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Mr Sebastian Roberts
General Manager
Networks (Opex and Reset Coordination)
Australian Energy Regulator
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Dear Mr Roberts

REPLACEMENT OF FLUID-FILLED UNDERGROUND TRANSMISSION CABLES

I am writing to you regarding Ausgrid's proposal to gradually replace fluid-filled underground transmission cables.

The NSW Environment Protection Authority (EPA) acknowledges that Ausgrid is committed to a risk-based strategy to progressively decommission and replace its fluid-filled cables as outlined in its Environmental Management Strategy Underground Transmission Cables (EMS 300) dated 4 October 2017. The EPA considers Ausgrid's commitments to be essential to it meeting its ongoing obligation to reduce any potential discharges to land and water of substances likely to cause harm to the environment.

You will be aware that the EPA is the appropriate regulatory authority for all 'authorised network operators', including Ausgrid Operator Partnership, for environment protection purposes. The EPA has recorded 23 pollution incidents since August 2012 involving the discharge of cable fluid (i.e. mineral oil, linear alkylbenzene or a combination of both) from Ausgrid maintained fluid-filled underground transmission cables. Further, the EPA issued Ausgrid with a formal warning and an official caution concerning water pollution arising from cable fluid leaks at Naremburn and Adamstown, in 2014 and 2017 respectively. Those notices required Ausgrid to improve its environmental performance in this regard.

The EPA is aware that the Australian Energy Regulator is considering the funding for Ausgrid's EMS 300. Accordingly, I wish to indicate the EPA's strong support for Ausgrid's continuation of this work. The EPA notes that cable-fluid leaks are likely to increase as cable assets age. For this reason, the EPA encourages Ausgrid to replace existing fluid-filled cables with 'dry' (e.g. crosslinked polyethylene technology) cables as soon as is practicable. The EPA would be concerned if there were delays to the implementation of the notified cable replacement schedule outlined in EMS 300.

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Should you require clarification of any of the above matters please feel free to contact Sarah Thomson, Unit Head on 9995 6212 or sarah.thomson@epa.nsw.gov.au.

Yours sincerely

G Howard 13/9/18

GISELLE HOWARD
Regional Director Metropolitan
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