

Submission
No 112

**INQUIRY INTO FEASIBILITY OF UNDERGROUNDING
THE TRANSMISSION INFRASTRUCTURE FOR
RENEWABLE ENERGY PROJECTS**

Organisation: Business Snowy Valleys

Date Received: 14 July 2023

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The Hon Emily Suvaal, Committee Chair,
Inquiry - Feasibility of undergrounding the transmission infrastructure for renewable energy projects
Standing Committee on State Development
Parliament House
6 Macquarie Street
SYDNEY NSW 2000

14th July 2023

Dear The Hon Emily Suvaal MLC,

Re: Feasibility of undergrounding the transmission infrastructure for renewable energy projects

Thank you for the opportunity for Business Snowy Valleys to make a submission to this important inquiry into the feasibility of undergrounding transmission infrastructure for renewable infrastructure projects.

Business Snowy Valleys is the peak business organisation in the northern district of Snowy Valleys LGA. Our business chamber is highly concerned about the impacts the planned above ground Humelink project will have on our local economy for the next century.

Social Licence

To date there has been little to no consideration of the social licence for the project's impacts on the economies through which the transmission lines will pass. The Federal Energy Minister, Chris Bowen MP, on 15 May 2023, expressed that when it comes to transmission, social licence is the most important issue the energy sector faces.

The question then arises as to why other communities have the social licence to build above ground transmission lines that will be to the detriment to other communities - namely, those communities located underneath and nearby to the Humelink path? Why do they get to destroy our local economies and inhibit the opportunities available to regional NSW for the life of the asset?

The Regulatory Investment Test for Transmission (RIT-T) process is seriously flawed, as Chris Bowen noted in his recent address, because it was designed for small grid augmentations not large scale transmission projects. Further to that, he recognised that a cost-benefit analysis does not take account of the views of local communities and is not a fit-for-purpose process.

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Contingent valuation (CV) is a stated preference method used to estimate the value of non-market goods and services. In the context of high-voltage power lines, CV can be used to estimate the value of the environmental and social impacts of these lines. CV has not been included in the RIT-T process for the Humelink project but is being applied to other renewable energy and transmission projects in NSW, particularly those located with Renewable Energy Zones (REZ).

Visual Amenity and Economic Impacts

High voltage above ground transmission lines can have a significant impact on the visual amenity of an area. This is especially true in areas with scenic views or significant cultural or historical value.

The visual impact of transmission lines can have a number of negative consequences. It can:

- Reduce property values: Property values in areas with overhead transmission lines are often lower than property values in areas without overhead transmission lines.
- Detract from tourism: Overhead transmission lines can detract from the tourism appeal of an area. Tourists may be less likely to visit an area if they are concerned about the visual impact of overhead lines. *"The Effect of High-Voltage Transmission Lines on the Value of Rural Tourism Properties" (2017) by the University of Reading*
- Reduce the quality of life & impact the mental health of local residents: Residents may be concerned about the visual impact of the lines, and they may also be concerned about the potential health effects of living near the lines whether actual or perceived. Murrumbidgee Health Services (MHS) undertook a study in 2019 to investigate the mental health impacts of transmission lines in the Snowy Valleys LGA. The study was conducted in partnership with the University of Sydney and the University of New South Wales. The study did suggest that some people who lived near transmission lines may be more likely to experience anxiety, stress, and difficulty sleeping.

The NSW government has a clear desire to increase tourism and specifically agritourism in Regional NSW. This was identified in the Future Ready Regions Strategy to help drought proof Regional NSW. The Destination Riverina Murray Destination Management Plan (DMP) places high importance on agritourism and the Snowy Valleys LGA as an area with great potential to implement this drought proofing. Mental health impacts to the farming community and it's associated industries must also be included with Drought Proofing Regional NSW. See *"The Impact of High-Voltage Transmission Lines on Agritourism" (2016) by the University of Exeter.*

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The visual amenity costs and economic impacts of above ground transmission lines are an annual cost to the community. These costs need to be factored into the project implications of building above-ground versus the near zero visual amenity and economic costs of building underground.

Renewable Energy Zones (REZ)

Why is the Snowy Valleys not already a designated REZ?

We meet all the criteria for having renewable energy projects such as pumped hydro (Snowy 2.0), the 400Mw Jeremiah wind farm, along with a proposed 2.5GW wind farm being developed by Forestry Corporation and with the associated large-scale transmission lines. In our LGA alone this would mean a generation capacity of 4.9GW which is 63% greater than the already designated Central West Orana REZ. This designation would ensure that annual benefits flow directly to our entire community instead of only to affected landholders for the life of the transmission line assets if they were built above ground. This social licence however can be bought by putting the transmission lines underground instead of lifetime annuity payments.

We urge the Standing Committee to recommend that undergrounding is the best way forward for renewable energy transmission in NSW. As we transition to net zero emissions we need environmentally responsible transmission as well as generation.

Yours sincerely,

Natalie Randall

President