

## Wimmera Development Association submission to the Victorian Renewable Energy Zones Development Plan Directions Paper

### Introduction

Wimmera Development Association (WDA) is the region's peak sustainable development body, covering the municipalities of Horsham Rural City Council, West Wimmera, Hindmarsh, Northern Grampians and Yarriambiack Shires. The Association's role is to work with the community and government(s) to attract new investment, further develop existing business and promote the Wimmera's sustainable development opportunities, both within and outside the region. WDA is a vital link between industry and government and has a proven track record in attracting new development and opportunities to the region.

WDA welcomes the opportunity to provide a submission on the Renewable Energy Zones (REZ) Development Plan Directions Paper. We are pleased to see a focus on removing barriers to the renewable energy transition, through a more coordinated approach and a desire to deliver efficient utilisation of our renewable energy resources. The Wimmera Southern Mallee, which encompasses the Western Victoria REZ, is contributing to Victoria's renewable energy transition and, with further network planning and enhancements, has the capacity to contribute even more generation capability beyond what is already in the pipeline.

The [Grampians Roadmap to Net Zero Emissions](#), produced by GNET in 2020, highlighted pathways for the Grampians region to reach net zero emissions by 2044, 6 years ahead of the State Government's ambition for net zero emissions by 2050. One of the recommendations under the Energy domain of action was that local authorities can work with state and federal governments and with infrastructure providers to upgrade the region's existing power grid. This is both to improve the renewable energy output of the region, and to improve access to reliable, adequate power for communities across the region.

With this in mind, WDA wishes to strongly advocate for VicGrid to be located in Western Victoria. This would send a strong signal that regional communities are critical to delivery of Victoria's energy transformation.

WDA's response to the questions posed in the Directions Paper is below.

### Initial REZ Development Plan

- *What are stakeholder views on the Stage 1 projects prioritised for immediate investment for example type, location and feasibility?*
- *What are stakeholder views on the appropriate procurement, and cost recovery and asset ownership mechanisms for these prioritised projects?*
- *Are there alternative medium-term investments to the above that should be considered in the RDP?*

WDA supports the Stage 1 projects prioritised for immediate investment:

- 250MVAr synchronous condenser at Horsham
- Increase the rating of the Western Victoria Transmission Network Project (WVTNP) from 220kV to 500kV from North Ballarat to Bulgana

These two investments will provide increased system strength and capacity in the Western Victoria REZ, while further network planning is undertaken on implementation of Stage 2 projects. This will allow renewable energy development to continue to expand in the REZ, although does not fully address the issue at the western end where there are good renewable energy resources and poor connection capacity. Increasing the rating of the line between North Ballarat and Bulgana from 220kV to 500kV will assist in resolving the issue that arose through AEMO's RIT-T process, where the proposed line upgrade has been based on committed capacity rather than potential capacity. WDA's view is that the line upgrade, delivered as early as possible, is essential to delivery of the capacity promise of the Western REZ and will help alleviate potential congestion issues in other REZs while further transmission infrastructure upgrades are working through approvals processes.

WDA also supports the proposed Stage 2 projects for the Western REZ:

- 125MVAR synchronous condenser at Murra Warra
- 350MW × 3h of storage capacity
- New 220kV OH DCCT line from Murra Warra to Bulgana via Horsham (~125km) (high risk)
- Second 350MW × 3h of storage capacity

The four projects in the Western REZ offer a sensible strengthening of the network to realise currently unmet opportunities. WDA's preferred outcome is that the synchronous condenser and storage projects, which have been identified as low risk, be fast tracked to provide greater network flexibility within the Western REZ and to support improved local access to reliable, adequate electricity for communities in the Western REZ. WDA would like to see the planning and approvals process for the 220kV line from Murra Warra to Bulgana to commence immediately, to ensure it comes online in a timely fashion after the 500kV line upgrade to Bulgana.

