



20 August 2003

Mr Sebastian Roberts
A/ General Manager Regulatory Affairs - Electricity
Australian Competition and Consumer Commission
GPO Box 520J
MELBOURNE VIC 3001

Dear Sebastian

LETTER FROM VICTORIAN DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

Thank you for providing the Planning Council with a copy of the above correspondence and for extending an invitation to comment.

The Planning Council is not in a position to offer comment in relation to the general application of planning laws other than to observe that it appears somewhat obvious that compliance with such laws is a pre-requisite for any infrastructure development.

The letter appears to simply conclude that by not using overhead lines, MTC's requirements to demonstrate compliance under the various planning and environmental legislation were reduced. It does not follow that overhead lines would not be possible, simply that it would be more difficult for them to satisfy the legislation.

In reviewing the letter by the Sunraysia Manager of the Victorian Department of Sustainability and Environment, the Planning Council is concerned with some of the summary statements in terms of the claims that the Murraylink project demonstrates that "the underground alternative to overhead powerlines is viable."

- Underground cables have long been technically viable (indeed they are used in most Australian capital cities), it is the financial viability that has always been in question. Given the estimated earnings of the new Murraylink line and its appetite to convert to a regulated income at a level significantly less than the capital cost of the asset appears to demonstrate that underground cables, even DC ones, may not be viable.

- The width of the easement and the cost of undergrounding in Murraylink's case is closely tied to the use of DC technology. While DC lines may well have a place in the transmission network system, the backbone of all major high voltage networks around the world is a grid of AC connections to allow for automatic and instantaneous response to shifts in load/demand. To restrict the development of AC lines on the basis of one specific DC footprint has the potential to hold back transmission development that is necessary for the ongoing reliable supply of electricity.

As always, the Planning Council would expect that the selection of the route for overhead transmission lines would be carefully chosen with reference to planning and environmental requirements. Where, for example, difficulties arise between Red Cliffs and the SA Border, a route from Buronga in NSW could be considered. We understand that Planning SA in its consideration of SNI identified a viable route for an overhead transmission interconnector.

Yours sincerely

Brad Cowain
CORPORATE SECRETARY
ELECTRICITY SUPPLY INDUSTRY PLANNING COUNCIL