

# VicGrid Market Engagement

Procurement, Delivery and Operations

14 December 2023



OFFICIAL

# Acknowledgement of Country

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.

## Before we start

- You can ask a question at any time during the presentations through the Q&A tool
- Similar questions will be grouped together
- If we can't get to your question today, we'll provide a list of frequently asked questions and responses to all attendees via email

# Today's session



1

About VicGrid

2

VicGrid's Market Observations

3

Market Engagement

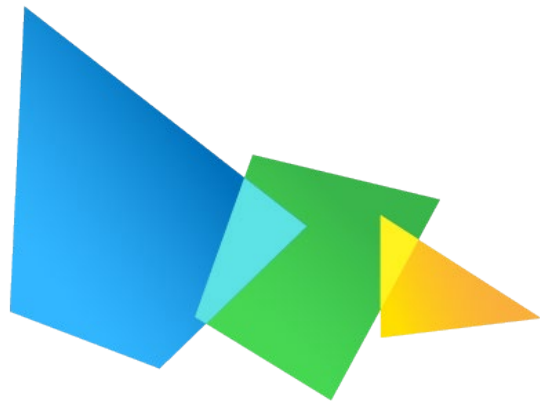
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Q&A



# About VicGrid

# Who are we?



## VicGrid



### Policy

We provide advice to Government to develop policies that apply to how electricity is transmitted in Victoria.



