

Daniel Whiteman

From: Andrew Kingsmill
Sent: Wednesday, 6 March 2024 9:51 PM
To: Undergrounding Infrastructure
Cc: James Hay
Subject: RE: Undergrounding inquiry - Post hearing responses - 16 February 2024
Attachments: Transcript - Undergrounding - 16 February 2024 - Corrections Requested - Hay Kingsmill.pdf;
Letter - Parliamentary Inquiry into Undergrounding - QON & Further Information - March 2024.pdf

Daniel,

Please find attached corrections to the transcript and correspondence with answers to questions on notice and additional information.

Regards,
Andrew.

UNCORRECTED

comments on some of the challenges of balancing those trade-offs and the relative importance of those trade-offs. As Mr Hay has indicated, one of things that we're very much conscious of in consulting with landowners is that different things are important to different landowners. We're certainly open to having those conversations. It then comes down to how you balance those factors and the differences in preferences between stakeholders along the corridor.

JAMES HAY: I think there is also a conversation to be had with our regulators about that, because they tend to associate the community licence with the consumer licence, and they are overlapping but not the same concept. In my experience—and I've done a lot of underground work on different infrastructure—I think the debate around undergrounding high voltage transmission lines still hasn't really looked, particularly from a biodiversity and environmental point, at the nature of the impacts. They are at least as significant as overgrounding. The kind of disturbance and the impact on landowners is much greater. So you've got all these factors. Think about the impact on landowners. The impact on landowners of the undergrounding construction process is enormous, and then the access for maintenance is significant.

You've got these joining stations about every kilometre, or maybe every 800 metres, over those lands, and those are not insignificant surface structures on their land that need to be accessed, and you need to not have certain activity on top of those cables. In our submission we talked about the trench being well over 40 metres. The construction of that will be another 40 metres outside that, and every inch above the ground has got to be affected. The biodiversity and environmental impacts of that I don't think have been fully appreciated or understood.

The CHAIR: I will jump in with one last question. How are the impacts of severe weather events on transmission infrastructure—not just now but in 20 or 30 years—factored into your decision-making now? How does that happen?

JAMES HAY: I will let Andrew expand on that but, absolutely, we have an advisory committee. One of the things they charged us with in doing our evaluation was to think not just about today but more and more extreme weather events and the effect of that on our infrastructure.

ANDREW KINGSMILL: We've looked at it largely in terms of the build standards that we specify for, in our case, transmission lines and substations. After the event in South Australia in 2016, where towers came down, and the event a few years ago in Victoria, ~~and obviously the most recent one this week we looked at, as did~~ but obviously not yet the most recent one this week we looked at, as did the whole industry, the nature of the winds, the nature of the downbursts, the microbursts, that caused those events. We have adopted build standards that would withstand those events going forward. There is always a balance in terms of cost versus resilience. I know that in Queensland, when they designed their transmission lines, they designed them to cyclonic wind ratings where they are in that part of the State. I think design standards are fairly key there, but I can assure the panel that we have taken that into account in our design standards.

The Hon. EMILY SUVAAL: Thank you both, again, for appearing today. I wonder if you could clarify for the Committee what EnergyCo's role is and how this is different to a company like Transgrid or Ausgrid?

JAMES HAY: What was missing from when the last set of transmission lines were built, which Mr Buttigieg is very well aware of, is the common ownership through the State. EnergyCo was seeing there that when you are building generation transmission and now storage, you need coordination. So our role is—we are not a profit-based organisation—to look at the practical, on-the-ground coordination of investment in those three things, which is essential for this energy transition. Section 63 of the Electricity Infrastructure Investment Act sets it out, along with the objectives of the Act. These things don't happen unless they are coordinated. If you build transmission lines and don't have the generation coming on at the same time, you get the upward pressure on costs for consumers without the offsetting downward pressure of the new generation. That coordination is vital.

That's the essence of what we saw. The National Electricity Market had for many years had a reform called COGATI, which stands for the coordination of generation and transmission investment, but it was very economically driven. We've tried to bring that on the ground and with the objective that I have referred to before in the Act of working with the local communities and recognising that they are not the same as the consumer interest.

The Hon. EMILY SUVAAL: On that, has the current Government sought to provide more resources to EnergyCo to enhance that community engagement piece?

JAMES HAY: Yes, but more resources across the board so that we have a longer, deeper engagement. We can employ more employees. That takes time to bring in those people, to find the right people, and to compete for the right people, I'd also add. It is a process that we're absolutely making great progress on, we're committed to so that we have the right people in the right place. We now have senior executives in place in the regions. We