

13 December 2024

Transmission Company Victoria (TCV) appreciates the opportunity to respond to public submissions made to the Essential Services Commission (ESC) in relation to our Victorian transmission licence application for the Victoria to New South Wales Interconnector transmission project (VNI West). We welcome the insightful contributions made to the public submission process, recognising the importance of community consultation at all stages of a project's development.

In preparing this response, TCV recognises that public consultation on its transmission licence application is an ESC process, and submissions made to that process are made to the ESC. This response provides information related to overarching themes within the public submissions made to the ESC, responding at a high level to recurring areas of interest or concern.

The Victorian Government is accelerating major electricity transmission projects to secure a reliable supply of renewable energy for homes and businesses across Victoria. In February and May 2023 and again in November 2024, the Victorian Minister for Energy and Resources under the *National Electricity (Victoria) Act 2005* (NEVA) made orders requiring AEMO to progress VNI West.

"There can be no energy transition without new transmission infrastructure – as Victoria moves towards 95 per cent renewables by 2035, we have a duty to modernise our electricity network."

– Victorian Minister for Energy and Resources Lily D'Ambrosio

The regulatory investment test for transmission (RIT-T) process undertaken by AEMO and Transgrid to establish the business case for VNI West confirmed that investment in the project, ultimately paid for by energy consumers, will deliver net benefits to Victoria. During construction and ongoing operation, the project will boost regional economic activity, providing local jobs and business opportunities during construction, and supporting training and skills development in rural communities.

AEMO, TCV and the appointment of a development partner for VNI West

AEMO is an independent not-for-profit company responsible for the operation of electricity and gas systems, operation of the wholesale markets where electricity, gas, and energy services are bought and sold, and planning for the development of the National Electricity Market (NEM).

In Victoria, AEMO has unique declared shared network functions under the National Electricity Law, which includes planning and contracting for augmentations to the State's transmission network. In this role it seeks to ensure that Victorian electricity consumers have access to affordable, secure and reliable electricity supply into the future.

As part of its role in Victoria, AEMO established TCV to progress the VNI West project and ensure commitments made in the early stages of the project's development are captured and honoured across its full lifecycle. While TCV was incorporated as a for-profit enterprise, whilst it is under the control of

AEMO it is managed as a not-for-profit entity. AEMO does not make a profit from running TCV. AEMO will not make a profit from the sale of TCV to the new owner.

AEMO plans to appoint a development partner – either an existing Transmission Network Service provider (TNSP) or an organisation that has the capability to become a TNSP – with the intention that the development partner (after meeting the requirements stipulated in the contract) will go on to build, own and operate VNI West. A competitive tender process is now underway, with the successful tenderer expected to be appointed as the development partner in 2025. The acquisition of TCV by a new owner will entail a transfer of shares and will not generate profit for AEMO.

In preparation for the tender process, AEMO set detailed evaluation criteria that it will use to evaluate the tendering parties against. This includes stringent technical, financial, environmental, and social licence related criteria that has been developed in consultation with multiple stakeholders. AEMO will carefully evaluate each tenderer's capabilities prior to selecting a partner, and there will be an extensive onboarding period where the successful tenderer will work with TCV to continue to develop VNI West, including completion of the project's major State and Federal land, planning and environmental approval processes.

The evaluation criteria for selecting the right partner closely aligns with the ESC's Transmission Licence holding criteria, including demonstrated ability to collaborate with TCV, landholders and Traditional Owner groups, build trust with the community and deliver on social value commitments. TCV will work with the development partner under a collaborative contract model, which will deliver advantages to the project and to local communities by building on the work done to date by the project team, fulfilling commitments and injecting additional expertise, new experience and greater resources to deliver VNI West into operation efficiently.

VNI West will not begin construction before 2026, and TCV does not plan to transmit electricity any sooner than 2029. The current role of TCV is one of development, and the organisation is suitably resourced with the technical, financial and planning capabilities required for this project phase.

