

27 July 2023

Tony Narvaez  
Chief Executive Officer  
AusNet  
[tony.narvaez@ausnetservices.com.au](mailto:tony.narvaez@ausnetservices.com.au)

Dear Tony,

**Re: Western Renewables Link Project – Route changes post VNI West Project Assessment Conclusions Report**

I refer to the Hepburn Shire Council briefing where AusNet staff attended on 6 June 2023 at which there was a discussion about the release of the Project Assessment Conclusions Report (PACR) for the Victoria to New South Wales Interconnector West on 27 May 2023.

The PACR identified Option 5A as the preferred option for the VNI West project from Sydenham to Dinawan NSW via Bulgana and Kerang. It is our view that Option 5A has significant implications for the scope of the WRL project between Sydenham and Bulgana, in particular its route.

In response to a question raised by Councillors and the Chief Executive Officer about the need to reconsider the current preferred corridor route and alternatives, AusNet representatives advised that constraints associated with previously considered alternative corridor routes were unable to be overcome and the current route would remain preferred.

Council has reviewed the PACR and the proposed Option 5A corridor and considers that AusNet must be required to undertake a full review of the WRL corridor route in view of the substantial changes to the project scope. It is clear to Council, from previous RIT-T documents, including the WRL Project Assessment Draft Report and PACR and the Integrated System Plan 2018, that the location of the proposed terminal station at Mount Prospect was a primary determinant of the currently proposed corridor route through Hepburn Shire. **As a matter of serious public interest, and consistent with diligent project management, the previous corridor options must consequently be re-examined now that Mount Prospect is no longer the preferred site for the terminal station.**

The WRL project presently constitutes a proposed high voltage power connection between Bulgana north of Ararat and Sydenham, north-west of Melbourne, with a new terminal station to the north of Ballarat and works adjacent to the Bulgana and Sydenham terminal stations. The WRL project is also presently subject to an Environment Effects Statement (EES) under the *Environment Effects Act 1987* (EE Act) based on that general scope of works.

1

In December 2019 the Australian Energy Market Operator (AEMO) awarded a contract to AusNet Transmission Group Pty Ltd and the commercial division of AusNet Services: Mondo (AusNet). The contract is to deliver the WRL project (formerly the Western Victorian Transmission Network project) which is based upon the C2 preferred option identified by AEMO in the Western Victorian Regulatory Investment Test for Transmission – Project Assessment Conclusions Report (WRL PACR) published in July 2019.

The July 2019 PACR described the project as:

*“The preferred option (C2) will support additional generation connections in Western Victoria region, and includes the following major components:*

- Short term (present to 2021): Minor transmission line augmentations, including wind monitoring and upgrading station limiting transmission plan, carried out for the Red Cliffs to Wemen to Kerang to Bendigo, and Moorabool to Terang to Ballarat, 200 kilovolt (kV) transmission lines.*
- Medium term (2021 to 2025): A new North Ballarat terminal station and new 220 kV double circuit transmission lines from North Ballarat to Bulgana (via Waubra).*
- By 2025: New 500 kV double circuit transmission lines from Sydenham to North Ballarat connecting two new 1,000 megavolt amperes (MVA) 500/220 kV transformers at North Ballarat.”*

In May 2023 AEMO has co-published with TransGrid (NSW) a document entitled the ‘VNI West Regulatory Investment, Test for Transmission – Project Assessment Conclusions Report’ (VNI West PACR). The VNI West PACR clearly identifies fundamental changes to the WRL Project as identified and described in the EES referral, and in the subsequent Minister’s decision and the scoping requirements.

Also, in May 2023 the Victorian Minister for Energy and Resources made an order under the *National Electricity (Victoria) Act 2005* (NEVA Order). The NEVA Order requires AEMO to take a number of steps to realise the recommended Option 5A in the VNI West PACR including carrying out or procuring ‘assessment of planning, environmental effects assessment and approval requirements’ in relation to changes to the WRL project envisioned by the VNI West PACR and ‘negotiating and entering into variations to WRL Project Documents that are necessary or desirable...’ to the WRL project contracts.

The NEVA Order and the VNI West PACR make it evident that the project described in the WRL EES Referral is intended to be substantially changed.

