



HOUSTONKEMP
Economists

Reinforcing the NSW Southern Shared Network

HumeLink RIT-T PADR NPV results

Ann Whitfield, Partner
February 2020

Options 2C and 3C provide the greatest net benefit in all scenarios

SUMMARY OF THE ESTIMATED NET MARKET BENEFITS

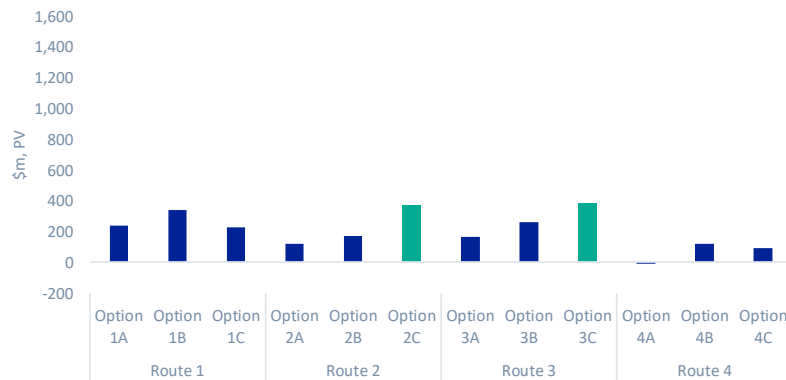
Central



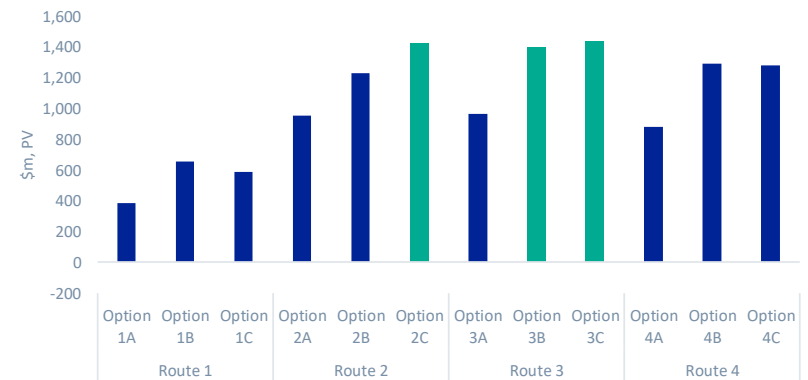
Step change



Slow change



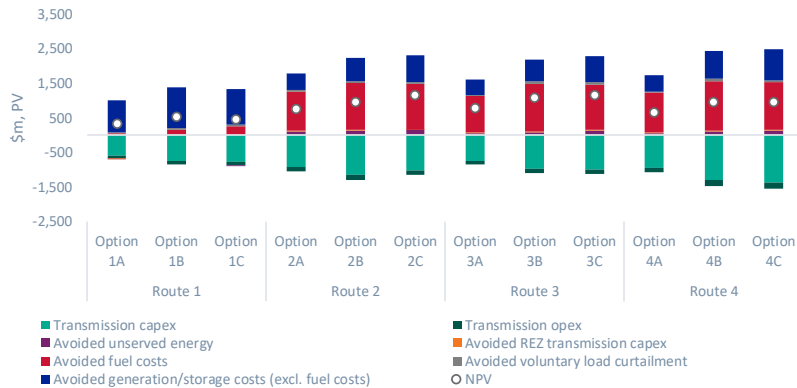
Fast change



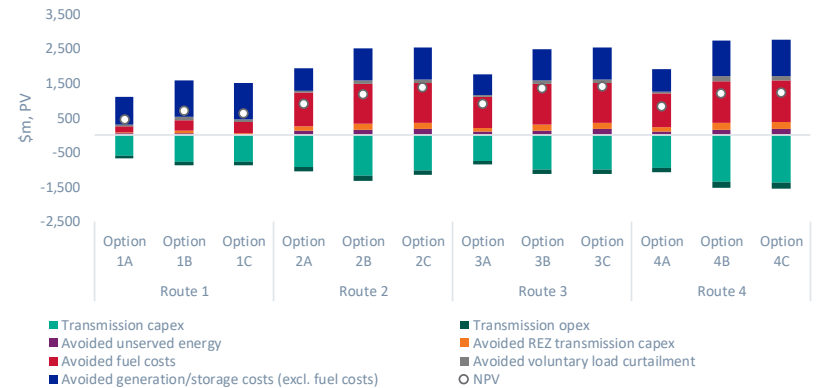
Avoided fuel costs and generation/storage costs are the greatest source of market benefits

