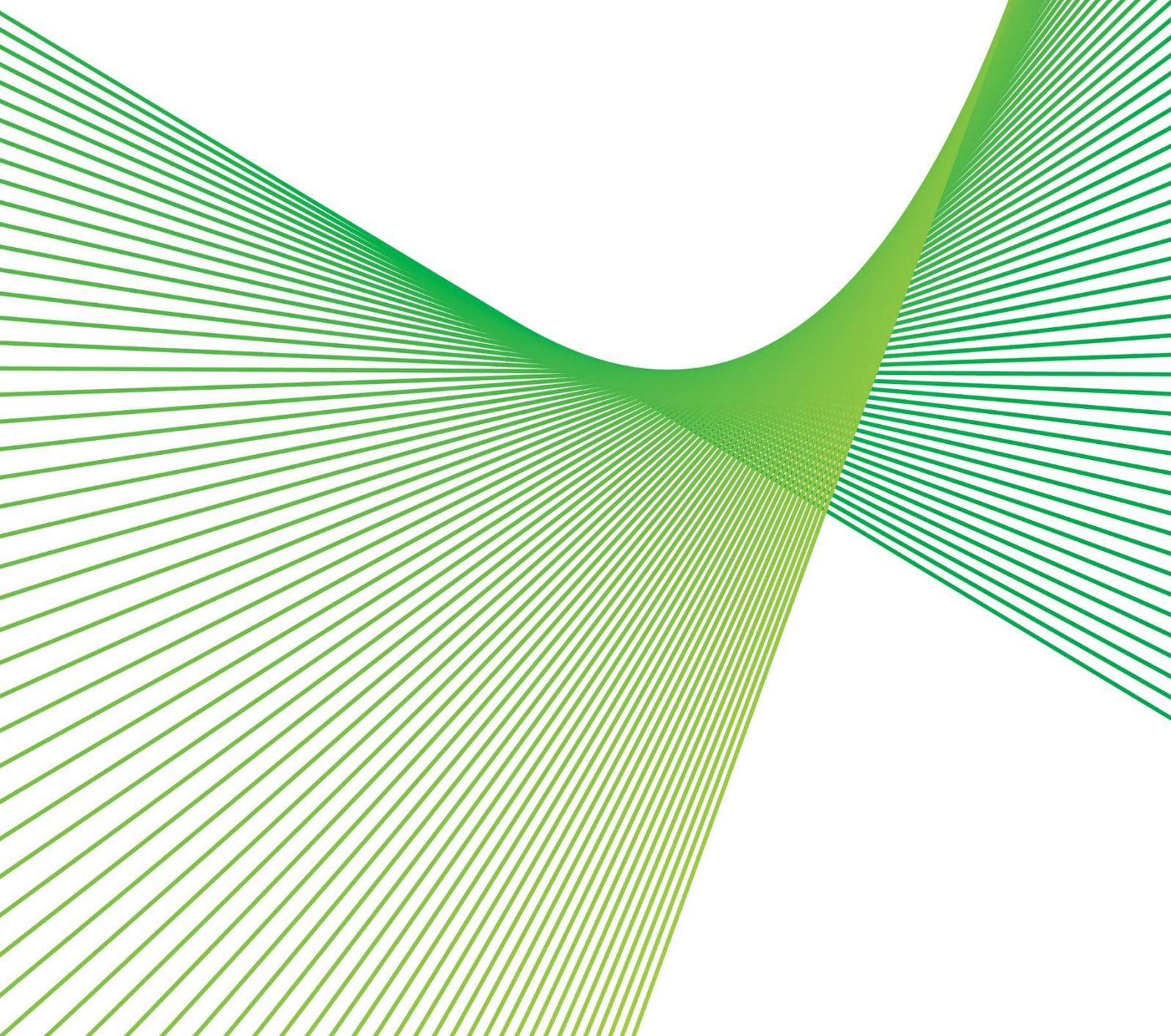


Improving voltage control in southern NSW

Notice of RIT-T Cancellation

Region: Southern New South Wales

Date of issue: 20 February 2026



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Notice of RIT-T Cancellation

