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Australian Energy Regulator
GPO Box 520
Melbourne
Victoria 3001

For the Attention of Mr Sebastian Roberts
General Manager

contingentprojects@aer.gov.au

17th May 2021

Dear Mr Roberts,

PROJECT ENERGY CONNECT – Revised Contingent Project Application

Reach Solar energy (**'Reach'**) is very pleased to provide its response to the Australian Energy Regulator (AER) on the revised contingent project applications submitted by ElectraNet and TransGrid for Project Energy Connect (**"PEC Application"**) on 3 May 2021.

By way of background, Reach is a developer of large-scale solar photovoltaic (PV) and energy storage in Australia. Reach developed the 300MWac Bungala solar project near Port Augusta in mid 2017 raised \$500 million of project finance debt and equity and achieved financial close for 2 x 110MWac.

Reach is developing a 900MWac solar PV project site in NSW called Yarrabee solar. The first stage is 450MW (2 x 225MWac) and is located circa 40km East of Darlington Point and will connect to an existing 330kV transmission line.

Reach is pleased to provide the following comments on the revised proposal:

1. **Reach continue to support PEC** and consider it remains an important part of the AEMO Integrated System Plan, plus facilitates achieving (and arguably better) the NSW Electricity Infrastructure Roadmap which was legislated in December 2020, and is "actionable" in accordance with the Energy Security Board ruling on 27 March 2020;
2. Reach support the revised net market benefit to the NEM, and are assured by the **comprehensive international tender** which has taken place to ensure competitive price and terms were secured for just under 80% of the PEC total cost and note the price reduction in the PEC Application;

3. Reach consider PEC is strategic infrastructure and aligned with a “business-led” post COVID recovery. PEC will provide direct and indirect **employment in multiple rural communities** along its route and this will be further **amplified** by additional material renewable investment/growth. This was flagged by the FTI Consulting report which suggested \$1.6 billion NPV (2020-2040) and referred to by the AEMC. ElectraNet have recently reported it considers these benefits are under-stated and Reach ask the AER to note the following comments (and extract from its Yarrabee solar Development Application dated 2018, which was prepared by SLR Consulting and is a public document):
 - Each construction phase for the 2 x 225MWac Yarrabee solar will have a peak work force of up to 450 workers on site. Work force numbers will be phased over the construction period, representing an average over the construction period of between 150 and 200 workers.
 - The operation workforce will likely consist of 10-15 full-time staff attending the site on a daily basis. The staff will have a range of skills and include the use of skilled technicians;
 - The Project would diversify the use of land in the area, and provide drought proof income for the land owner and the community; and
 - The Project will also generate income for the broader business community in Narrandera Shire and surrounding areas through expenditure, use of trades people and specialist services and flow-on effects from the additional employment opportunities that it creates. A letter of support from Narrandera Shire Council is attached.
4. New generation sources are required for electricity in readiness for the planned closure of coal-fired power plants. The best new renewable resources are not where coalfield’s are located. PEC provides a “transmission spine” across Australia which connects three States.

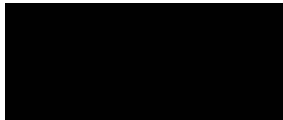
When PEC is combined with HumeLink and VNI West (as the ISP envisages) it enables electricity to be generated and flow from Snowy 2.0 and the new large-scale renewable generation sources to main loads in Sydney, Melbourne and South Australia. **Importantly, no PEC means the full benefit from Snowy 2.0 will not be realized because electricity will be constrained from flowing east and south to Melbourne;**

5. Reach reaffirm its comment made on 30 Oct 2020 and 11 March 2021, that it considers PEC should be increased from 330kV to 500kV from Dinawan sub-station to Wagga Wagga as it would triple the transmission capacity (900MVA to 2700MVA per single circuit) and facilitate future developments. As currently planned at 900MVA it will be fully utilized on completion. Reach estimate a modest **+6% incremental cost** to do this (+6% of \$1.7 billion). This in turn **will also enable Snowy 2.0 to evacuate all its electricity** by dovetailing neatly with HumeLink (already planned at 500kV) and underwritten by the Federal and NSW Governments, and VNI West (or an equivalent) as a transmission link to Victoria (and Melbourne demand);
6. Reach agrees that PEC will assist in maintaining a stable grid system with **reducing minimum demand** which may not be fully reflected in the net market benefit analysis ; and
7. Low wholesale electricity prices are **accelerating** the early closure of coal-fired power plant as demonstrated by the recent Yallourn power station announcement (closure in 2028). Further early closures may not be fully reflected in the current PEC net market benefit analysis and will



Please do not hesitate to contact me [REDACTED] if there are any questions on the above matter.

Yours faithfully,



Mr Julian Dichiera

Encs: Letter of support from NSC

PD: D- 435356

David Webster



19 September 2019

To Whom it May Concern

Yarrabee Solar and Battery Storage Energy project

The Narrandera Shire Council has worked with Reach Solar Energy over the past two years in supporting their endeavours to develop the Yarabee Solar and Battery Storage Energy Project.

Council is very supportive of this project as it will bring numerous direct and indirect benefits to the local community including:

- Immediate job opportunities as the onsite project activities commence;
- Support for local businesses be they providing small engineering manufacturing, accommodation, food and beverage, local hardware and others;
- The opportunity to further develop the TAFE courses supplied to upskill local labour to work on the project;
- General community support through the use of non-local workers who will use local businesses when not occupied on site.

We wish Reach Solar Energy every success in the development of the project and for its speedy commencement in the Narrandera Shire.

If you have any further enquiries concerning this matter please contact George Cowan, General Manager on [REDACTED]

Yours faithfully

[REDACTED SIGNATURE]

General Manager