

20/12/2019

Mr Sebastian Roberts
General Manager, Transmission and Gas Branch
Australian Energy Regulator
Level 17, Casselden Place
2 Lonsdale Street
MELBOURNE VIC 3000

Email Sebastian.Roberts@aer.gov.au
Cc: mark.mcleish@aer.gov.au

Dear Mr Roberts

Re: Expanding NSW-QLD transmission transfer capacity RIT-T – Request for determination

Thank you for our ongoing discussions to inform the preparation of the Regulatory Investment Test for Transmission (RIT-T) for increasing transfer capacity between New South Wales (NSW) and Queensland in the near term (referred to as QNI minor). I am writing to request the Australian Energy Regulator (AER) to make a determination under clause 5.16.6(a) of the National Electricity Rules (NER) as to whether the preferred option satisfies the RIT-T.

The RIT-T for QNI minor is consistent with:

- > the assessment of the 'Group 1' QNI expansion in the 2018 ISP
- > the 'QNI minor' upgrade in the draft 2020 ISP, and
- > guidance from the Australian Energy Regulator (AER).¹

The RIT-T for QNI minor commenced in November 2018, with the publication of the Project Specification Consultation Report (PSCR). Today, we published the Project Assessment Conclusions Report (PACR), which is the final formal document in the RIT-T process.

The PACR for QNI minor finds that upgrading the Liddell to Tamworth lines and installing new dynamic reactive support at Tamworth and Dumaresq and shunt capacitor banks delivers the greatest expected net benefits of all options considered and is the 'preferred option'².

Please do not hesitate to contact me at Stephanie.mcdougall@transgrid.com.au or on 02 9284 3874 if you would like to discuss this letter.

Yours faithfully



Stephanie McDougall
Head of Regulation

¹ AER, *Queensland-NSW Interconnector RIT-T guidance notice and engagement process*, available at: <https://www.aer.gov.au/communication/queensland-nsw-interconnector-rit-t-guidance-notice-and-engagement-process>

² The preferred option is defined as the option that maximises net market benefits under the RIT-T framework.