

Submission
No 32

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

Organisation: Business NSW.
Date Received: 10 November 2023

BUSINESS NSW

8 November 2023

Select Committee on the Feasibility of Undergrounding the Transmission Infrastructure for Renewable Energy Projects
Legislative Council
6 Macquarie Street, Sydney
NSW 2000

Dear Committee

Inquiry into the feasibility of undergrounding the transmission infrastructure for renewable energy projects

As NSW's peak business organisation, Business NSW has almost 50,000 member businesses across NSW. We work with businesses spanning all industry sectors including small, medium, and large enterprises. Operating throughout a network in metropolitan and regional NSW, Business NSW represents the needs of business at a local, state, and federal level.

Business NSW strongly opposes proposals to underground transmission infrastructure at scale in NSW. We support the findings of the previous Standing Committee inquiry in rejecting the undergrounding of HumeLink and other proposed transmission projects.

Undergrounding transmission infrastructure entails a significant additional cost, which will ultimately be borne by energy consumers, including business consumers. Depending on the project under consideration and the terrain it crosses, these costs may be anywhere between 2x and 10x the costs of standard overground construction. In return for this extra cost, no tangible additional benefit accrues to those consumers over and above what would be delivered by an overground line.

Furthermore, significant changes to the scope and construction methodology of transmission links will only further delay what has already been a lengthy process suffering overrunning timetables. These delays will ultimately push back further the ability to connect new generation capacity, slowing down the energy transition in NSW.

Across NSW, Energy Co and Transgrid have stepped up their efforts to pro-actively engage with our members and the business communities. This improvement should be recognized and commended. It also shows the better path to improving community acceptability of transmission and other energy infrastructure.

Rather than contemplating undergrounding proposals which will only drive-up costs further, Business NSW encourages policymakers to concentrate efforts on measures that can reduce the time needed for approvals and improve cost-effectiveness of delivery of transmission infrastructure, so that the major task of upgrading the nation's transmission infrastructure does not impose excessive costs on energy consumers.

The business community supports progress towards net zero, however the costs of the transition need to be managed. Cost-effective decisions, such as rejecting calls to underground cables, will help keep costs under control and retain the support of energy users for the transition.

The proposal to underground parts of the transmission network is unrealistic. Undergrounding is not a straightforward engineering exercise, and the result would be a huge additional cost imposed on the state's businesses, at a time when they can least afford additional pain.

If you have any questions about this submission or would like to discuss it further, please contact Simon Moore, Senior Policy Manager, Infrastructure at Business NSW

Yours Sincerely,

David Harding
Executive Director, Policy and Advocacy
Business NSW

Simon Moore
Senior Policy Manager, Infrastructure
Business NSW