BREAKDOWN OF NET MARKET BENEFITS

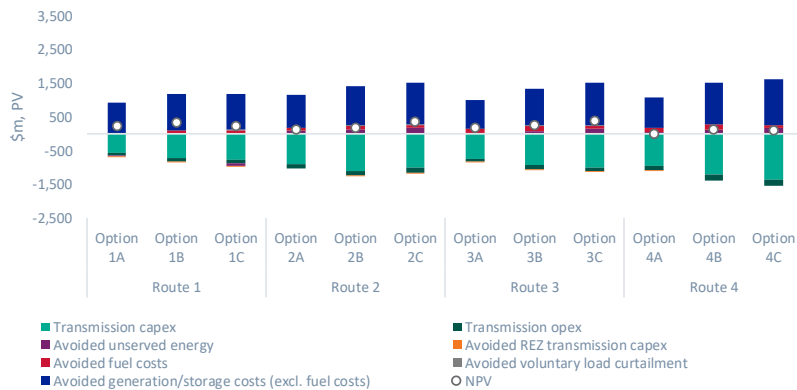
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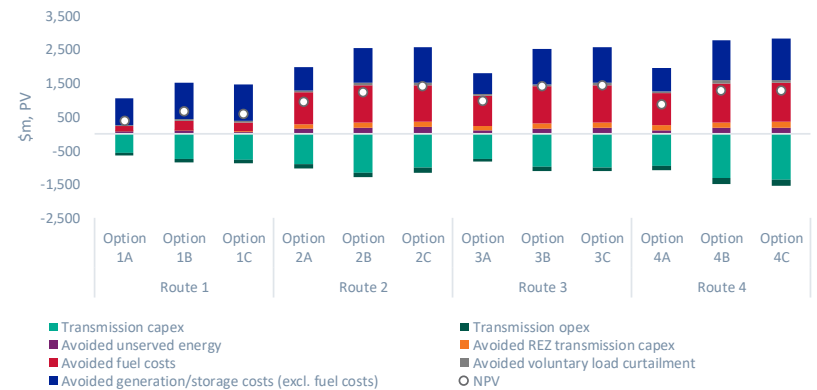
Step change



Slow change



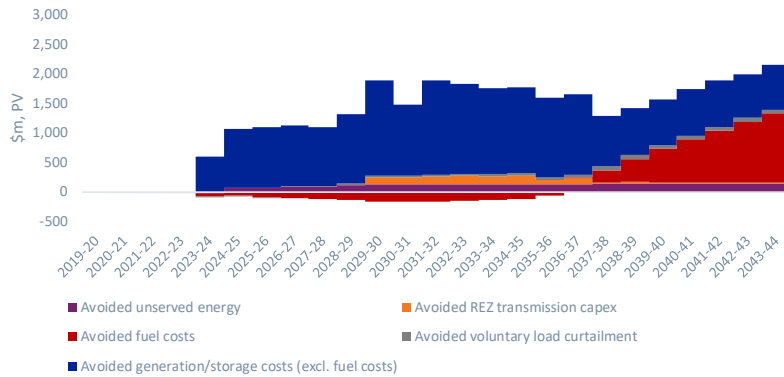
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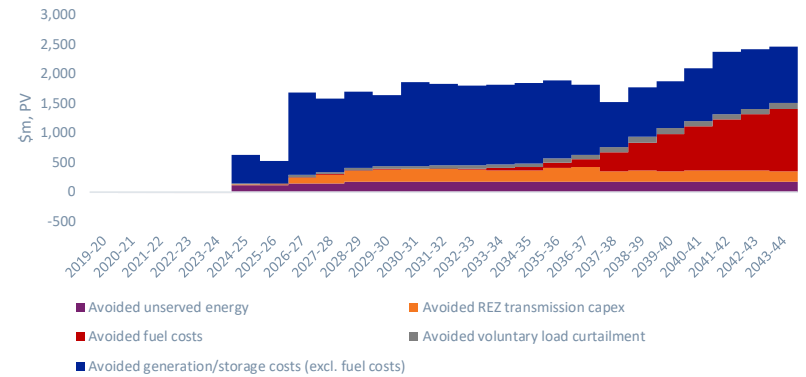
Early benefits are driven by thermal plant retirements while fuel saving benefits occur later

