

26 November 2020

Mr Jason Conroy  
Chief Financial Officer  
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By email: [REDACTED]

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Dear Jason

### **Feedback loop confirmation: Victoria to New South Wales Interconnector (VNI) Minor Upgrade**

Thank you for the request of 26 October 2020 seeking AEMO's written confirmation (the 'Feedback Loop') that VNI Minor remains part of the Optimal Development Path (ODP) as identified in the 2020 Integrated System Plan (ISP).

NER 5.16A.5 sets out the four criteria that together make up a 'trigger event' that allows a proponent to submit a contingent project application (CPA) to the AER in relation to an actionable ISP project and relevantly provides:

*(b) the RIT-T proponent must obtain written confirmation from AEMO that:*

- (1) the preferred option addresses the relevant identified need specified in the most recent Integrated System Plan and aligns with the optimal development path referred to in the most recent Integrated System Plan; and*
- (2) the cost of the preferred option does not change the status of the actionable ISP project as part of the optimal development path as updated in accordance with clause 5.22.15 where applicable;*

Section 3.5.3 of the AER Cost Benefit Analysis (CBA) Guidelines provides detailed guidance on the requirements AEMO must satisfy to meet these provisions.

AEMO has followed the process set out in the CBA Guidelines using the latest cost information. I confirm that the VNI Minor project satisfies the requirements outlined above. This assessment includes \$47 million (real 2017-18), as advised by TransGrid, for delivering the NSW component of VNI Minor. The total cost of the project was assessed at \$140 million (real 2019-20). The attached notice will be published on our website shortly to confirm this outcome publicly.

Yours sincerely



Nicola Falcon  
Acting Chief System Design & Engineering Officer

CC: Stephanie McDougall  
Joe Spurio

Attachments: Integrated System Plan Feedback Loop Notice – VNI Minor