### Planning

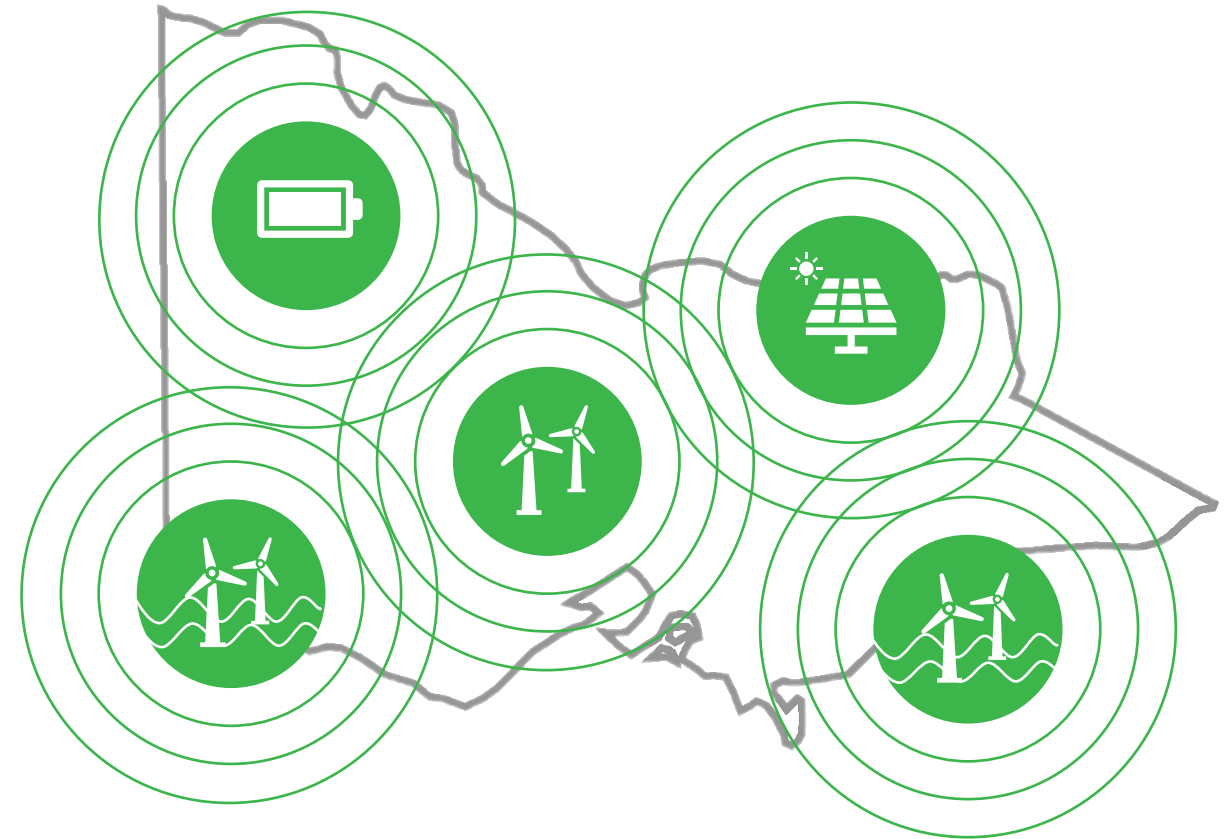
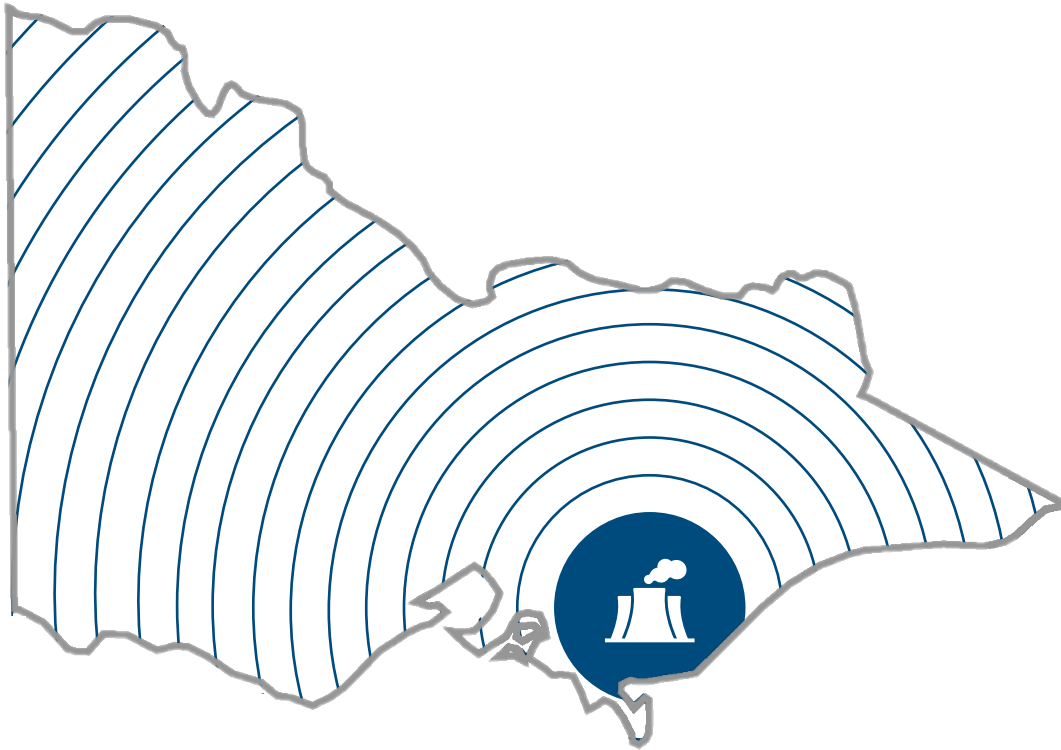
We plan for Victoria's future energy needs through modelling, and detailed engagement with Victorian communities.



### Projects

We oversee the procurement of new transmission projects required for the energy transition (wiring, substations, and batteries)

# The energy transition



**2020s — 2030s**  
Gas-fired station energy phased out

**ENERGY  
TRANSITION**

**2030s — 2040s**  
Full connection to renewable energy



# The Victorian Transmission Investment Framework - Planning



## Strategic Land Use Assessment (2023–24)

- Early and sustained engagement processes
- Strategic land use assessment (SLUA) to identify the most appropriate areas for REZ development, in an inclusive way
- Gather statewide understanding of sentiment towards transmission projects

