



12 February 2020

Australian Energy Market Operator  
Level 22, 530 Collins Street  
Melbourne VIC 3000

Sent by email to: [forecasting.planning@aemo.com.au](mailto:forecasting.planning@aemo.com.au)

To Whom It May Concern,

**Forecasting and Planning consultation, Integrated System Plan**

I am writing to you regarding the ETU's recent participation in the GenCost project, which contributes to AEMO's Integrated System Plan for the Australian electricity system and note the welcome inclusion of offshore wind in the new draft report (GenCost 2019-20: preliminary results for stakeholder review).

The ETU is concerned with how offshore wind generation and nuclear power generation are represented in the report and that the modelling does not reflect the evidence, and therefore should be changed.

The draft report includes nuclear SMR reactors in the main listings of the different types of technologies available (p.14) implying this is a readily available resource, while offshore wind is located in the 'other technologies' section, implying that its use is more speculative (p.18-19).

The draft report says that these other technologies 'have not been included in cost projection studies' or 'have higher uncertainty about their future potential investment prospects (ocean located technologies...) but remain of interest' (p.18).

I would draw your attention to the fact that SMR technology does not yet actually exist anywhere in the world. Nuclear power generation is also currently illegal in Australia, it is not an economically viable energy source (costed at \$16,000 \$/kW in the report (p.14)) and there is currently no regulatory environment in place in Australia for a nuclear power industry nor any settled solution to store the radioactive waste outputs.

In contrast, offshore wind is a well-known and established technology with over 4,500 grid-connected offshore wind turbines operating in Europe alone, and more being built across Asia and North America. It is not illegal in Australia and there is drafting by the relevant department on a regulatory proposal for this industry currently underway. There is also 2GW project with serious investment support proposed by an experienced developer off the coast of Victoria. Further the cost at \$6,000 \$/kW in the report (p.18) places offshore wind as a significantly more economically rational technology option.

Based on the above factors the ETU believes it would be appropriate to move the Nuclear SMR to the 'other' technologies section as it is genuinely speculative and unproven and offshore wind should be listed with the main types of technologies listed on pages 9-18 and included in the Gencost modelling.

The ETU asks to continue to be consulted in regard to future reports that explore the cost of balancing renewable energy and are of the firm view Offshore wind must be properly included in these projections as it's particular generation profile and likely geographical location could offer significant network-level benefits due to the potential for larger projects to use existing transmission infrastructure, and the ability to balance other renewable energy generators.

Should you wish to discuss the matters we have raised further, please feel free to contact our National Policy Officer Trevor Gauld at [trevor@etuaustralia.org.au](mailto:trevor@etuaustralia.org.au).

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'A H H', written in a cursive style.

Allen Hicks  
National Secretary