Key considerations in selecting a development partner to deliver VNI West will be the appointment of a proponent with relevant credentials, suitable technical expertise and demonstrable capability in electricity network operation. The selected partner must demonstrate the engagement, design, construction, finance, operations and maintenance expertise required to deliver VNI West end-to-end. The partner must also have proven ability to build trust with the community and work in partnership with Traditional Owners and will be contractually required to honour all commitments made by TCV throughout the early works phase.

As part of the transfer of TCV to the new owner, all Land Access Agreements, Options for Easements and other critical agreements entered into with landholders and stakeholders will 'go with' TCV to the new owner. This will ensure that important agreements on matters such as compensation, land access, biodiversity requirements and other landholder specific requirements are identified and complied with through the project lifecycle.

If TCV is granted a transmission licence, the intention is that TCV would continue to hold the transmission licence after being acquired by any new owner (subject to any conditions placed on the licence by the ESC). It is standard practice for a licence holder to notify the ESC of any change of control in the ownership of a licence-holding entity. The ESC may, at that time, require assurance of the new owner's technical and financial suitability and fitness to hold a transmission licence. AEMO (and the new owner) will provide all necessary information to support future decision-making about the suitability of any new owner as a licence holder.

Developing VNI West

VNI West transmission infrastructure will be designed and constructed to the applicable requirements and Standards, including the Electricity Safety Regulations, Energy Safe Victoria's Code of Practice), Victoria's *Occupational Health & Safety Act 2004*, ICNIRP Guidelines, Australian Standard 2067 Substations and high voltage installations exceeding 1kV AC, Australian Standard/New Zealand Standard 7000 Overhead Line Design and Australian Standard/New Zealand Standard 1170 Structural Design Actions. These requirements and standards take into consideration the need for towers to be capable of withstanding extreme weather and external events such as high winds, to maintain a secure and reliable power system.

The VNI West design team will consider existing and predicted climatic conditions when designing the project and will test tower and line design assumptions to ensure they meet location-specific requirements, including extreme wind loads. Design considerations will include appropriate climate change projections and factors in design, environment and load considerations. Once the new line is operational, the TNSP will oversee activities on and near the project's towers including corrosion monitoring, routine maintenance, testing, inspections and vegetation clearance in accordance with relevant Victorian laws.

Assessment and approvals

We understand that impacts to the environment, agriculture and the community more broadly are top of mind for many landholders and community members. These impacts will be thoroughly and independently assessed through the Environment Effects Statement (EES) process.

An EES is Victoria's most rigorous environmental assessment process for major projects, and requires the completion of wide-ranging environmental, social and technical studies by independent experts. The studies to be completed for VNI West will assess the effects and potential impacts of the project on a range of matters including biodiversity and ecological values, Aboriginal and historic cultural heritage, agriculture, bushfire, social and community considerations, and visual and landscape values.

Studies including the agricultural impact assessment and social impact assessment will be thoroughly informed by inputs from landholders and community members. The specialists undertaking these studies are currently seeking feedback to inform their studies through one-on-one interviews and online surveys, supported and encouraged by TCV. We are committed to empowering these experts as much as possible to seek feedback and we have facilitated this by directly contacting every landholder in the preferred easement and advertising these opportunities broadly through social media, newspaper

advertising and engagement with key stakeholder groups. These studies can be assessed by independent experts (selected by others), if that is the feedback received from stakeholders.

Once studies for the EES have been completed, the Minister for Planning will appoint an inquiry panel to review the EES and public submissions received, conduct public hearings and provide a summary report. Once the Minister has received the inquiry report, an assessment will be prepared concluding whether VNI West's environmental effects are acceptable; the assessment will also typically provide advice on project implementation and environmental management measures, for consideration by statutory decision-makers when deciding to grant approvals for the project.

The assessment and the resulting outcome will inform planning for VNI West's construction and ongoing operation, to ensure potential impacts are appropriately mitigated, that at-risk environmental features within the project corridor are sufficiently protected and potential areas of impact can be suitably managed throughout the project's lifecycle.

Cultural heritage and other aspects requiring protective mechanisms will be contemplated in the EES process for VNI West, and via other primary and secondary approval processes at a State and Federal level. TCV is required to prepare Cultural Heritage Management Plans (CHMPs) for VNI West in accordance with the Aboriginal Heritage Act 2006, which will include the results of an assessment of the potential impacts of the project on Aboriginal cultural heritage.