WDA welcomes the understanding that there will be a range of positive and negative impacts upon communities, and that these need to be responded to as part of REZ development. Success will require understanding of the community aspirations for renewable energy, communities' energy security and access to renewable energy and their perception of cumulative impacts and how these can be mitigated and/or ameliorated.

### **REZ Governance and Funding**

- *What functions would stakeholders like VicGrid to perform and what governance model would be appropriate?*
- *Are there effective features of REZ development bodies in other jurisdictions in Australia and internationally which stakeholders consider would be most effective for Victoria's VicGrid?*
- *How best should VicGrid engage with local communities, businesses and local governments to ensure appropriate and beneficial REZ development?*
- *Victoria is contributing to national market and regulatory reforms in REZ development and careful consideration will be given to these arrangements. What features are important for consideration in the establishment of VicGrid to support complementarity of these reforms and effective outcomes in Victorian renewable energy development?*

WDA's view is that VicGrid should be responsible for:

- Transmission network planning
- Energy security planning and implementation for all Victorians

- Management of approvals processes for transmission infrastructure
- Community engagement on REZs, tailored to each REZ and its constituent communities
- Review of REZ boundaries, and adjustment as required
- Integration with behind-the-grid energy, both at the commercial and residential scale
- Providing community energy groups with tools to enable them to assess the viability of their project and pathways to implementation

The obvious role for VicGrid is in statewide transmission network planning, to ensure adequate generation for Victoria's needs. Part of this responsibility should encompass forward planning, beyond catering for known network needs, as currently occurs with the RIT-T process. Planning beyond current projects will allow for development in parts of the REZ with weaker transmission infrastructure, creating opportunities for developers where they know the infrastructure will be built in the future. This is particularly relevant for the Western Vic REZ, where at the western end renewable energy development is constrained due to poor transmission infrastructure, which is driving potential development to higher density locations.

A priority role critical to the Wimmera Southern Mallee regional communities is ensuring energy security for all Victorians by enabling adequate supply and stability of power. Many communities within WDA's coverage experience energy poverty, which hampers their economic development and affects their quality of life. This includes the ability to open new businesses, put air conditioning in public buildings or treat wastewater. VicGrid, as part of its system planning role, should have responsibility for ensuring that all communities have adequate energy supply, through whatever means is most appropriate.

VicGrid should take on the approvals process for proposed transmission upgrades, where regulatory approvals are required. This would deal with the current situation where the RIT-T process is divorced from the regulatory approvals process, creating uncertainty and unnecessary community concern. Projects could be scoped from beginning to end, with factors such as environmental impact and social acceptance considered in the initial planning, rather than relying solely on consumer cost to determine their viability. The Western Victoria Transmission Project is an example of how a failure to align processes has resulted in an undesirable outcome.

A key remit for VicGrid must be active community engagement to understand community renewable energy aspirations and concerns within the REZ. This is critical for social acceptance of the large-scale changes that must come to support the transition to renewable energy. The Wimmera Southern Mallee region is overall supportive of renewable energy, but VicGrid will need to be aware of and respond to community concerns to maintain that support. A sensible approach would be to formally adopt the Community Engagement and Benefit Sharing Guidelines and create a formal obligation to review these regularly to ensure they are meeting current standards for community engagement.

WDA's view is that the REZs need to be somewhat dynamic. VicGrid should also have primary responsibility for reviewing and adjust REZ boundaries, in response to renewable energy investment, transmission infrastructure development opportunities and community feedback.

Factors other than transmission infrastructure will come into play in the operation of Victoria's energy network. VicGrid should also have a role in ensuring the interface between behind-the-grid projects and the transmission and distribution networks is smooth, allowing for innovation in generation and use of electricity. This should apply to both commercial and residential scale behind-the-grid initiatives.

Finally, there is intense interest in community energy for communities that struggle with energy poverty. VicGrid can have a role in providing tools and information to community groups that will help them assess the viability of their project and outline the pathways to implementation. This service would add value to VicGrid's community engagement approach, and in developing its understanding of energy poverty issues across the REZs.

DRAFT