

5 April 2023

Ms Nicola Falcon  
A/General Manager, Victorian Planning  
Australian Energy Market Operator Victorian Planning  
Level 22 530 Collins Street  
MELBOURNE VIC 3000  
By email: VNIWestRITT@aemo.com.au

Dear Nicola,

**Re: VICTORIA TO NSW INTERCONNECTOR WEST – CONSULTATION REPORT – OPTIONS ASSESSMENT**

Thank you for the opportunity to make a submission to AEMO’s VNI West Consultation Report – Options Assessment February 2023. Please note that Council has made two previous submissions regarding VNI West, dated 3 April 2020, on the VNI West Project Specification Consultation Report and 9 September 2022, on the VNI West Project Assessment Draft Report. Council consents to this submission being made publicly available.

AEMO has asked for comment on the following matters:

1. the outcomes of the assessment undertaken in the Consultation Report;
2. the feasibility of Option 5; and
3. whether the Multi-Criteria Analysis has captured the salient environmental, social and engineering factors, including those that sit outside the scope of the RIT-T but which may impact on the timely development project having regards to the terms of the NEVA Order.

**Hepburn Shire and Renewable Energy**

Hepburn Shire is one of the most proactive and innovative Councils within Victoria regarding renewable energy. We are one of the two Councils in the state on the Z-Net pilot which is a commitment from Council in partnership with the community and business to pursue 100% renewable energy. We commenced with Z-Net around the Hepburn Wind project which provides the local community with energy. Now we have expanded our footprint for innovation in stationary energy, transportation, agriculture, waste and wastewater and land use change.

Council appreciates AEMO’s commitment to consult over and above the minimum consultation requirements prescribed for the RIT-T which has led to the investigation of alternative options for the VNI West project. However, we are disappointed that the time for submissions was extended for some groups (VFF and its members) and not the greater community given the significant interest, and concern within the community.

Council strongly welcomes the decision to investigate an alternative location for the proposed North of Ballarat terminal station that was within the scope of both VNI West and the Western Renewables Link Project. Council and residents of Hepburn Shire have been extremely concerned about the North of Ballarat terminal station site within an area of very high-quality agricultural land.

### **NEVA Order and RIT-T process**

On 20 February 2023 the Victorian Minister for Energy and Resources used powers under the *National Electricity (Victoria) Act 2005* (NEVA) to issue an order pursuant to section 16Y of the NEVA (NEVA Order). The NEVA order confers upon AEMO (as Victorian Planner (AVP) functions which include the assessment of alternate options to the preferred options (identified in the VNI West PADR and WRL PACR) to expedite the development and delivery of those projects. It is understood the Order enables AVP to act to consider the social and environmental impacts raised by stakeholders as concerns and which might impact expedition and delivery, these factors not ordinarily being matters addressed under the RIT-T framework.

The overall intent of the Order is clearly to accelerate VNI West and the Western Renewables Link to continue the transition from coal-fired power to renewable energy generation and securing the state’s future energy supplies while avoiding high energy costs to consumers. While these objectives are clearly of state and national interest, Council is keen to see clear and transparent processes in all planning processes, and the proper assessment, treatment and mitigation of impacts on communities. Decisions made about major transmission infrastructure will have very long-term implications for host communities.

### **The outcomes of the assessment undertaken in the Consultation Report**

Hepburn Shire is one of the worst affected local government areas arising from the Western Renewables Link Project and, apart from the terminal station potentially being relocated from Mount Prospect, the situation is unlikely to change with any of the higher-ranking options proposed in the Consultation Report. This is because these options (Options 5 and 3A) will involve upgrading to 500kV of the section of the Western Renewables Link between Mount Prospect and Waubra and on to Bulgana. Hepburn Shire communities within the currently proposed Western

Renewables Link corridor (which forms part of VNI West), will face the prospect of easements of around 100 meters width and towers of between 60 and 80 metres height.

This infrastructure is proposed to be constructed on some of the highest value agricultural land in Australia which is highlighted in our previous submission of 9 September 2022 (pages 12 & 13). The Central Highlands agricultural food-bowl is economically of great importance to the State of Victoria. It has access to major population centres of Ballarat, Melbourne and Geelong and employs and generates more than \$7.48 billion of gross regional product per annum. VNI West and WRL in their current above ground form threatens the use of this land by restricting agricultural activities around it.

AEMO have just released a Fact Sheet that discusses what farmers can or cannot do within transmission line easements. It states that “farmers can run livestock, grow cereal and many other food crops within transmission line easements. Orchards and market gardens can be planted and tended within easements and a range of irrigation systems can also operate with height restrictions. In addition, heavy vehicles and equipment such as headers up to about 5m high can travel and operate under the 500kV transmission lines.” Further it states that in many instances, having extra high voltage transmission lines is less disruptive for farmers compared to lower voltage towers, because the taller towers allow for bigger machinery and even irrigation to operate.” Farming communities within Hepburn Shire will seek and require more detail about the nature of activities that are permissible within and above the easements.

### **Undergrounding**

At page 28 of the Consultation Report, reference is made to a submission that raised undergrounding of transmission lines as a possible solution to help minimise social and environmental impacts of the project, and the response to these issues by AVP and Transgrid. Hepburn Shire Council reinforces its position on this issue, aligned with other Victorian councils impacted upon by the Western Renewables Link, that the use of underground technology needs to be considered as an option for at least some section of the transmission line corridors that pass through urbanized areas, important agricultural areas and areas of high landscape value (including areas within Hepburn Shire subject to the UNESCO Goldfields World Heritage Area bid).

