

Mr David Smales
CEO
AusNet
Level 31, 2 Southbank Boulevard
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22 September 2025

VicGrid submission to AusNet's draft Transmission Revenue Reset proposal for the regulatory period 2027-32

Dear Mr Smales

VicGrid welcomes the opportunity to provide a submission in response to AusNet's draft revenue proposal under the Transmission Revenue Reset (TRR) process for the 2027–2032 regulatory period.

As Victoria transitions to a decarbonised energy system, it is critical that investments in the existing transmission network and new augmentation projects are well coordinated to deliver the best outcomes for energy consumers.

We extend our sincere thanks to AusNet for its constructive and ongoing collaboration with VicGrid. This collaboration has focused exclusively on prospective projects that leverage AusNet's existing infrastructure. Importantly, AusNet has only been provided with generally available information regarding future projects that are not expected to directly interface with its current assets.

AusNet's proactive engagement and commitment to coordination have been instrumental in aligning its TRR program with VicGrid's 2025 Victorian Transmission Plan (VTP). Through this collaboration, AusNet and VicGrid have designed complimentary programs that avoid duplication and deliver efficient outcomes for Victorian energy consumers.

In particular, we would like to acknowledge and thank AusNet for:

- **The exchange of detailed information with VicGrid to identify potential overlaps between the TRR and VTP programs.**

As part of the development of the 2025 VTP, VicGrid adopted a structured planning approach to identify a suite of transmission projects that could, over time, meet Victoria's evolving electricity system needs.

While engagement with AusNet was limited prior to the release of the Draft VTP due to probity constraints, AusNet was able to provide VicGrid with information on asset replacement projects that could be considered for the TRR up to 2034.

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Once the Draft VTP was published, AusNet engaged more actively with VicGrid. In forming a longlist of plausible transmission options, AusNet's support through a series of workshops (as principal transmission asset owner and operator in Victoria) has been of critical importance and has enabled an extensive exchange of technical information to assess potential overlaps between AusNet's TRR program and the VTP. This included detailed network data, asset condition assessments, and project timing.

The transparent and targeted nature of this information-sharing enabled both parties to identify and resolve duplication risks early and effectively. This ensured alignment between the two programs and supported efficient and coordinated network outcomes.

- **Regular focused discussions and workshops to promote efficient planning and timely delivery of projects.**

This engagement between VicGrid and AusNet has significantly enhanced coordination between the two organisations. As part of these conversations, VicGrid received detailed technical input from AusNet, which was used internally to assess and refine the scope of potential VTP projects. This included insights into network conditions, asset capabilities, and practical implementation opportunities and constraints. In several instances, this information enabled VicGrid to adjust and refine project scopes, with the resulting efficiencies expected to lead to reduced costs and more timely delivery of VTP projects.

- **Collaborative engagement on network resilience.**

VicGrid appreciates AusNet's openness in discussing tower strengthening initiatives which align with our shared objective of building a transmission network that is resilient to extreme weather and other emerging risks.

While VicGrid has not formed a view on AusNet's level of expenditure associated with these initiatives, we recognise their strategic importance in supporting long-term network reliability and resilience across Victoria's energy system.

- **Providing VicGrid with transparent, high-quality information to support our REZ planning functions.**

AusNet's early sharing of engineering assessments and delivery risk analysis has informed VicGrid's decisions around the scope and timing of VTP projects. This input enabled VicGrid to refine project feasibility, adjust scope where necessary, and ensure that planning decisions are grounded in practical implementation considerations.

AusNet also supported VicGrid in the development of the VTP Guidelines where technical workshops were held to better understand AusNet's transmission development activities beyond what is captured in the 2023 Victorian Annual Planning Report and 2024 Integrated System Plan.

VicGrid looks forward to continuing this constructive relationship with AusNet and commits to working together to ensure that Victoria's transmission investments are efficient, coordinated, and deliver long-term value for electricity consumers.

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It should be noted that this submission does not represent the broader views of the Victorian Government with respect to AusNet's draft proposal. The Department of Energy, Environment and Climate Action may provide a broader submission to the formal process conducted by the Australian Energy Regulator at the appropriate time.

