Gippsland offshore wind transmission study area announced

## 22 March 2024

VicGrid has announced its study area for the new transmission infrastructure needed to transport the energy generated by offshore wind into the electricity grid in Gippsland.

The study area starts about 6 km from the coast near Giffard and travels northwest past Stradbroke West, to Willung, across to Flynns Creek and on to the Loy Yang Power Station (see attached map).

VicGrid chief executive Alistair Parker said the study area and the associated connection hub area had been informed by feedback from local landowners, communities and regional stakeholders as well as by technical work carried out over the course of 2023.

Today’s public release of the study area follows a mail-out to affected landholders over the last week, with VicGrid making every effort to contact all owners and residents of property within the area before a public announcement.

Mr Parker thanked all community members and stakeholders who had taken part in the consultation process to date and said the decision was a starting point for further consultation, technical investigations, and planning and environmental approvals.

“These are difficult decisions and communities have been thoughtful and constructive in sharing their views on the issues that are important to them,” Mr Parker said.

“We are committed to genuinely engaging with and supporting locals and to making sure affected communities see real benefits from this project.”

Offshore wind is set to play a key role in powering Victoria as coal-fired power stations close down. This transmission infrastructure will support the state’s first offshore wind target of 2 gigawatts (GW) by 2032, enough to power 1.5 million homes.

Community feedback informed the assessment method that VicGrid used to balance the relative importance of factors like impacts on the environment, local land uses, cultural heritage and power bills as it made its decisions.

“We heard strong feedback from the community that they wanted us to investigate the use of public land to minimise impacts to local farms and to look at the possibility of aligning with existing infrastructure,” Mr Parker said.

“In response to that feedback, the study area avoids major townships and includes a lower proportion of private land than many of the other options we considered, to minimise the impacts on smaller private landholders and farmers.”

The proposed transmission technology is a double circuit 330 kV or 500 kV overhead transmission line, with further detailed analysis required to determine which is the best operating voltage.

Multiple combinations of technologies were investigated, including fully undergrounding the transmission line. But, after careful analysis, fully undergrounding was ruled out as an option due to challenges including cost, engineering complexity, procurement and timing.

VicGrid’s analysis found an overhead line is estimated to cost between $700 million and $1.5 billion, while undergrounding is estimated to cost between $2 billion and $4.5 billion. Those additional costs would be paid for by all Victorian homes and businesses through higher power bills.

The higher cost of undergrounding was largely due to the additional above-ground infrastructure required and a longer and more complex construction process. Mr Parker said while VicGrid had received feedback that some local communities would prefer underground lines, it had also received feedback that the impact on bills was an important consideration for many.

VicGrid will now work closely with landholders and communities in the study area to narrow it to a preferred corridor. It is also working closely with the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) to understand cultural values.

There will be multiple opportunities for involvement in the next phase of this process and VicGrid’s aim is to improve the project by listening to and learning from landholders and local communities.

Mr Parker said VicGrid understands that the prospect of new energy infrastructure can create uncertainty and concern, and it is committed to supporting locals and being present in the community. VicGrid is offering to visit landholders in the study area, will be running landholder roundtables and is offering landholders a dedicated contact person. VicGrid will also run regular community information sessions and VicGrid staff will be present at community events to hear concerns and answer questions.

VicGrid is tasked with coordinating the development of the transmission to support offshore wind to avoid a situation where multiple developers build their own lines, resulting in greater impacts on local communities, the environment, cultural heritage and power bills.

The Australian Government is currently assessing feasibility licence applications from offshore wind proponents in Gippsland and has recently declared a second offshore wind area off the Victorian coast in the Southern Ocean region. VicGrid will now take time to assess the implications of the Southern Ocean announcement and the area that has been identified.

You can find more information about our decision-making on [VicGrid’s website](http://www.vicgrid.vic.gov.au/offshore-wind-transmission) and register for a community information session at our [Engage Victoria](https://engage.vic.gov.au/offshore-wind-transmission) page.

## Study Area and indicative connection hub

