



meridian

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To Whom It May Concern

South Australian Energy Transformation PADR feedback

Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd (MEA Group) thank ElectraNet for the opportunity to provide comments in relation to its Project Assessment Draft Report (PADR) for the South Australian Energy Transformation Regulatory Investment Test for Transmission (RIT-T).

MEA Group is the owner and operator of the Mt Mercer and Mt Millar Wind Farms, the Hume, Burrinjuck and Keepit hydroelectric power stations and has underwritten a number of offtake agreements for renewable energy across the NEM. MEA Group also owns and operates Powershop Australia, an innovative retailer committed to providing lower prices for consumers which recognizes the benefits for consumers of a transition to a more renewable-based and distributed energy system.

MEA Group is generally very supportive of the modelling and findings in the PADR and has the following comments:

- MEA Group is always supportive of any proposal that lowers the cost of energy for customers across the NEM. A reduction in the cost of energy for SA and NSW customers is good news as is the expected improvement in supply interruptions with the additional interconnector between SA and NSW. On that basis, the preferred option as set out the PADR should be pursued.
- MEA Group queries the decision not to explicitly model FCAS benefits given these costs have been the cause of significant price spikes across SA over the past 5 years growing from \$5 million per annum to above \$50 million per annum.
- MEA Group agrees with ElectraNet's decision to align the modelling and the work streams closely with the outcomes of AEMOs Integrated System Plan.
- MEA Group suggests that ElectraNet identify, during the feasibility stage, the dedicated hubs for connecting large-scale renewable energy projects at logical points along the route.
- MEA Group notes the following comment in the PADR:

"...includes 50% series compensation between Robertstown and Buronga, to reduce constraints that would otherwise occur on the combined capacity of the existing Heywood interconnector and a new interconnector... the exact nature of the configuration of this option will be refined. Series compensation has the potential to restrict the connection of renewable generators to this path which will directly impact on the benefits of this corridor".

MEA Group strongly encourages ElectraNet to complete its modelling in consultation with AEMO to clearly understand the benefits that flow from this option prior to finalising the Project Assessment Conclusions Report (PACR).

- MEA Group also notes the following and suggests this important piece of modelling be completed and published for public review prior to the issue of the PACR in November 2018:

“We are examining the potential benefits of strengthening the link between Buronga in New South Wales and Red Cliffs in Victoria – this would involve an additional 24 km of transmission upgrades likely operating at 220 kV with an estimated cost in the order of \$40 million to facilitate the connection of additional solar capacity in western Victoria providing increased access to the Sydney and Adelaide load centres”.

MEA Group is supportive of the proposed recommendations contained in the PADR and looks forward to the final recommendations contained in the PACR.

If you have any further questions please feel free to contact me.

Yours sincerely



Ed McManus
Chief Executive Officer
Meridian Energy Australia Pty Ltd and Powershop Australia Pty Ltd