



ElectraNet

52-55 East Terrace
Adelaide South Australia
Australia

31 August 2018

Attention: South Australian Energy Transformation PADR Feedback

Re: Submission on South Australian Energy Transformation PADR

To whom it may concern,

Introduction

Tilt Renewables is pleased to respond to ElectraNet's Project Assessment Draft Report (PADR) for the South Australian Energy Transformation RIT-T. Tilt Renewables generally supports the findings of the PADR but recommends that some aspects of the non-network option be adopted simultaneously with the "Riverlink" option as part of this RIT-T.

Tilt Renewables has an operational capacity of 636 MW of generation throughout Australia and New Zealand and a development pipeline in excess of 3500MW, with more than 1500MW already holding required planning approvals. In South Australia, Tilt Renewables owns Snowtown Wind Farm (101 MW) and Snowtown Stage 2 Wind Farm (270 MW) and has the Palmer Wind Farm, Highbury Pumped Hydro and Snowtown North Solar/BESS projects in its development portfolio.

PADR Assessment

The original "RIT-T: Project Specification Consultation Report" (PSCR) published by ElectraNet on 7/11/2016 states that additional "...interconnection between National Electricity Market (NEM) regions can facilitate greater competition between generation sources, thereby delivering lower overall energy prices for customers, in addition to facilitating an increase in renewable generation and addressing security of supply concerns associated with energy market transition."

The PADR supports ElectraNet's hypothesis that interconnection will deliver lower overall energy prices for customers. Tilt Renewables does not disagree with the PADR's conclusion that the project named "Riverlink" by AEMO has the greatest economic outcome of the projects compared.

It is unfortunate that the PADR does not directly assess the facilitation of an increase in renewable generation as originally considered in the PSCR. Such renewable energy developments will be a leading driver of the transformation of South Australia's energy system. Tilt Renewables notes that ElectraNet has assumed that sufficient infrastructure will be installed outside of this RIT-T to raise the current system strength constraint on inverter connected generators from 1295 MW to 1875 MW without providing adequate justification for that assumption. Clarity on why such an increase is considered realistic is required to support any economic benefit assumed by ElectraNet from the future reduction in New South Wales' electricity prices due to exported low short-run-marginal-cost generation from South Australia.

Although the interconnector will increase the amount of energy that can be transferred in and out of the South Australian region, without additional work to alleviate the system strength constraint further the Riverlink project is only an Energy

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Cost Reduction project rather than an Energy Transformation project. To ensure this RIT-T meets the objective of enabling an Energy Transformation for South Australia, Tilt Renewables recommends that some aspects of the non-interconnector option could be adopted as part of this RIT-T. By still including the appropriate aspects of the non-interconnector option in the overall project, this could be expected to further bolster the economic outcomes from the RIT-T. Updates to the MurrayLink controller, high-inertia synchronous condensers and similar developments listed in the non-network option would assist in connecting additional low-cost energy to South Australia for export to New South Wales when the low cost renewable fuel sources are available, adding to the reduction in overall economic costs.

If ElectraNet cannot consider adopting some aspects of the non-network option in its interconnector option, Tilt Renewables recommends that an additional RIT-T be commenced immediately to assess the most economical way to increase the system strength to facilitate the development of additional, low short-run-marginal-cost generation to be developed in South Australia that can then be exported to reduce the cost of energy in other regions with poorer renewable energy resources.

Yours sincerely,

A handwritten signature in blue ink that reads "Nigel Baker".

Nigel Baker
General Manager – Generation and Trading
Tilt Renewables

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