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Friday, 7 October 2022

Mr Chris Bowen  
Minister for Climate Change and Energy  
Department of Climate Change, Energy, Environment and Water  
Industry House, 10 Binara Street,  
Canberra  
Submitted online: <https://consult.industry.gov.au/oei-gippsland>

Dear Minister



### **Notice of Proposal to Declare an Area – Bass Strait off Gippsland, Victoria**

Transgrid welcomes the opportunity to respond to the Department of Climate Change, Energy, Environment and Water's (**DCCEEW**) notice of proposal to declare Bass Strait, off Gippsland, Victoria, as a zone for offshore renewable energy projects.

Transgrid supports the development of offshore renewable energy zones (**REZ**) that promote positive outcomes for consumers and the general public. Offshore is a key emerging renewable generation technology that will contribute to meeting the Australian Government's target of net zero emissions by 2050, reducing emissions by 43% and reaching 82% of Australia's electricity generated from renewable sources, by 2030.

Offshore wind has gained support in recent years, driven by the development of commercial operations, favourable regulatory and compliance developments. This has led to the identification of a number of offshore wind REZs including the identified REZ in Bass Strait.

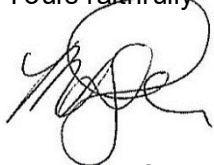
There are a number of opportunities to better support the establishment of offshore REZ's, including:

- Better coordination of onshore network infrastructure, to optimize and better plan infrastructure development. This would include network augmentation to strengthen the onshore grid with strategically located connections to support the meshed offshore network.
- Improved industry engagement for future 'Declared Area' selection and specification – to allow for efficient and optimal connection to the mainland, there needs to be input from industry (including TNSPs) to select the next Declared Areas. The DCCEEW has indicated future zones could incorporate additional input from State Governments and industry, which would be welcomed, in particular more direct TNSP input. This would ensure that the appropriate onshore network requirements and needs are considered, including:
  - Areas with spare network capacity or favourable attributes (including reduction of network risk and required system services).
  - Strategic areas for network augmentation (including impacts of planned future network augmentation).

- The interactions with the Offshore Electricity Infrastructure Act 2021 (OEI Act) - consideration and proactive development of shared offshore wind infrastructure (to accommodate multiple offshore wind projects, instead of dedicated single-project infrastructure). This is to optimise network infrastructure development proactively, reducing potential costs to consumers.
- How the OEI Act (including Offshore wind infrastructure and regulation) and the connection of the proposed Bass Strait zone interfaces with electricity regulatory bodies, including:
  - Incorporation or exclusion of offshore wind into AEMO's ISP Optimal Development Pathway (and hence planned future onshore network infrastructure)
  - How any required onshore network augmentation is delivered (i.e. under National NEM Framework, or Jurisdictional arrangements).
- Transmission access - community support is likely to be low if projects connect individually <sup>1</sup>. This would require greater coordination than a typical mainland connection. TNSPs would play a critical role supporting Federal and state governments.

Transgrid welcomes the opportunity to respond to the DCCEE's notice of proposal on this important issue. If you require any further information or clarification, please feel free to contact Zainab Dirani, Policy Manager, at [zainab.dirani@transgrid.com.au](mailto:zainab.dirani@transgrid.com.au)

Yours faithfully



Maryanne Graham  
Executive General Manager  
Corporate & Stakeholder Affairs

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<sup>1</sup> In Europe, connections are primarily done by grouping connections at sea.