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Date: 28 February 2019

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Australian Energy Market Operator
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Dear Sir/Madam

RE: CITY OF BALLARAT SUBMISSION TO THE WESTERN VICTORIA RENEWABLE INTEGRATION PROJECT ASSESSMENT DRAFT REPORT

The City of Ballarat welcomes the opportunity to respond to the Western Victoria Renewable Integration Project Assessment Draft Report (PADR). Located at the gateway to the Western Victoria Renewable Energy Zone and at the heart of the region's major electrical distribution network, Ballarat is committed to advocating for infrastructure investment that will enable the already substantial new energy industry in the region to flourish. Strengthening the Western Victorian transmission network will benefit the region's businesses and residents. Improved capacity of the network will attract more new energy generators and other businesses along the entire supply chain. While, enabling efficient renewable energy generation will also help keep energy prices affordable to households and businesses.

The Ballarat and Grampians region has the strongest wind resource in the state with 3,638.3MW of the operational, approved or proposed 5,830MW of wind energy development in Victoria (September 2018). Solar projects in North Western Victoria are also in close proximity.

The Ballarat and Grampians region has been identified as the most energy innovation dense region in Australia. The region has a strong, united vision to be the centre of the new energy future. In 2018, the City of Ballarat commissioned a system-based energy review, which has led to the initiation of the Hydrogen City Project. This project aims to harness the region's wind energy to produce clean hydrogen that could be used to provide power for transport, power and gas to industry and households, and energy storage for Ballarat and the surrounding region.

There are numerous other new energy initiatives that are occurring in the region including the City of Ballarat led proposed Waste-to Energy plant that is currently under a Heads of Agreement. Other collaborative projects include, the operational Ballarat Battery Storage System and the proposed establishment of the Ballarat Renewable Energy Training Centre. The significant amount of work undertaken on these initiatives has fostered the development a strong social license to new energy solutions.

The City of Ballarat recognises the thermal and system strength limitations of the current transmission system in Western Victoria. Sizeable amounts of wind and solar energy per year is restricted by the thermal capacity of the network and there is limited network capability for future wind and solar generation connections in Western Victoria. Upgrades to the electricity network will benefit the region's existing renewable energy industry as it will enable a greater volume of new energy generation to connect to the grid. The upgrades will provide increased certainty for proposed and future new energy developments and facilitate the

further expansion of new energy generation in the region and the continued establishment of businesses along the entire new energy supply chain.

Of the scenarios discussed in the PADR, the City of Ballarat supports the preferred option as it provides the highest net market benefit for Western Victoria.

The preferred option provides for staged development:

- Short term: present to 2021.
 - Minor transmission line augmentations, including wind monitoring and upgrading station limiting transmission plant, carried out for the Red Cliffs to Wemen to Kerang to Bendigo, and Moorabool to Terang to Ballarat, 220 kV transmission lines.
- Medium term: 2021 to 2025.
 - The following major transmission network augmentations (staged):
 - By 2024: New 220 kV double circuit transmission lines from Ballarat to Bulgana.
 - By 2025: New 500 kV double circuit transmission lines from Sydenham to Ballarat connecting two new 1,000 MVA 500/220 kV transformers at Ballarat.

The analysis presented in the PADR indicates that the minor transmission line augmentations identified for the short term will deliver net market benefits immediately and therefore Council would welcome the commencement and completion of minor works as soon as practical.

The preferred option involves the construction of new infrastructure to the electricity network at Ballarat, including a potential new network terminal north of Ballarat and a 220 kV double circuit connection to Ballarat Terminal Station. The City of Ballarat would welcome the opportunity to provide input to the route design of the preferred option after the RIT-T process is concluded and to assist in the consultation with Ballarat residents and businesses. Wherever possible, Council would also seek to support opportunities to leverage this significant investment for wider community benefit, including opportunities for local businesses to be involved in the construction of the upgrades. Council recognises the potential for the upgrades to act as a catalyst for new job creation and will continue to work with AEMO and the State and Federal Governments on policy opportunities to minimise the risk of power interruption to this region. Being heavily reliant on large-scale food and industrial manufacturing for employment, Ballarat is particularly exposed to interruptions to electricity supply which can cause significant economic costs. The City of Ballarat would welcome consideration of these broader potential benefits during the more detailed route selection process.

Given the revised increase in the VRET for Victoria to 50% by 2030, and the abundance of energy supply in this region, Council would expect that the modelling of the current proposal has considered the likely future supply from this region in order to ensure sufficient capacity for this rapidly changing energy generation environment. Investment in renewable energy in Western Victoria remains a major area of potential investment, and the City of Ballarat looks forward to continuing to be a leader in promoting and supporting investment in the region.

If you would like any further information, please contact Siobhan Dent, Economic Development Project Officer on p: 03 5320 5536 or e: siobhandent@ballarat.vic.gov.au.

Yours sincerely



Justine Linley
Chief Executive Officer