

Expanding Queensland New South Wales Transmission Transfer Capacity

Project Assessment Draft Report (PADR) Summary

Overview

TransGrid and Powerlink are working together on a Regulatory Investment Test for Transmission (RIT-T) process for expanding transmission transfer capacity between Queensland and New South Wales. The next formal step in this process is now complete, with the release of the Project Assessment Draft Report (PADR) which identifies a 'preferred option'. Consultation is now underway to seek customer and stakeholder feedback on this option.

The PADR confirms the recommendation in the Australian Energy Market Operator's (AEMO) 2018 Integrated System Plan (ISP) that there are significant net market benefits associated with expanding transmission transfer capacity between New South Wales and Queensland.

The 2019 AEMO Electricity Statement of Opportunities (ESOO) also reconfirmed the importance of an incremental upgrade ahead of the forecast closure of Liddell Power Station, which it states will improve the supply-demand balance in New South Wales and reduce the likelihood of unserved energy.

Preferred option

The PADR outlines that Option 1a - upgrading the Liddell to Tamworth transmission lines, installing new dynamic reactive support at Tamworth and Dumaresq, and shunt capacitor banks at Tamworth, Dumaresq and Armidale - delivers the greatest expected net benefits of all potential options considered and analysed. Extensive modelling and analysis was undertaken, showing that this preferred option is expected to:

- deliver net benefits of approximately \$200 million over the 25 year assessment period (in present value terms);
- reduce the need for new generation and large-scale storage in New South Wales to meet demand following Liddell Power Station's forecast retirement over 2022 and 2023;
- lower the aggregate generator fuel costs required to meet demand in the National Electricity Market (NEM) going forward;
- minimise capital costs associated with enabling greater integration of renewables in the NEM; and
- generate sufficient benefits solely by avoiding construction of what would otherwise be built in Liddell's place to recover the project capital costs.

Cost and timeframes

Capital costs for this option are estimated to be \$175 million with almost all works associated with the preferred option will be delivered in New South Wales. It is anticipated that this first stage will be completed by late 2022.

Next steps

Stakeholders, customers and interested members of the public are invited to have their say on the findings of the PADR, with submissions due by 15th November 2019. Submissions can be emailed to regulatory.consultation@transgrid.com.au. The final stage of the RIT-T process is the release of a Project Assessment Conclusions Report (PACR), which is anticipated to be released in December 2019. The AER will then make the final ruling on the outcome of the RIT-T.

More information

For more information about this RIT-T process visit:

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