This notice is to inform stakeholders that we will not proceed with the Improving voltage control in southern NSW RIT-T, consistent with Section 4.5.2¹²

Background

Voltage is the electric potential between two points that gives rise to the flow of electricity. Network service providers undertake voltage control to ensure that voltage is kept within technical limits, thereby safeguarding the security and reliability of the power system. It is controlled by managing the production and absorption of reactive power (residual power flowing forwards and backwards between connection points),³

AEMO's Electricity Statement of Opportunities (ESOO) 2024 report shows that Minimum Demand in NSW will continue to decline over the next couple of years. This value is expected to be less than 1000 MW (Summer and Shoulder) in the FY 2029/30 under the 50% Probability of Exceedance (POE) Central⁴. The reduction in minimum demand is already causing high voltage issues, especially at some switchyards where the maximum voltage rating is lower than 1.1 p.u.

With Minimum Demand in New South Wales expected to continue to decline over the next couple of years, high voltage issues at Transgrid's Kangaroo Valley and Balranald substations are expected to be exacerbated. As a result, the Improving voltage control in southern NSW project was proposed to address an identified need for a longer-term solution to resolve the over-voltage issues.

Project Specification Consultation Report

In November 2024 we published a [Project Specification Consultation Report](#) (PSCR) as the first step in the application of the Regulatory Investment Test for Transmission (RIT-T). The PSCR presented two credible options focused on ensuring voltage in southern New South Wales (NSW) is managed appropriately and in the most efficient manner. A summary of the credible options is presented below:

Option	Description	Estimated capex (\$2024/25 +/- 25%)	Operating costs (\$2024/25, \$ per year)
1	Install 1 x 50 MVar Shunt Reactor at Kangaroo Valley 330 kV switching station and Install 1 x 20 MVar Shunt Reactor at Balranald 220 kV station	\$13.4m	\$134,000
2	Install 2 x 50 MVar Shunt Reactors at Capital Wind Farm 330 kV and install 1 x 20 MVar Shunt Reactor at Balranald 220 kV station	\$23.1m	\$231,000

² AER, *Regulatory Investment Test for Transmission – Application Guidelines*, November 2024, pp.74

³ [power-system-stability-guideline.pdf](#)

⁴ AEMO, *2024 Electricity Statement of Opportunities*, August 2024, pp.38

The PSCR concluded that the draft preferred option was Option 1.

We invited submissions on the PSCR during a 12-week period which followed publication. One submission was received in response to the PSCR. We did not publish the submission due to the submitter's request for confidentiality. We have communicated our intention to cancel this RIT-T directly to the submitter.

Developments since the PSCR

Since the PSCR was published in November 2024, subsequent developments have changed the need.

As of 30 January 2026, Blind Creek Solar Farm and Battery Energy Storage System (BESS) near Capital Wind Farm has progressed to ⁵'committed' status, and substation changed to 'committed status. Blind Creek Solar Farm and BESS are of large enough capacity to provide adequate reactive power support to Kangaroo Valley. The close proximity of Limondale BESS to Balranald also enables it to provide adequate reactive power support. Re-assessment of power system studies indicated that with both BESS operating, the over-voltage issues at the respective substations are effectively mitigated, which consequently dissolves the identified need.

RIT-T Cancellation

With these changes following the publication of the PSCR, this document proposes the withdrawal of the need and project scope set out in the PSCR.

As credible non-network solutions address the over-voltage issues at Kangaroo Valley and Balranald substations, and therefore, the RIT-T will not proceed.

Further information can be obtained by contacting our Regulation team via regulatory.consultation@transgrid.com.au.

⁵ ENA *RIT-T Economic Assessment Handbook for non-ISP RIT-Ts version 4.0.*, 29 May 2025, pp.50