



# **AusNet Transmission Group Pty Ltd**

## **Transmission Revenue Review 2017-2022**

### **Appendix 7C: AEMO's NCIPAP Endorsement Letter**

**Submitted: 30 October 2015**



22 October 2015


Mr Nino Ficca  
Managing Director  
AusNet Services  
Locked Bag 14051  
Melbourne City Mail Centre  
Melbourne VIC 8001

FROM THE OFFICE OF THE  
CHIEF EXECUTIVE OFFICER

Level 22  
530 Collins Street  
Melbourne VIC 3000

Postal Address:  
GPO Box 2008  
Melbourne VIC 3001

T 1300 858724  
F 03 9609 8010

  
Dear Mr Ficca,

**AEMO review of AusNet Services' Network Capability Incentive Parameter Action Plan (NCIPAP) for 2017 – 2022**

AEMO has reviewed the proposed list of projects under AusNet Services' NCIPAP for 2017-2022 in accordance with its obligations under clause 5.2 of the STPIS Guidelines.

AEMO confirms that:

1. AusNet Services consulted AEMO prior to developing the NCIPAP application.
2. There is no disagreement between AusNet and AEMO regarding:
  - a. The classification of a project as a priority project.
  - b. The material benefit resulting from a priority project achieving its priority project improvement target.
  - c. The ranking of the priority projects.

AEMO and AusNet Services worked collaboratively to identify options and quantify the market benefits of proposed projects. In total, AusNet Services proposed two NCIPAP projects with an estimated total cost of \$0.125 million, summarised in Attachment 1.

If you have any questions or would like to seek any clarification please contact Nicola Falcon on (03) 9609 8922 or email on [Nicola.Falcon@aemo.com.au](mailto:Nicola.Falcon@aemo.com.au).

Yours sincerely



Matt Zema  
Managing Director and Chief Executive Officer

cc: Ms Michelle Groves, CEO, Australian Energy Regulator  
Attachment: AusNet Services - List of Proposed Prioritised NCIPAP Projects

## AusNet Services- List of Proposed Prioritised NCIPAP Projects

Project Ranking	AusNet Services Project Number	AusNet Services Project Category	Project Name	Project Description	Capital Cost (\$k)	Operating Cost (\$k)	Total Cost (\$k)	Benefit/Cost Ratio	Payback Period (years)	Comment
1	1	Terminal Station Upgrade	Hazelwood to Jeeralang 220 kV No. 4 line	Replace the existing limiting interplant connections to allow full utilisation of the line 15 minute ratings.	107	-	107	36	0.3	Shared Network Project
2	2	Transmission Line Upgrading	South East to Heywood 275 kV line	Increase the operating temperature of the South East to Heywood 275 kV lines from 90°C to 100°C.	18		18	18	0.5	Shared Network Project