It should be noted that undergrounding as an option was identified as within the scope of the Victorian Environmental Effects Statement for the Western Renewable Link - it should not be ruled out completely without further careful consideration. While the cost of building underground transmission may be initially higher than above ground, when considered with other long-term social and environmental costs its case is stronger. There are already successful examples of HVDC underground transmission line projects in Australia (MurrayLink) and overseas (Suedlink, Germany) that provide relevant case studies. Hepburn Shire Council and its local government

partners will continue to advocate for consideration of the appropriate use of alternative underground transmission technology.

### **Bushfire Risk**

Inclusion of bushfire as an aspect to be considered in the Multi-Criteria Analysis is a positive step. We reiterate our concerns about above ground transmission line as a potential fire risk as outlined on pages 10 to 12 of our submission dated 9 September 2020. Hepburn Shire has been identified as one of the highest risk municipalities of bushfire threat in the state. We are located amongst the Wombat State Forest (with several settlements abutting this forest) with expansive pastoral land that exposes us to grass and canopy fire risk.

### **The feasibility of Option 5**

Option 5 (to Bulgana) would connect from Dinawan via a new terminal station near Kerang, directly to the Western Renewables Link at a new terminal station near Bulgana. This option requires relocation of the Western Renewables Link proposed terminal station at Mount Prospect to Bulgana with an uprate of the WRL transmission line from Mount Prospect to Bulgana from 220kV to 500KV following the same WRL route for much of the length except for a slight variation around Waubra.

Council in its previous submission dated 9 September 2022 proposed that options to connect VNI West to Kerang further west along the WRL corridor be considered, as an alternative to trying to find a corridor through more densely settled areas in central Victoria between Ballarat and Bendigo. Council supports this option in principle, to the extent that the proposed Mount Prospect terminal would be removed from its completely unsuitable location. However, at the same time, consideration needs to be given to why the current alignment of VNI West and WRL through Hepburn Shire remains unchanged when the alignment of the corridor was influenced by a much earlier decision to plan for a terminal station north of Ballarat. Council is not supportive of the Western Renewable Link -VNI West corridor west of Mount Prospect through significant landscapes and farming communities.

For communities in the west and north-central areas of Victoria that were not formerly impacted by the VNI West project, Council is keen to see a much higher standard of engagement with potentially impacted communities in this earlier planning stage of VNI West than was experienced by Hepburn Shire residents affected by the Western Renewables Link project.

Over recent months Council has engaged with other submitters to the VNI West PADR and obtained more insights into renewable energy planning processes, project evaluation and policy matters. Council urges AEMO to consider the submission made by Professor Bruce Mountain,

Director of Victoria Energy Policy Centre, Victoria University and Professor Simon Bartlett AM which highlights a range of concerns including the estimated costs and economic analysis of the various options, and the role of the Gippsland REZ in Victoria’s energy future, as well as national and state energy policy more broadly, matters Council is less qualified to advise about.

A question we have about the Areas of Interest for each option shown in Figure 26 is why each option description refers to a “new terminal station near Kerang” yet the shaded areas connect across the Murray River closer to Echuca.

## The Multi-Criteria Analysis

Council is pleased to see the development of the MCA framework to draw social and environmental factors into the assessment of VNI West options. This is a vast improvement on the limited RIT-T framework with its sole focus on determining the net economic benefit of projects and excluding other externalities. This is the problem Council and the Hepburn community have experienced with the Western Renewables Link where it seems the social and environmental impacts of the transmission project are being considered as part of an Environmental Effects Statement after an economic decision has been made to proceed with the project.

It is noted that the MCA methodology is intended to be consistent with established MCA processes such as those employed by Infrastructure Australia. However, the challenge is in the design of the MCA in particular the identification of appropriate objectives, criteria and weightings. For example, the huge objective weighting given to the MCA objective ‘Maximise economic benefit of the project’ at 100% criteria weighting and 70% objective weighting compared to other criteria is likely to skew the results of analysis significantly. There is the risk of relying too heavily on this quantitative method when other objective sources of data and information about potential corridors should be considered. The map included in Figure 25 showing the constraints analysis highlights the issue we raised in our submission of 9 September 2022 about the higher level of complexity and competing land use interests across Central Victoria.

Council is still concerned, and of the opinion, the project is still too heavily focused on the economic cost and benefits and is not appropriately taking into account other criteria.

## Consultation

Thank you for the opportunity to participate in stakeholder engagement activities during the consultation period including submitter forums on 1 December 2022 and 17 March 2023. However, these could have produced more valuable interaction if sufficient time and opportunity was provided for submitters to discuss responses to questions and issues raised. We observed a level of frustration experienced by highly qualified persons who were simply unable to engage in

the format provided for the Deep Dive meeting on 17 March 2023 facilitated by David Hale. Similarly, an interactive function was not provided at the VNI Webinar 3 we attended on 23 March 2023.

To effectively and genuinely engage with communities potentially impacted by the proposed VNI West project options AEMO is encouraged to continue to reach out to communities and provide early and pertinent information, such as details of the planning process, project timelines, results of MCA and details about predicted construction and operational impacts of transmission projects.

### **Community Benefit**

While transmission is necessary, the impacts are felt in rural communities and yet the benefits are shared across the state and country. Council strongly advocates for the need to compensate impacted communities. The benefits to Hepburn's residents due to the transmission of power appear no greater than any other Victorians, yet the impacts are significant. Council argues that revenue is owed back to our affected communities, as well as directly impacted landowners. Council urges attention be given to this by both the Victorian and Federal government and seeks to be engaged in the process.

I trust this information will be of assistance to you. Please contact Damien Kennedy on (03) 5321 2422 if you wish to discuss our submission.

Yours sincerely,



Bradley Thomas  
Chief Executive Officer