Yours sincerely

A handwritten signature in black ink, appearing to be "Alistair Parker".

Alistair Parker
CEO VicGrid

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Liam Clements - Consolidated Power Projects Australia Pty Ltd

Public Submission

Page 36 – the dot point for insulator replacement spells Portland with two d's.

Page 10 & 40 - 'We have not had significant investment in our transmission network since the early 90s' - the chart on page 40 shows a much higher Replacement Expenditure in the mid 2010's. The metro terminal station rebuilds in that era were more significant than the 90s. Heatherton Terminal rebuild, Ringwood Terminal rebuild, Brunswick Terminal rebuild, Richmond Terminal rebuild, West Melbourne Terminal rebuild) to name a few.

Craig Eyes - DeCarbonate Energy Pty Ltd

Public Submission

The TRR proposal on Page 48 Challenge 2, mentions long lead time materials. What inputs are you referring to here specifically?

I note in this section your dot point:

· strengthening supplier relationships, including information sharing, bulk ordering and/or securing manufacturing slots in advance.

TS Conductor carbon core conductors have a 12 week lead time and provides for a range of solutions for transmission projects including low sag, increased ampacity, lower line losses etc.

What steps are being taken to incorporate innovation into the supply chain?

Would it make sense to set up a time with your electrical design team to provide further details on the solutions available to future proof the Ausnet transmission network?

Flagon Bekker – Transition 3energy Pty Ltd

Public Submission

The **financial figures and timelines underscore the significant and long-term capital expenditure commitments** that the government is facing.

Consider a unique tool:

There is a bridging solution which involves a mobile solution where the generator has a clutch - as connected to the generator - and being mobile it can be moved - based on seasonality - in support of a faster solution.

A floating, mobile, gas-fired power station provides a nimble and financially-prudent strategy to navigate these challenges by offering a scalable, fast-to-deploy, and mobile power generation source. This approach can alleviate budget

pressure by deferring or re-sequencing large-scale capital projects, mitigating the risks of power outages during critical maintenance, and enabling a more strategic allocation of resources across a multitude of competing and essential programs.

By offering rapid, flexible, and targeted system strength support, a floating power station with synchronous condenser conversion built in presents a compelling option to complement Transgrid's strategy for maintaining grid stability in

NSW during the energy transition. opex solutions available in terms of months not years and capex solution by end 2026. It is possible: <https://www.gevernova.com/gas-power/services/generators/upgrades/synchronous-condenser-conversion>

Against a backdrop of intensifying volatility, systemic curtailment, and fragile grid stability, an **opex-oriented fleet of mobile, floating powerships, running initially on gas with a clear pathway to ammonia (or other blended or single fuels), emerges as not just an option, but a strategic imperative.**

These powerships are the missing link to *accelerate the energy transition without compromising on reliability or affordability*. Their inherent **dispatchability** provides the critical firming capacity needed to counter the intermittency of renewables,

smoothing out the extreme price swings that are increasingly common in the NEM. By being **mobile**, they can be rapidly deployed to areas suffering from **grid congestion**, effectively acting as "virtual transmission lines" to unlock vast amounts of

curtailed renewable energy that is currently being wasted. This immediately boosts the effective output of existing clean energy assets and encourages further investment, while buying crucial time for long-lead-time transmission upgrades.

Crucially, their ability to provide **system strength and inertia** directly addresses the growing technical challenges highlighted by WattClarity, reducing the need for costly and frequent AEMO interventions.

This safeguards **grid stability**, preventing blackouts and demonstrating to the public that the energy transition is not a threat to their power supply. Furthermore, their **opex model** allows for flexibility and reduces long-term capital risk for a transitional asset.

The commitment to **ammonia-ready technology** also provides a clear decarbonization pathway, ensuring these assets evolve with our climate goals, reinforcing public trust rather than eroding it with continued fossil fuel reliance.

Summary Powerships are essentially self-contained power plants on a vessel. In the event of blackouts caused by damage to land-based infrastructure (e.g., transmission lines downed by storms, or generation failures),

a powership could be quickly deployed to a coastal location and connected to the grid. This offers a much faster response than building new land-based power plants.