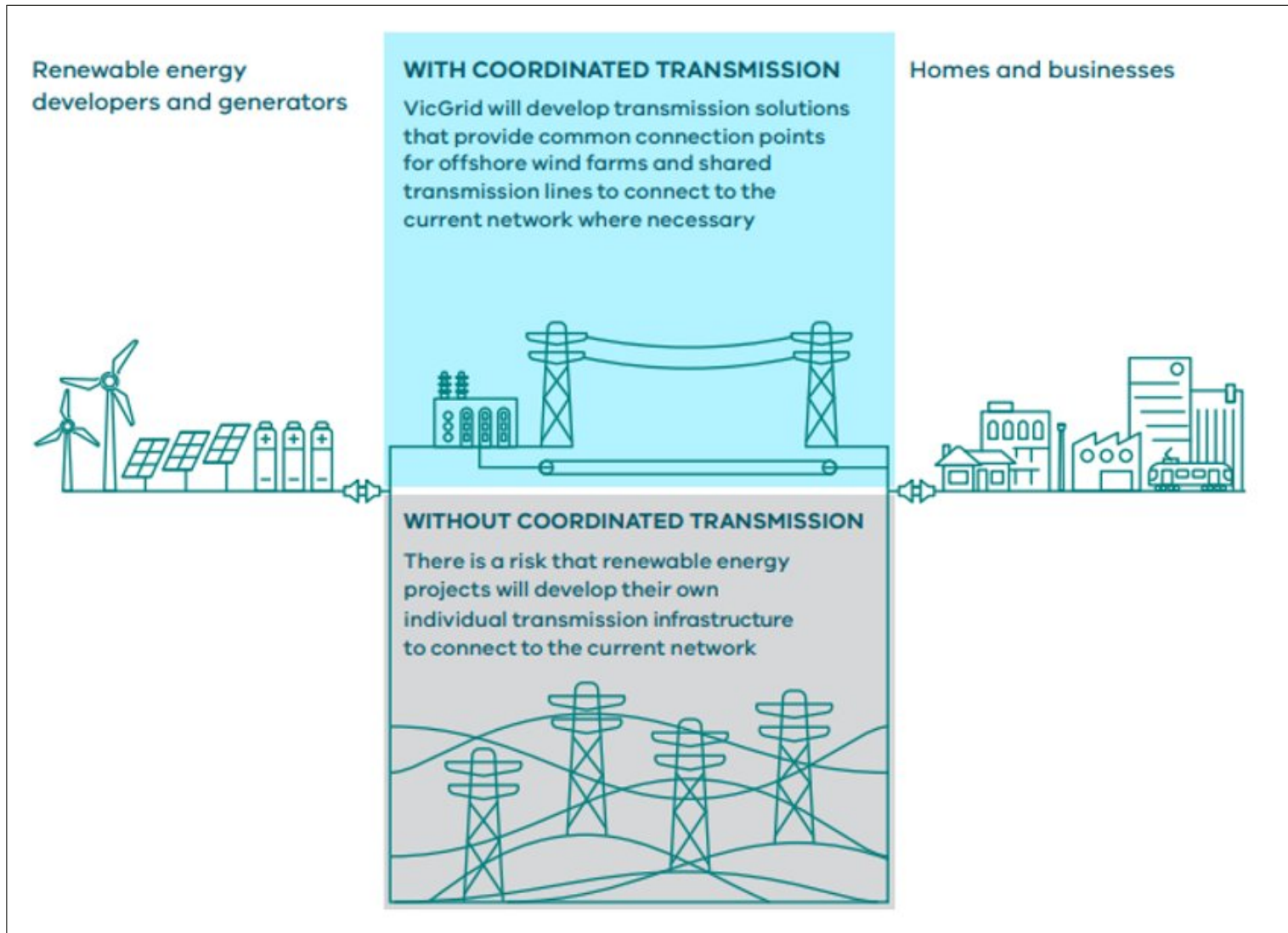


## The Victorian Transmission Plan (2025 release TBC)

- **25-year plan** for Victoria's transmission network
- Designed to encourage timely and efficient investment in transmission, generation and storage projects in Victoria
- Minimise impacts, maximise opportunities and benefits



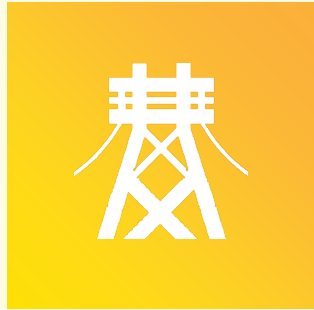
# Offshore wind transmission



The **'spaghetti' effect** is where too many transmission lines are built, unduly impacting communities.

