
Iberdrola Australia submission to PADR Improving stability in South-Western NSW

Submitted by email to regulatory.consultation@transgrid.com.au

To whom it may concern,

We thank TransGrid for the opportunity to provide feedback on the PADR. We consider this to be an important project, and TransGrid's analysis and modelling to date has been productive.

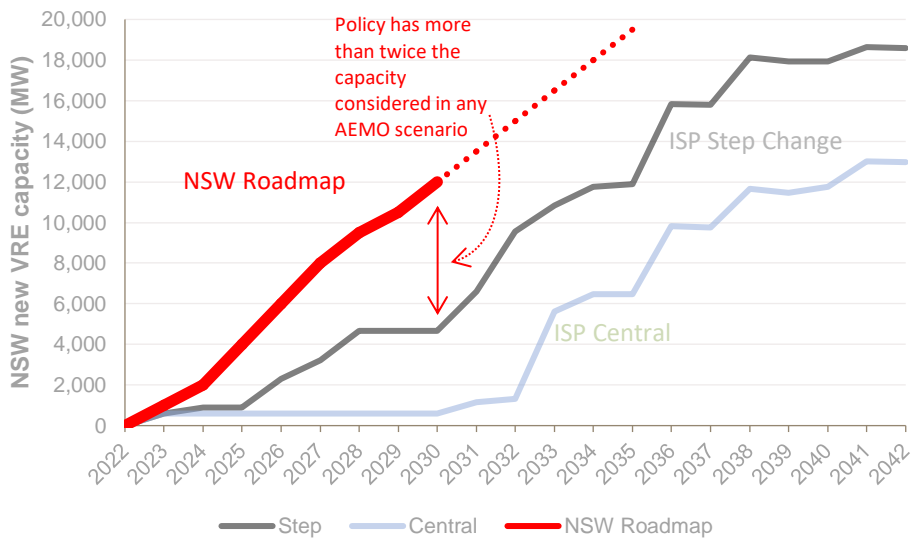
We are supportive of the proposed approach (Option 1A), and encourage TransGrid to proceed as quickly as possible. This will help unlock additional renewable energy in the area, reducing emissions, and delivering lower costs to consumers.

Our submission focuses on two points.

Firstly, we note that Avonlie solar farm is now committed at 190 MW-ac (245 MW-dc), rather than 160 MW-ac. This also includes approval for a 100 MW DC coupled battery (not yet committed). We understand the Yanco solar farm south of Griffith is also now committed, and may impact on the scenario analysis.

More broadly, we note that the NEM is currently projected to move faster than AEMO's 2020 Step-Change scenario (see for example Figure 1), and so only one of the four core scenarios proposed by TransGrid are now likely to be relevant - and then only as a conservative downside case.

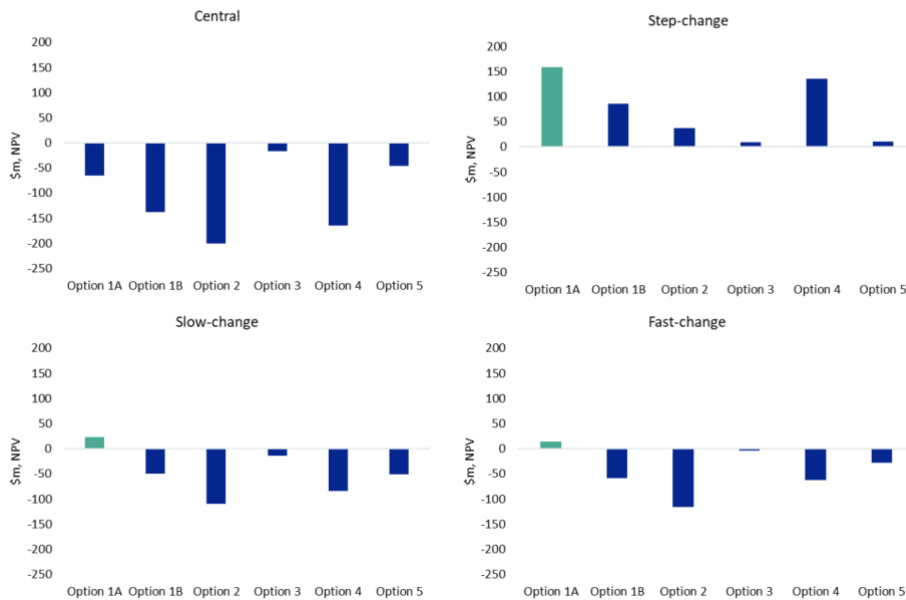
Figure 1 Capacity built in NSW in AEMO ISP 2020 compared to NSW Roadmap legislated capacity



As noted by TransGrid, the Step-Change scenario provides significant benefits to consumers (Figure E-1 reproduced as Figure 2 below). Given that the NSW roadmap results in *twice* as much renewable generation by 2030 than even this scenario, and given Australia’s renewed commitment to net-zero by 2050, it might also warrant consideration of whether additional reinforcements or investment being made at the same time would be of value to consumers.

Figure 2 Scenario benefits (TransGrid)

Figure E-1: Summary of the estimated net benefits



We therefore suggest:

- TransGrid should consider the impact of the proposed upgrades on local congestion and resulting benefits and costs to consumers in a scenario consistent with NSW and Australia's commitments to net-zero by 2050.
- TransGrid should analyse scenarios with a much the higher uptake of renewable energy across NSW and, in particular, in the South-Western NSW area. While we support the proposed upgrade, it is that it does not create new problems for existing and committed investments.
- TransGrid should consider whether further transmission investment in the area would deliver value to consumers, or unlock additional renewable energy in the area. For example, we have undertaken semi-quantitative analysis that suggests with increased uptake of renewables in the area, the 132 kV lines from Avonlie to Wagga Wagga may be impacted by binding constraints in the event of contingencies on the nearby 330 kV lines or one of the two existing 132 kV lines. We therefore propose that TransGrid consider (potentially amongst other options) an upgrade of the lines between Avonlie and Wagga Wagga. This may require higher resolution scenario modelling, to consider potential future projects in the area.
- We also suggest TransGrid engage with the NSW Government and the Consumer Trustee to consider whether additional future-proofing upgrades to this region would be in the long-term interest of consumers.

Please do not hesitate to contact me [REDACTED] if you have questions about our submission. We would like to engage with the TransGrid on this important project.

Sincerely,

Fernando Santamaria
EGM Renewables, Iberdrola Australia