CUMULATIVE GROSS MARKET BENEFITS OVER TIME FOR OPTION 3C

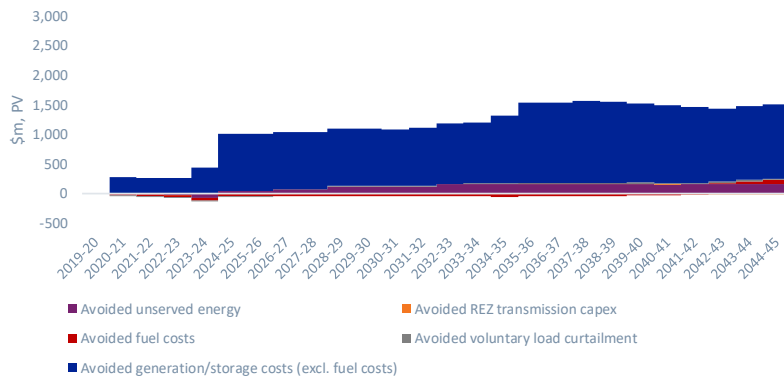
Neutral



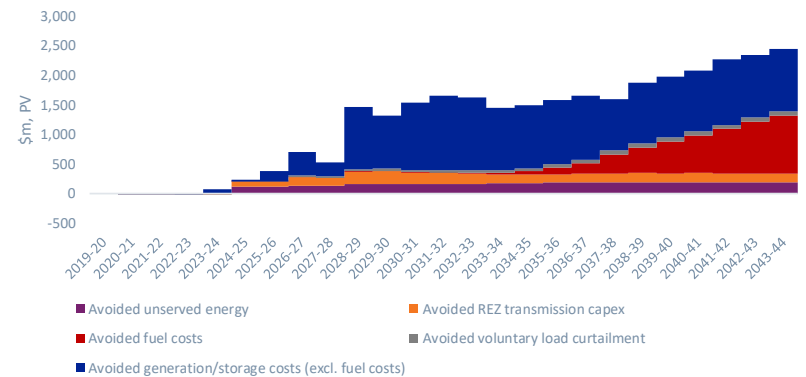
Step change



Slow change

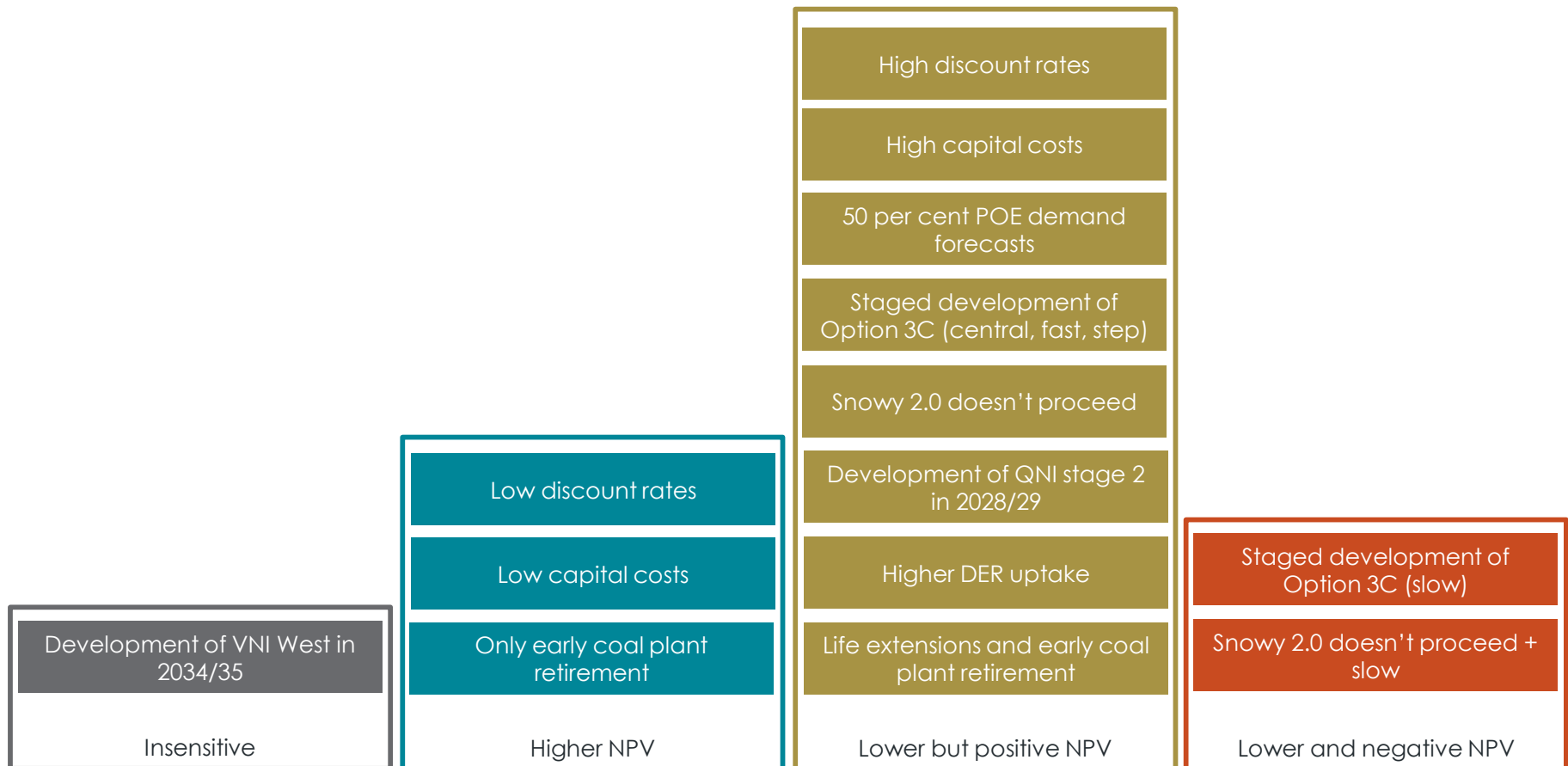


Fast change



Sensitivity testing of Option 3C confirms robustness

Sensitivity tests undertaken for the PADR





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