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Lodged via email to [rezdevelopment@delwp.vic.gov.au](mailto:rezdevelopment@delwp.vic.gov.au)

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## VicGrid Offshore Wind Transmission Development and Engagement Roadmap: Gippsland and Portland

The Clean Energy Council (**CEC**) welcomes the opportunity to make a submission in response to Offshore Wind Transmission Development and Engagement Roadmap (**the Roadmap**) for the Gippsland and Portland regions by the Department of Energy, Environment, and Climate Action (**DEECA**).

The CEC is the peak body for the clean energy industry in Australia, working with over 1,000 of the leading businesses operating in renewable energy and energy storage. For offshore wind, we represent companies that are actively developing more than 25GW of publicly announced offshore wind projects alongside many more that are yet to be announced. We are committed to accelerating Australia's clean energy transformation and recognise the critical role offshore wind will play in decarbonising the nation's electricity network.

Offshore wind also creates a significant opportunity for investment and economic development: benefits will flow directly from the construction and operation of projects that feed electricity into Australian grids, while also supporting the growth of a hydrogen export industry, which has the potential to contribute to significant amounts of export revenue as our exports of coal and gas decline.

The CEC supports early and transparent engagement with all Traditional Owners partners, in particular the Registered Aboriginal Parties for Gippsland and the Portland areas, the Gunaikurnai Land and Waters Aboriginal Corporation and the Gunditj Mirring Traditional Owners Aboriginal Corporation, respectively, as well as all project stakeholders highlighted in the Roadmap. A clear and coordinated approach to transmission build is essential to ensure the necessary infrastructure can be built with least cost and least impact to communities and the environment, while prioritising project completion in advance of offshore wind capacity.

We appreciate that VicGrid are only in their nascent stages, and the remainder of the submission provides the CEC's feedback on the Roadmap with this in mind.

### Traditional Owners

The CEC recognise Traditional Owners as rights holders and partners in development of offshore wind infrastructure on land and sea country. Ongoing and transparent consultation by VicGrid and Offshore Wind Energy Victoria (**OWEV**) is welcomed by the CEC, and we strongly support the prioritisation of this Partnership in all stages of project development.

### Transmission Build

## **Network Capacity**

We have concern that VicGrid is not adequately planning for transmission build in line with the opportunity for offshore wind developments in the Gippsland and Portland regions. In the first stages of transmission development, VicGrid is only looking to build between 2GW and 2.5GW of transmission capacity, we assume in line with the Victorian Governments target of 2GW by 2032. However given the long lead times for consultations and the substantial cost to build, VicGrid should be planning beyond 2032, especially when the Government is aiming to double this target to 4GW only three years later and then reach 9 GW by 2040.

Without sufficient capacity, or clear guidance as to how newly developed capacity can be expanded on once required, this will severely reduce investor confidence and decelerate the pace of progress in the Victorian offshore wind industry. To stall progress and engagement with developers, Traditional Owner partners, local communities and prospective new industries at such as critical stage would not only be extremely costly but also destroy all the goodwill that has been achieved to date.

Moreover, once awarded, proponents with a Feasibility Licence in the Gippsland region will have seven years to bring their project to commercial readiness. This would require developers who were awarded a licence at the end of 2023/early 2024 needing to be ready for a commercial licence by 2030/2031. Assuming that multiple licences are awarded in Gippsland, there is a real likelihood that the required initial transfer capacity will exceed 2GW by 2032.

Further clarity would also be beneficial in relation to connecting terrestrial transmission infrastructure with offshore substations. We understand this may not be under the remit of VicGrid, however, to avoid 'spagettification' between floating platforms and on-shore assets we would urge consideration as to how this will be coordinated, and if there is suitability for it to be attributed to VicGrid's body of work – as is done in some European jurisdictions. Leadership by VicGrid in this area will also reduce consult fatigue on Traditional Owners and communities, ultimately reducing delay.

We recognise that Feasibility Licences are expected to be awarded within the next six months, and this may provide more direction as to required transfer capacity for the Gippsland transmission connections. If this is a factor, we would urge VicGrid to clearly communicate this contributing element to their thinking in their next phase update.