Should TCV obtain the primary approvals above, a range of secondary approvals may also be required for VNI West under Victorian legislation to support construction, ongoing operations and eventual decommissioning at the end of the project's operational life.

In addition to assessing impacts through the EES, TCV is committed to working collaboratively with farmers and property owners throughout VNI West's design, construction, ongoing operation and into decommissioning to ensure that the project's transmission infrastructure does not unnecessarily impede farming activities or ability to work the land. Farming and agriculture have co-existed with energy infrastructure for many years, with more than 6,500 kilometres of transmission lines already in place.

It is important to acknowledge that there are compulsory land access powers available to electricity transmission licence holders in Victoria, and TCV recognises that there has been speculation among some VNI West project stakeholders that its application for a licence is driven by a need or desire to access these powers. This is not the driving need: TCV has been explicit that its strong preference remains to access land via individual Land Access Agreements and Option for Easement contracts with landholders.

A transmission licence is required to progress the project through to and during the operational phase. It is standard practice for any transmission project in Australia to seek the appropriate licences and approvals to progress the project.

TCV's commitments to its stakeholders

Community and landholder feedback is critical to ensuring TCV can achieve its objective of minimising impacts to people, farming, cultural heritage and the environment in the development of VNI West.

We acknowledge the feedback received from stakeholders on the approach to engagement in the earlier stages of planning for VNI West. We have heard and understand that communities and landholders were not provided with the information they needed to understand the project and its likely impacts, and that the project's engagement approach fell short of expectations. In retrospect we recognise our approach could have been better tailored to the needs of our local audiences. We know from observing peers in the transmission market across Australia and internationally that there is great expectation to shift the way communities are engaged in relation to transmission infrastructure development, and the energy transition more broadly.

Throughout the VNI West project corridor, sentiment ranges from highly opposed through to supportive. We understand the varying views of community members and landholders need to be considered in their entirety. Our approach aims to engage all those impacted by the project on an individual level, considering their unique concerns or views. We aspire to engage all groups meaningfully and in a way that provides the information and level of detail they are seeking – not simply to placate opposition or amplify areas of support.

Engagement approach

We strive to continuously update and improve our communications and engagement approach in light of feedback from landholders and community members. Some examples of how we have achieved this recently include:

- Implementing an 'always on' approach to engagement, whereby we ensure project team members are available in community on a consistent basis and accessible to the broader community not just landholders. To this end, we established a regional office in Kerang and are holding regular "pop-up" events across the project area.
- Maintaining a consistent program of communications through a range of channels that reflect topics we have heard are the most important to landholders and community members. New materials are regularly developed in response to issues raised, including fact sheets, short informational videos, advertorial in local newspapers and FAQs on the TCV website.

TCV's approach to engagement is governed by the principles of timeliness, transparency and trust. This means we engage early and often, allowing opportunities for all stakeholders to influence the project design, and we seek to build and maintain trust through accountability for the commitments we make.

Landholder engagement

We aim to ensure those most directly impacted by VNI West are engaged first on matters most important to them. For example, every landholder with property within the 70m preferred easement was contacted weeks prior to the public release. We wanted to ensure every landholder had the opportunity to process the information being shared with them, ask questions to fully understand the relevant details, and ensure they were informed directly by TCV ahead of any public announcement.

We are genuine in our desire to work with landholders to understand their land, to facilitate an approach to project development that minimises impacts to property, farming operations and lifestyle. Every landholder has a dedicated landholder liaison – a key contact to help answer questions on important issues, including farming with transmission lines, biosecurity arrangements, access agreements, compensation for an easement and other payments. Landholder liaisons also communicate landholder views, questions, concerns and preferences back to the TCV team, acting as an important two-way conduit of information that has and will continue to inform VNI West’s development. Landholder liaisons are currently consulting on tower locations and any requested changes are being considered by a TCV technical committee, with further landholder discussions to follow.

