

9 November 2021

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By email: regulatory.consultation@transgrid.com.au

**SUBMISSION IN RESPONSE TO THE “IMPROVING STABILITY IN SOUTH-WESTERN NSW”
PADR**

Thank you for the opportunity to provide feedback on the Project Assessment Draft Report for Improving Stability in South-Western New South Wales (PADR).

As a generator in south-west NSW affected by system stability issues, including the constraint imposed since May 2020 limiting power flows on line 63, we are very keen to see network improvements in the area. As the PADR points out the region has accommodated approximately 600 MW of new generation since 2015 and has a further 700 MW in commissioning. In addition, there are also several renewable energy projects in the area that are planned to be constructed over the coming years.

As it stands, constraints are currently being used to curtail large amounts of low-cost renewable generation in order to manage this part of the network. This represents a lost opportunity for consumers to benefit through lower electricity prices in NSW. And clearly for generators it represents a significant financial impact, and one which leads to increased risk premiums for future investments. Furthermore, given the additional generation planned for this region the problem will persist and will continue to worsen until system upgrades can be implemented.

The modelling reported in the PADR considers a number of scenarios from the Australian Energy Market Operator’s (AEMO’s) 2020 Integrated System Plan (ISP). On this point we note the recent public statements made by representatives of both AEMO and the Energy Security Board (ESB) which confirm that the trajectory of the NEM since this time has been in line with, and by some measures ahead of, the ISP’s “step-change” scenario. We therefore consider the step-change to be the most appropriate lens for assessing the costs and benefits of the proposed options.

We do not intend to second-guess the results of TransGrid’s modelling into the best outcomes, however we fully support the identified preferred solution, being “Option 1A: A new Darlington Point to Dinawan 330kV transmission line”. We note that in addition to this being identified through the RIT-T modelling as the solution with the largest net-benefit to consumers, it also provides a greater degree of redundancy and interconnection to the transmission network in the region, which comes with additional benefits that are not necessarily captured in the RIT-T framework.

The RIT-T process, having now been employed to identify net benefits for consumers, should be pursued promptly to ensure these benefits are realised. With this in mind, firstly we implore TransGrid to do all in its power to fast-track this RIT-T. Secondly, we are very interested in exploring possible interim solutions that can provide relief in the short and medium term, while a longer-term solution is worked out through the RIT-T. We look forward to continuing to engage with TransGrid on this topic, and invite you to contact us at any time at:

Eric Caesar, General Manager - Assets, 

Yours sincerely,



Tim Johnson
Engineering Manager, Octopus Australia
on behalf of Darlington Point Solar Farm Pty Ltd