



Written record of verbal comments by the Society of St Vincent de Paul (SVDP) and the Council on the Ageing Queensland (COTAQ) on the consultation paper of the transmission planning and investment review and material change in network infrastructure project costs rule change

10:00am – 11:00am, 08 September 2021

Purpose:

On 19 August 2021, the AEMC published a consultation paper for the transmission planning and investment review (the Review) and the Material change in network infrastructure project costs rule change request.

Submissions in response to the consultation paper are due on the 30 September 2021.

The AEMC held a briefing session on the consultation paper for the Review and Material change in network infrastructure project costs rule change with the SVDP and COTAQ. The AEMC has developed a written record of stakeholder comments made during this session which will serve in place of a written submission to the consultation paper.

This written record has been agreed with attendees. The AEMC will consider these comments along with all other submissions to the consultation paper.

Attendees:

Name	Organisation
Gavin Dufty	Society of St Vincent de Paul
Robyn Robinson	Council on the Ageing Queensland
Rupert Doney	AEMC
Danielle Beinart	AEMC
Katy Brady	AEMC
Martina McCowan	AEMC
Viashin Govender	AEMC

Comments on the transmission planning and investment review

- SVDP noted that it is important to consider the impact of jurisdictional policies on the inputs and assumptions used in the ISP and the implication of this for transmission planning. This is on the basis that jurisdictional policies have the potential to alter the underlying inputs and assumptions used to justify the project's place in the optimal development path.
- SVDP noted that uncertainty may increase the costs of a project to the extent that it outweighs a project's benefits which could lead to governments underwriting projects.
- SVDP considered that a more modular or incremental approach to transmission planning and investment could help to manage the level of uncertainty in delivering transmission projects. Reduced uncertainty and increase flexibility could be achieved by managing project delivery through smaller stages instead of a one-off large-scale approach. For example, a

modular approach may incentivise the uptake of non-network solutions such as grid scale batteries to delay the need for capital costs. This may then allow for greater choice and flexibility in options where circumstances might change. The use of a non-network options may also facilitate more efficient use of existing network assets given their potential to be repurposed for other uses. For example, grid-scale batteries could also provide FCAS services.

- COTAQ suggested the need for better engagement with consumer groups during the RIT-T and CPA processes.
- SVDP suggested an additional review or evaluation process post-delivery of transmission projects could help assess whether the benefits forecasted have been realised, and over the long-term improve the accuracy of forecasting in the ISP.
- SVDP noted that the introduction of Hydrogen and EV's may necessitate certain transmission builds. A related consideration is the appropriateness of TUOS to allocate costs appropriately.

Comments on the material change in network infrastructure project costs rule change request

- COTAQ and SVDP expressed the view that the current material change in circumstances provision is not strong enough to protect consumer interests, and that – noting the long asset lives of these projects – there needs to be more rigour upfront in the planning process.
- SVDP noted the rule change request proposes that the RIT should be reapplied if costs increase by 10% in the case of larger projects (>\$500m for transmission and >\$200m for distribution) or 15% in the case of smaller projects (<\$500m and <\$200m). SVDP queried whether this would result in boundary effects – that is, whether proponents would size their projects to stay below the point at which the cost increase trigger drops from 15% to 10%.