



21 February 2024

Mr Daniel Westerman
CEO
Australian Energy Market Operator
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By email: isp@aemo.com.au

RE: Submission to the Draft 2024 Integrated System Plan

The VFF believes that the draft 2024 Integrated System Plan (ISP) does not chart a vision for Australia's National Electricity Market that is implementable without significant impacts on landholders and regional economic security.

The draft 2024 Integrated System Plan (the Plan) has not considered revising actionable projects (Western Renewables Link and VNI-West) in Victoria that have lost social license and are being managed outside of Australian Energy Rules.

The VFF believes these projects have fatal flaws due to their failure to consider compatibility with existing land uses and failure to properly account for the true costs of the projects through ongoing disturbance to high value agricultural production and impacts to secondary industries such as food manufacturing.

It is critical that large infrastructure projects proposed on private land be developed using commercial consent principles – that is a negotiated land access agreement that includes full and proper compensation for potential losses, so the landowner and surrounding communities are receiving direct and meaningful benefit from the project.

The VFF understands the pressures to transition to renewable energy and that transmission and distribution network changes are required. The current process underpinning this draft ISP has led to the widespread loss of social license for transmission and for hosting renewable energy developments.

The system is creating winners and losers that is dividing communities. Pitting those with commercial consent against those who are given no option but to live with significant additional costs to their operations, reduced production (income) and uncertainty over the ability to gain insurance.

The current Rit-T process has not been designed for project on private land. As these actionable projects have not been subject to a full cost benefit analysis or detailed considerations to impacts on farm businesses, landholders along these routes believe that they

will be financially worse off from these projects and that their communities will remain in energy poverty.

The VFF is concerned that AEMO has failed to consider landholder impacts or state land use planning policy and directions in choosing these routes. No Multi Criteria Analysis was undertaken for the Western Renewable Link. The Multi Criteria Analysis for VNI West was undertaken on a different proposed route than the final route selection, the agriculture criteria used did not appropriately consider impact and the public was not given an opportunity to comment on the final route.

The VFF believes AEMO should give serious consideration to whether proceeding with these actionable projects will further erode the ability of the renewable energy industry to gain social license required in higher productivity agricultural areas such as Victoria that is 3% of Australia's landmass but produces one quarter of Australia's agricultural production.

The VFF believes that spending billions on transmission in the wrong place and with the wrong design will be a costly mistake that will set back the energy transition.

The Australian Energy Industry Commissioner and Professor Ross Garnaut have both called for the renewable energy transition to be based on commercial consent on just terms.

Recommendations

The VFF believes that taking a step back and applying the new energy rules to transmission planning and the ISP will facilitate a fair and orderly transition that leads to landholders wanting to host renewable energy, and a design that delivers a safe and resilient system.

The VFF calls for the transfer of transmission planning to Victoria for all actionable projects in Victoria that do not have current approvals to commence construction. This would require the final 2024 ISP to show the current actionable (green) projects in Victoria as future ISP projects (purple).

The VFF recommends that AEMO gives assurances that any transmission constructed in Victoria will be planned using landholder agreement at a sum that reflects all costs and impacts occurred to their land and business (commercial consent) and is supported by a regulatory system that provides safeguards so that no-one loses income from hosting renewable energy generation, storage, and transmission.

If projects are planned on commercial consent from the landholders and those with a material secondary impact / interest, then there will be a reduction in community angst and communities divided by poor energy planning and regulation.

Yours sincerely,



Emma Germano
President
Victorian Farmers Federation