Finally, with a view to the 9 GW of capacity targeted by 2040, and the potential for the Gippsland declared area to potentially accommodate even more capacity, we encourage VicGrid to explore how these even greater volumes might be accommodated in future, noting that poorly planned radial offshore connections could hinder development of subsequent rounds of projects. The suitability of a ringed network design instead of a single string approach could also be considered.

## **Timeline**

The Roadmap outlines that by end of 2023, VicGrid would like to have selected preferred options for connection points and high level transmission corridors in Gippsland and Portland. The CEC would stress that it is vital for VicGrid to maintain this timeline to allow supporting studies to be completed by offshore wind project developers.

To ensure project developers can achieve first power by 2028 (a target which some developers are working towards), it is imperative that terminal station and shore-crossing locations are confirmed by the end of 2023. Without this information, developers are unable to complete critical works such as obtaining

easements, complete accurate environmental studies and related critical project works. Any delay to the phases outlined in the roadmap will cause substantial and cascading delay to offshore wind developments in Victoria.

### **Victorian Transmission Investment Framework**

We welcome VicGrid drawing on the objectives included in the Victorian Transmission Investment Framework (VTIF) preliminary design, to ensure a more proactive, strategic and adaptive approach to planning this transmission infrastructure. Aligning new transmission to support offshore wind should also be considered in line with Victoria's Renewable Energy Zone (REZ) development.

However, given VTIF is a new process, we are cautious of this adding more time to the process and potentially delaying transmission build. Further guidance on how VicGrid will adopt VTIF and subsequent VTIF recommendations through the planning process would provide greater clarity for all proponents. As highlighted earlier in this submission, any delays to transmission will ultimately be delays on connecting Victoria's offshore wind capacity to the grid.

## **Social and Environmental Considerations**

### **Environmental Impacts**

The offshore wind industry cannot be developed at the expense of the existing environment, biodiversity and flora and fauna in the Gippsland and Portland regions. Without further, more specific guidance on proposed areas for transmission to be built, it is not possible to determine or identify vulnerable environments.

Determining transmission corridor options according to the Roadmap timeline is essential to ensure thorough environmental impact studies can occur. This also includes a time buffer for adjusting proposed corridors should they be deemed inappropriate. Overall, VicGrid must aim to reduce cumulative impacts of land and environment in both the planning and project delivery phase.

### **Landholders payments and benefit sharing**

A coordinated, consistent and meaningful approach to landholder engagements and payments will be imperative to ensure communities and individuals impacted provide their necessary support for transmission build. We support the Victorian Government's announcement for new payment arrangements for directly-impacted landholders of new transmission easements, ensuring this remains in addition to any payment under the *Land Acquisition and Compensation Act 1986*.

### **Providing information to communities**

Throughout the consultation process, communities need to be informed on costs associated with the various build options. For example, the cost and time differentials that can exist between above-ground and underground transmission. Construction lines for underground transmission lines taking three times as long as above ground, with time savings only achieved by adding additional resources, and subsequently, costs<sup>1</sup> (which are ultimately passed on to all electricity consumers). A recent AEMO report notes the range of factors that should be considered by TNSPs when making decisions about project

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<sup>1</sup> Moorabool Shire Council, *Comparison of 500 kV Overhead Lines with 500 kV Underground Cables*, September 2020, p.6

design and technology. The report notes that costs of underground cables are approximately four to 20 times higher than overhead lines.<sup>2</sup>

While underground remains a suitable option for some sections of transmission, such as connecting offshore substations to land, they are not economically viable for the entirety of new-build transmission nor are they without environmental impact. Ensuring accurate and timely provision of this information to communities is essential to avoid delay.

As always, the CEC welcomes further engagement from the Department of Energy, Environment and Climate Action on this reform. Further queries can be directed to Morgan Rossiter at the CEC ([mrossiter@cleanenergycouncil.org.au](mailto:mrossiter@cleanenergycouncil.org.au)).

Kind regards

A handwritten signature in black ink, appearing to read 'N. Aberle', with a stylized flourish at the end.

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<sup>2</sup> AEMO, *Draft 2023 Transmission Expansion Options Report*, May 2023, p.30.