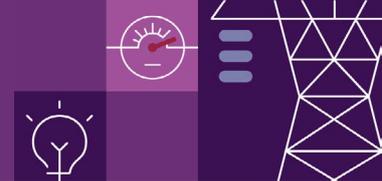
Figure 2 - Option 5 (to Bulgana)

Based on the combined MCA analysis, Option 5 ranked the highest overall as it scored better across the broad range of objectives and risks assessed and is therefore considered more likely to facilitate accelerated delivery.

The key benefits of Option 5 (to Bulgana) are summarised below:

- Option 5 (to Bulgana) is estimated to deliver approximately \$1.9 billion in net benefits in present value terms and is less sensitive to capital cost increases or discount rate rises than the other options.
- It continues to provide benefits to consumers if it is assumed the Victorian Government's offshore wind targets become legislated by providing greater opportunities to export electricity to New South Wales when generation is surplus to Victoria's needs.
- Of all seven options, Option 5 is expected to have the least negative impact on social, cultural and environmental factors which will most likely support expedited project delivery.
- Option 5 responds to stakeholder feedback by avoiding the Bendigo to Ballarat corridor.

A full summary of the analysis can be viewed in the [Consultation Report](#).



AVP and Transgrid welcome feedback from stakeholders

All stakeholders are invited to provide written submissions on the assessment undertaken in the Consultation Report and, in particular, AVP and Transgrid welcome feedback from stakeholders on:

- the outcomes of the assessment undertaken in the report;
- the feasibility of Option 5; and
- whether the MCA has captured the salient social, environmental and engineering factors, including those that sit outside the scope of the RIT-T, but which may impact on the timely development of the project having regard to the terms of the NEVA Order

All feedback will be carefully considered in the preparation of the final report, the Project Assessment Conclusions Report (PACR) and all non-confidential written submissions will be published online, along with a summary of how feedback has been taken into account.

Submissions are due on or before 5 April 2023 and should be emailed to VNIWestRITT@aemo.com.au

WRL and landholder engagement

Depending on the VNI West connection point that is selected, the proposed route for WRL may change around Waubra/Lexton. The remainder of the proposed route for WRL is not expected to change. AusNet will continue engaging with landholders along the proposed WRL route to provide them with the latest available information and respond to their questions and concerns about potential changes to WRL. If you have any questions specific to the WRL project, please call 1300 360 795 or email info@westernrenewableslink.com.au.

Further information and next steps

A series of forums, briefings and community events will be held during the consultation period to provide stakeholders with a detailed understanding of the project assessment process and how to make a submission. For further information, including details of upcoming stakeholder engagement activities, you can visit the VNI West webpage here: www.aemo.com.au/vni-west or www.transgrid.com.au/vni-west

Contact us

Contact the team for further information on the project and upcoming engagement activities through the contact details below.

	AEMO Victorian Planning (VIC)	Transgrid (NSW)
Phone	1800 824 221	1800 222 537
Website	www.aemo.com.au/vni-west	www.transgrid.com.au/vniw
Email	VNIWestRITT@aemo.com.au	vniw@transgrid.com.au