

NOTICE OF CONSULTATION

DRAFT 2022 INTEGRATED SYSTEM PLAN ACTIONABLE PROJECT

CALL FOR NON-NETWORK OPTIONS – REINFORCING SYDNEY, NEWCASTLE AND WOLLONGONG SUPPLY

Date of Notice: 10 December 2021

This notice informs all Registered Participants and interested parties that AEMO is requesting submissions on non-network options for the Reinforcing Sydney, Newcastle and Wollongong Supply project. This project has been identified as an actionable project in the Draft 2022 Integrated System Plan (ISP).

This request for submissions on non-network options has been prepared in accordance with the requirements of clause 5.22.12(a) of the National Electricity Rules.

Matter under Consultation

The transmission network in the Sydney, Newcastle and Wollongong (SNW)¹ area was originally designed to enable large coal-fired generators in the Hunter Valley to supply the SNW load centres. When coal-fired generators in the Newcastle area retire, the network has insufficient capability to supply SNW load centres from generators located outside of the SNW area. Additional transmission network augmentation to connect with Central New South Wales (CNSW), local generation within SNW and/or energy storage within SNW is needed to reliably supply the load centres within SNW area.

The matter for consultation is a call for non-network options to reinforce supply to Sydney, Newcastle and Wollongong area. This consultation notice:

- Describes the identified need that reinforcing supply to Sydney, Newcastle and Wollongong area (including any *non-network option*) is addressing; and
- Provides detail on the technical characteristics that the *non-network options* for reinforcing supply to Sydney, Newcastle and Wollongong area.

Identified need for investment

The identified need is:

¹ Boundary of Sydney, Newcastle and Wollongong area is shown in section 3.10 of the 2021 Inputs, Assumptions and Scenarios Report. <https://www.aemo.com.au/-/media/files/major-publications/isp/2021/2021-inputs-assumptions-and-scenarios-report.pdf?la=en>

Deliver net market benefits for consumers by increasing the power system's capability to supply the Sydney, Newcastle and Wollongong load centres, replacing supply capacity that will be removed on the closure of coal-fired power stations in the Newcastle area.

Technical Characteristics

During periods of SNW load exceeding 8,000 MW, there will be network constraints which provide opportunities for strategically placed battery storage, pumped hydro and/or local generation. These solutions could defer or reduce the scale of proposed transmission network augmentation.

AEMO is not prescriptive at this early stage of the regulatory process regarding the role of non-network options and operating profiles for these solutions. AEMO is interested to hear from parties regarding the potential for non-network options to satisfy, or contribute to satisfying, the identified need, and from potential proponents of such non-network options. AEMO encourages proponents of potential non-network solutions to make a submission to this consultation, as any non-network solutions considered will require indicative costs and timings to be transparently evaluated alongside the other options in the RIT-T.

Information to be provided by proponents of a non-network option

The above is not an exhaustive list of potential non-network services. AEMO welcomes potential non-market service providers making submissions on proposed non-network options they believe can address the identified need outlined above. Submissions should include details on:

- Organisational information.
- Relevant experience to demonstrate the capability and current utility scale delivery of the technology.
- Technical details of the service, including location, scale and operating profile.
- Cost and scalability of service, separating capital and operational expenditure.
- Confirmation of any timelines involved in providing the service.
- Responsibility and liability arising directly or indirectly from the operation or failure of the non-network solution.
- Demonstration of the proponent's financial viability.

The Consultation Process

The consultation process is outlined below.

Process Stage	Date
Publication of notice of consultation	10 December 2021
Closing date for submissions	4 March 2022

Invitation to Make Submissions

AEMO invites written submissions on the matter under consultation.

Please identify any parts of your submission that you wish to remain confidential, and explain why. AEMO may still publish that information if it does not consider it to be confidential, but will consult with you before doing so. Copies of all submissions received by AEMO will be provided to EnergyCo and TransGrid as the Jurisdictional Planning Body in New South Wales.

Please note that material identified as confidential may be given less weight in the decision-making process than material that is published.

Closing Date and Time

Submissions in response to this Notice Consultation should be sent by email to isp@aemo.com.au, to reach AEMO by 5.00pm (Sydney time) on 4 March 2022.

All submissions must be forwarded in electronic format (PDF preferred). Please send any queries about this consultation to the same email address.

Submissions received after the closing date and time will not be valid, and AEMO is not obliged to consider them. Any late submissions should explain the reason for lateness and the detriment to you if AEMO does not consider your submission.

Publication

All submissions will be published on AEMO's website, other than confidential content.