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Improving Stability in South-Western New South Wales – Project Assessment Draft Report

Thank you for the opportunity to provide feedback on the Project Assessment Draft Report for improving Stability in South-Western New South Wales (the PADR).

RWE is a global renewable energy company with 9.5GW of installed renewable energy capacity across our core technologies and markets. Its global renewable energy development pipeline exceeds 20GW. RWE operates across core markets including the Americas, Europe and Asia Pacific with operations in 18 countries.

RWE's first Australian project is the 249 MW Limondale solar farm in Balranald, south-west NSW.

As a generator in south-west NSW affected by system stability issues, including the constraint implemented since May 2020 limiting power flows on line 63, we are very keen to see network improvements in the area. Some 600 MW of renewable generation already operates in the area and a further 700 MW is currently being commissioned (including Limondale). Line 63 is an important pathway for all that generation exporting to load centres to the east, and the current constraint limiting exports to approximately 300 MW leaves a growing amount of low-cost solar power unable to reach consumers. It is understood that there is potential for further constraints to limit exports even further.

Given that the constrained generation is low-cost renewables, it represents a lost opportunity for consumers to benefit through lower electricity prices in NSW. Furthermore, for these generators, it represents a significant financial impact on projects, and one which was not foreseen (whether by us, AEMO or Transgrid) at the time our project was committed.

We are pleased to see the results of Transgrid's modelling in the PADR, showing that there is a new transmission build solution to relieve the line 63 constraint with positive expected net benefits.

We note that Option 2 provides the greatest gross benefits, and we would support that option if its costs could be reduced. But on an analysis of net benefits, Option 1A presents as the best overall solution, with the lower gross benefits offset by the lower capex.

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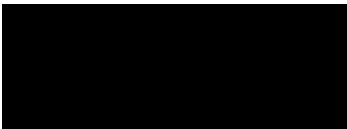
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One of the concerns we noted in our submission to the PSCR was that the expected timeline for commissioning a transmission solution by 2024-25 appeared unrealistically ambitious. We are pleased that Transgrid has checked and confirmed that the timings from the PSCR are realistic and remain on track. We also note Transgrid's comments that it is endeavouring to undertake the RIT-T in as timely a fashion as possible within the confines of the regulatory framework, and we respectfully urge it to continue to do so.

One of the other concerns we noted in our PSCR submission was the interim period before 2024-25, during which we and a number of other zero-emissions generators will be constrained, causing significant financial impact, and a wider emissions and consumer cost impact.

The PADR has found an interim battery solution to be too costly. However we encourage Transgrid to consider any alternative interim solutions, be it through plant settings, protection schemes or otherwise, and would welcome any discussions on alternative options to provide interim relief.

Yours sincerely,



Matthew Dickie
Senior Regulatory Affairs Manager, APAC Region Lead
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