

HumeLink Alliance Inc.

Andrea Strong, President

Correspondence to: [REDACTED]

Mr JIM COX,
Deputy Chair, Board of Directors,
Australian Energy Regulator
Level 35, The Tower
360 Elizabeth Street Melbourne Central,
Melbourne VIC 3001

By email to [REDACTED]

June 17, 2024

Dear Mr Cox,

Re: Failure of Transgrid's *Submissions Report - The HumeLink Project – Material change in circumstance assessment* to address serious concerns

We have received Transgrid's *Submissions Report - The HumeLink Project – Material change in circumstance assessment* (Submissions Report – MCC).

The Submissions Report – MCC is exceedingly disappointing and fails to address the serious concerns raised in our submission to the MCC assessment. We refer you to our submission for the detail of our concerns (attached). Some of our main concerns are summarised below:

1. The need to assess an underground option for the HumeLink project, now that the feasibility of undergrounding HumeLink has been proven¹;
2. The unbalanced assessment of options 1C-new, 2C and 3C, with unjustified higher costs assumed for 1C-new and 2C. In the case of option 1C-new, this option follows the exact same route as 3C but is 93 km shorter, and yet biodiversity offset costs are assumed to be over \$150 million more;
3. The implausible benefits of the HumeLink project estimated in the MCC assessment modelling, that are wholly inconsistent with AEMO modelling;
4. The assumption that the project cost will be \$237m lower by going with a variable contract, when this is more likely to lead to an increase in the eventual cost of the project;

¹ Amplitude Review

https://www.stophumelink.com.au/files/ugd/805824_0e929837d10241e28e148cdfdaa30241.pdf

5. The assumption that biodiversity offset costs of the project have dropped half a billion dollars since 2021, when Transgrid stated to the community at the March 2024 Community Consultative Group meeting that the project size had increased since the Environmental Impact Statement in August 2023, because of additional access tracks needed. It is understood that new tracks are required, but also where Transgrid is using existing tracks, those tracks need to be significantly widened, from 2 - 3 metres to 6 - 10 metres. One landowner has reported as a consequence a further 800 trees and shrubs will be cleared on their property, meaning the project will clear over 1000 native species trees and shrubs on that one property alone;
6. The fundamental change in modelling assumptions which limits Snowy 2.0 capacity without Humelink, that haven't been independently verified, and mean that the remaining cost of Snowy 2.0 is a cost for the Humelink project; and
7. The failure to comply with the national electricity rules (NER) by not undertaking the MCC assessment prior to the Humelink Contingent Project Application – Stage 2 (CPA2).

The extent to which the analysis and facts are being misrepresented in this Submissions Report – MCC is made clear by Transgrid claiming that the overhead option has less environmental impacts than the underground option. This is inconsistent with all independent evidence, including environmental awards for underground projects, the assessments made by private companies in Australia when undertaking undergrounding options, and the justification for undergrounding transmission internationally.

Transgrid also includes misinformation about the findings of the NSW parliamentary inquiries into the feasibility of undergrounding transmission, with the Submissions Report – MCC stating:

*'The 2023 NSW Parliamentary Inquiry into the feasibility of undergrounding transmission infrastructure concluded that the cost of undergrounding HumeLink was likely to be around \$11.5 billion. **This inquiry took Amplitude's undergrounding feasibility review into consideration.** Following this inquiry, the NSW Parliament formed a Select Committee to examine the feasibility of undergrounding of transmission infrastructure for renewable energy projects. Transgrid presented to the Select Committee in February 2024. **The Committee's report, in March 2024, did not dispute the \$11.5 billion cost estimate.'***

Although Transgrid states that the first inquiry considered the Amplitude Review of the Transgrid/GHD HumeLink undergrounding study, the Amplitude Review was not completed until October 2023, after first inquiry tabled its final report on August 31, 2023, and so the Amplitude Review was not considered in the first inquiry.

Further, Transgrid states the second inquiry '*did not dispute Transgrid's \$11.5 billion cost estimate*' for undergrounding HumeLink. This is also false. The second NSW parliamentary inquiry that did consider the Amplitude Review, stated:

*'The **release of the Amplitude report following the tabling of the first inquiry report challenged many of the costings** relied on to initially justify the overgrounding of the HumeLink infrastructure. Furthermore, Transgrid's evidence in the first inquiry that there*

was a 30 per cent increase in the initial stated project cost, from \$3.3 billion to \$5 billion adds weight to the calls from some witnesses for the HumeLink to be resubmitted in the RIT-T.²

Therefore, the Select Committee of the second NSW parliamentary inquiry stated that the Amplitude Review challenged the \$11.5 billion cost to underground HumeLink, and this, combined with the cost blowout of the overhead option, further supports calls for the reapplication of the RIT-T to the HumeLink project.

We maintain because of the bias in the MCC assessment and the absence of the consideration of a now feasible underground option, Transgrid's MCC assessment has entirely failed to establish that the preferred option of the HumeLink Project Assessment Conclusions Report (PACR) is still the preferred option for the project. Therefore, without doubt the RIT-T must be reapplied to the HumeLink project.

We ask for a meeting with you at your earliest convenience to discuss the failure of the Submissions Report – MCC to address our serious and valid concerns with the MCC assessment.

Yours sincerely,

A black rectangular redaction box covering the signature of Andrea Strong.

Andrea Strong,
HumeLink Alliance Inc.

² <https://www.parliament.nsw.gov.au/lcdocs/inquiries/3002/Report%20No.%201%20-%20Select%20Committee%20on%20the%20Feasibility%20of%20Undergrounding%20the%20Transmission%20Infrastructure%20for%20Renewable%20Energy%20Projects%20-%20Tabled%2028%20March%202024.pdf> , page 48.