Information provided by community members on areas of flooding, endangered species habitats and planned intensive irrigation expansion helped shape the path of the preferred easement for VNI West - aiming to avoid important areas identified by landholders wherever possible. We are investigating alternate routes, based on landholder feedback. Our Community Reference Group also raises discussion on complex topics including risk, liability, insurance and firefighting which helps to inform tender interviews and our Offer for Easement terms.

In line with these principles, TCV is committed to engage respectfully, honestly and openly with landholders. We are unequivocal in the expectation that every interaction between TCV and landholders in relation to VNI West must align with and reflect the [Land Access Code of Practice](#), which specifically prohibits threatening or intimidating behaviour.

A complaints resolution process is available to resolve cases where a landholder or community member feels they have been engaged on any matter in a way that is counter to these commitments, and pathways for lodging official complaints are also available through the Energy and Water Ombudsman Victoria, the office of the Australian Energy Infrastructure Commissioner and the ESC. These mechanisms for complaints reporting and resolution are advertised on the [TCV website](#) and in VNI West project materials including the [Landholder Guide](#).

Information gathered in relation to private landholdings or any other matter is handled strictly in line with the privacy policies of [AEMO](#) and [TCV](#), which state that personal information will be used and disclosed only for the purpose for which it was collected. This means that TCV has procedures in place to protect personal information it collects, and ensure it is not made available to any other party for any purpose.

Creating value for communities

TCV understands that there are people who feel frustrated that we aren’t listening to their feedback about VNI West; that we are pushing forward with the project despite their very real concerns. It is inevitable that new infrastructure of this size and scale will impact some communities, and we are committed to doing what we can to mitigate impacts and create benefits for local communities.

Through the development of VNI West, TCV aspires to establish a new benchmark for the way in which transmission projects can deliver meaningful, long-term benefits to impacted communities. The intent is

for the project to have a transformative, measurable positive impact on the social, economic and environmental outcomes that are most important to the communities impacted by its development. We acknowledge our accountabilities to communities impacted by VNI West, and our view that the delivery of long-term community benefit is a key measure of project success.

TCV is engaging with community on a range of social value initiatives to deliver direct benefits to communities impacted by VNI West, including programs and partnerships to build community capacity and minimise project impacts. This engagement includes the development of a community-led Social Value Strategy which will guide the identification of key social and economic objectives, strategic initiatives, success measures and ongoing governance for initiatives to be delivered throughout the project's operation.

We understand that there are landholders, community members and other project stakeholders who hold concerns about the project and its possible impacts. For some, VNI West will never be acceptable – as an initiative that does not align with their personal views on the need for energy transition, what Victoria's energy future should look like, or the ways in which new development should take place. We understand this and respect every person's right to express their opposition. We will continue to engage respectfully, share accurate information accessibly, and provide multiple channels for interested parties to share feedback and provide input into VNI West's development.

More information

This response is intended to serve as an information source alongside existing VNI West project resources that are publicly available – some of these are provided below for reference.

- More information about AEMO and VNI West is available on the AEMO website at <https://wa.aemo.com.au/initiatives/major-programs/vni-west>
- More information about TCV and VNI West is available on the TCV website at <https://www.transmissionvictoria.com.au/>
- More information about the 2022 Integrated System Plan can be found on the AEMO website at [AEMO | 2024 Integrated System Plan \(ISP\)](#)
- TCV's Enquiry and Complaint Handling policy and other policies related to VNI West can be viewed at <https://www.transmissionvictoria.com.au/fact-sheets-policies>
- VNI West fact sheets on a range of topics can be found at <https://www.transmissionvictoria.com.au/fact-sheets-policies>
- VNI West Frequently Asked Questions compiled on a range of topics can be found at <https://www.transmissionvictoria.com.au/faqs-1>
- Reports on TCV's community engagement activities can be accessed at <https://transmissionvictoria.com.au/reports>

Enquiries relating to VNI West can be made by phone on [1800 824 221](tel:1800824221) or by email to enquiries@transmissionvictoria.com.au

If you require an interpreter, please call 13 12 50 and reference Transmission Company Victoria.

If you are deaf and/or find hearing or speaking with people on the phone difficult, please contact the National Relay Service on voice relay number 1300 555 727, TTY number 133 677 or SMS relay number 0423 677 767.