In May 2023 AEMO co-published with TransGrid the VNI West PACR in respect of the VNI West project which incorporates a greatly revised concept of the WRL project. Importantly, the VNI West PACR:

- Is premised exclusively upon a 500 kV link between Sydenham and Bulgana rather than the 500 kV and 200 kV combination which is the subject of the WRL project referral.
- Removes the 'north of Ballarat' terminal station and instead the infrastructure at the existing Bulgana terminal station is to be augmented. The VNI West PACR provides at page 8:

*"Both options assessed in this PACR:*

- *Involve a 500 kV double-circuit transmission line for VNI West.*
- *Originate at Dinawan substation, north of Jerilderie in New South Wales with connection to EnergyConnect.*
- *Include a new terminal station near Kerang, in Victoria, with a connection to the existing 220 kV line between Kerang and Bendigo*
- *Terminate at a new terminal station near Bulgana, in Victoria, with connection to WRL.*
- *Result in construction of WRL at 500 kV from Sydenham to Bulgana and remove the need for a new terminal station north of Ballarat."*

Acknowledgement by AEMO of the implications of this change is discussed in the footnote to the last dot point which states:

*"While the associated costs of these works are considered in the assessment of options for the VNI West PACR, the uprating of the line section to 500 kV between Ballarat and Bulgana, and change to the location of the current proposed terminal station north of Ballarat to Bulgana, and associated works, is an element of the scope of the delivery of the WRL project."*

The VNI West PACR records at page 3 that the recommended option 5A has been accepted by the Victorian Minister for Energy and Resources.

The NEVA Order of the Victorian Minister is recorded in the Government Gazette of Saturday 27 May 2023. The NEVA Order is made pursuant to the *National Electricity (Victoria) Act 2005* (section 16Y). The NEVA Order is entitled the "VNI West and WRL Ministerial Order". In the NEVA Order:

- Both the WRL and WRL Uprate are defined terms:
  - WRL reflects the WRL project the subject of the EES
  - WRL Uprated reflects the proposal now endorsed by AEMO and described above.
- The scope of the WRL Uprate is defined as the works in Schedule 2 of the NEVA Order which includes the 500 kV upgrade of the transmission lines over the full course of the WRL project, the elimination of a terminal station north of Ballarat, and works adjacent Bulgana and Sydenham terminal stations.

While the NEVA Order requires AEMO to obtain Ministerial consent before varying 'a WRL Project Document to implement an option other than the Preferred option under the WRL PACR', the intent of the VNI West PACR and the NEVA Order to undertake change appears clear.

A decision has been made by the Minister for Energy and Resources, the Honourable Lily D'Ambrosio MP, for the augmentation of the connection between NSW and Victoria to be a continuous 500 kV link. The Minister has instructed AEMO to commence the realisation of this revised linkage and the amendment of the WRL project accordingly through variations of its contract with AusNet.

The implications of this recent change are:

- The WRL project that is the subject of the EES is no longer proposed by the government or AEMO in that scoped form.
- The revised proposal contains changes to the proposed connection including a change of the location of a new terminal station north of Ballarat. The location of this terminal station constituted a core assumption that has guided the investigation corridor and ultimate route selection.
- ***We believe the present WRL project EES is therefore redundant - so substantially different as to no longer constitute the original project.*** The EES process on foot concerns the WRL project with a present scope that is not supported by the Victorian Government and for which AEMO is presently investigating amendments to incorporate the WRL updated.

The changes proposed in the WRL Update affect core elements of the WRL project. Given the linear nature of the WRL Project, the original core assumption of a new terminal station north of Ballarat has necessarily defined the investigation area and proposed alignment. The terminal station is a fixed point from which the project area extends. Once that fixed point is removed, the fundamental assumptions underlying the project alignment erode. What then should occur is a first principles assessment of where any corridor should be located.

However, if the WRL Project proceeds to establish a corridor location based on the location of a north of Ballarat terminal that will never be constructed, the appropriate first principles assessment and the best corridor will not occur. This is important – *the corridor identified by the WRL project has significant environmental, economic and cost implications that could be avoided by adopting an alternate corridor.*

Council considers that a review of options identified in the WRL PADR and PACR within the original area of interest is clearly warranted in light of the substantial changes to the scope of the WRL project proposed to be enabled under the NEVA Order of 27 May 2023. There has been a significant material change in the proposed WRL project which is likely to have impacts on a greater number of people than the present proposal. The material detriment test for a planning permit application made under the *Planning & Environment Act 1987* would require new notification at a minimum.

Your urgent advice is sought as to what action AusNet now proposes to take as a consequence of these significant changes. If it is the case that AusNet is not proposing to genuinely review other alternative corridor routes Council requests that the reasons for this be provided to us and the community.

A copy of this letter will be made public on our website on 7 August 2023, as will your response when received.

Should you wish to discuss this matter please contact Mr Bradley Thomas, Chief Executive Officer, Hepburn Shire Council on (0419) 634 128.

Your sincerely,



Cr. Brian Hood  
Mayor



Bradley Thomas  
Chief Executive Officer

Cc - Jack Krohn FEIANZ, Senior Impact Assessor, Impact Assessment Unit, Planning Facilitation,  
Department of Transport and Planning