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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

30 October 2020

Dear Mr Roberts,

PROJECT ENERGY CONNECT - Contingent Project Application

Reach Solar energy ('**Reach**') is very pleased to provide its response to the Australian Energy Regulator (AER) on the contingent project applications submitted by ElectraNet and TransGrid for Project Energy Connect ("**PEC Application"**) on 30 September 2020.

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. The first two phases (2 x 110MWac) raised $500 million of project finance debt and equity without any government grants or funding.

Reach remains focused on structuring solar PV projects such that they can compete with wind, gas and black coal-fired generation and provide renewable electricity to consumers on a least cost basis.

Reach management (see www.reachsolarenergy.com.au) have a proven track record with operations, development and raising capital for large-scale energy and infrastructure projects in Australia and internationally.

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 ("**DP**") and will connect to the existing 330kV called Line 63. The first stage (450MW) secured conditional approval from the TransGrid Board in early March 2020, and a 5.3.4 A and B letter dated 25 August 2020.

Reach is pleased to provide the following comments on the PEC Application:

1. **Reach support PEC** and consider it remains an important part of the AEMO Integrated System Plan and is "actionable" in accordance with the Energy Security Board ruling on 27 March 2020;

2. Reach support the stated 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;

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;

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. No PEC means the full benefit from Snowy 2.0 will not be realized because **electricity will be constrained from flowing West**;

5. Reach agrees that PEC will assist in maintaining a stable grid system with **reducing minimum demand**;

6. Sustained wholesale electricity prices at current levels are likely to **accelerate** the early closure of coal-fired power plant. PEC provides alternative generation sources to mitigate this risk and increase resilience in supply. Renewable generation (wind and solar) also reduces the linkage that SA, VIC and NSW electricity prices have with cyclical global thermal coal, oil and LNG commodity prices;

7. An additional benefit of PEC which does not appear to have been reported, is due to the latitude difference between Adelaide and Sydney. It means solar PV generation located in SA continues to produce electricity for about one hour each day after the sun has gone down in Sydney. It is like having a very large one hour battery in Sydney, **but with no battery**. This characteristic is already evidenced by the existing solar PV power plants which are operational in South Australia;

8. Future proof PEC: upgrade key sections to 500kV. Reach management suspect it is a modest incremental cost to design and install 500kV, and the transmission capacity would increase from 900MVA to 2700 MVA for each transmission line. This would future-proof PEC and would also dovetail nicely with HumeLink which is already planned at 500kV and underwritten by the Federal and NSW Governments;

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

Yours faithfully,

Mr Julian Dichiera