

Select Committee on Electricity Supply Demand and Prices in NSW

Questions taken on notice for Tom Geiser – Neoen Australia

“Are you able to tell us how much the South Australian 100 megawatt battery cost to build...?”

The construction cost is commercially sensitive, and we cannot divulge it.

“In relation to investment and transmission, how do you see State jurisdictions facilitating that...?”

The NSW government has billions in surplus available to build new infrastructure.

The open access network allows for unregulated assets to be built, but they cannot have guaranteed incomes.

Basslink is an example of this (an unregulated, market interconnector). The Tasmanian government leases the interconnector from a private owner and profits from the interstate trade. They also gain increased diversity and reliability in supply.

A new NSW backbone from QLD to VIC would profit from two interstate flows and could also charge for new generation connections.

Note that overcharging for new connections would stifle generation investment. A cost/benefit analysis should weigh the cash payments against investment and employment.

If this infrastructure qualifies for regulated returns TransGrid (or similar) would happily buy it from the NSW govt.

An alternative funding model would be to have TransGrid (or similar) build and own the infrastructure and the NSW govt. leases it, receiving trade profits.