We coordinate of transmission lines with industry to avoid this.

# Current projects in Victoria



VicGrid is currently supporting and partnering with AEMO Victorian Planning who has the statutory responsibility to undertake transmission projects within Victoria. Each project is at different stage of delivery

Western Renewables Link (currently in delivery)

REZ Stage 1 (currently in delivery).

Victoria to New South Wales Interconnector West (VNI West)

Offshore Wind Gippsland

Offshore Wind Portland

Marinus Link



# VicGrid's Market Observations

# Market Observations



Unprecedented change and demand in energy infrastructure



Change is happening globally, impacting supply chains



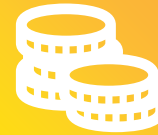
Limited recent experience in implementing large, complex transmission infrastructure



Transmission needs to be built faster than has previously occurred



Investment needs to consider legacy outcomes



Delivery approach needs to minimize cost impact for consumers

VicGrid is seeking to take a snapshot of the market to design future delivery models for transmission infrastructure

# VicGrid's draft procurement objectives:

#	Key area	Objective
1	<b>Sustainable delivery market</b>	Develop a sustainable delivery market that has the capability and capacity to fulfil VicGrid's pipeline of work.
2	<b>Efficient planning and procurement</b>	Improve the efficiency and flexibility of transmission planning and procurement to maximise time savings and minimise delivery costs.
3	<b>Embed local community benefits</b>	Embed enduring community benefits by taking account of history, land use, environmental and social impacts.
4	<b>Minimise impact on consumer costs</b>	Deliver cost effective transmission infrastructure and energy project services that minimise the impact on consumer costs.
5	<b>Accelerated development and delivery</b>	Support the achievement of government timing objectives for meeting renewable energy targets, by seeking opportunities to accelerate transmission project development, procurement and delivery.



# VicGrid's Market Engagement Process

# Why are we asking questions and what will we do with the answers?

To shape important decisions about future project development and procurement approaches, VicGrid is undertaking targeted market engagement to:

- **Identify key risks** VicGrid and the market may face in developing, procuring, delivering and operating transmission infrastructure projects;
- **Understand participant perspectives** on preferred approaches to development, contracting, maintenance, operations and finance; and
- **Ascertain market interest** and capacity to deliver transmission infrastructure.

Insights shared throughout the market engagement process will be used by VicGrid to inform its future procurement approaches

# What is the Registration of Interest?

The objective of the Registration of Interest is to:

- Identify service providers who are interested in working with VicGrid to develop, deliver, construct, operate and / or finance potential future transmission infrastructure projects in Victoria;
- Inform interested parties of the potential projects and key timing considerations; and
- Establish an on-going industry engagement process to continue to cultivate a capable industry that can effectively respond to the anticipated demands.

**The Registration of Interest will not be formally evaluated**



## Next steps

- Use the outcomes from the market engagement questionnaire to inform future delivery approaches and commercial settings
- Establish an on-going industry engagement process to continue to cultivate a capable industry that can effectively respond to the anticipated demands in transmission infrastructure over the next few years.





# Share your questions via the Q&A tool

## **Q&A panel:**

Danny Benjamin, Executive Director, Delivery  
Nishana Perera, Deputy Project Director

# Find out more and stay involved



**Read the market  
engagement material  
shared by VicGrid**



**Respond to the  
questionnaire and ROI by  
5pm 25<sup>th</sup> January 2024**



**Continue to participate  
in any future  
engagement process**



Contact the VicGrid team via: [Market.Engagement.Vicgrid@delwp.vic.gov.au](mailto:Market.Engagement.Vicgrid@delwp.vic.gov.au)

Visit us at: [engage.vic.gov.au/offshore-wind-transmission-in-gippsland-and-portland](https://engage.vic.gov.au/offshore-wind-transmission-in-gippsland-and-portland)



# Thank you

