# ANZIP AUSTRALIA NEW ZEALAND INFRASTRUCTURE PIPELINE

The Australia & New Zealand Infrastructure Pipeline (ANZIP) provides a forward view of public infrastructure activity across Australia and New Zealand, providing certainty of the forward work programme to investors, constructors, governments and other agencies. ANZIP informs industry of where and what infrastructure opportunities are available, and when they come to market by tracking greenfield and brownfield transactions from when they are proposed, until they reach contractual and financial close.


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ANZIP AUSTRALIA & NEW ZEALAND INFRASTRUCTURE PIPELINE

# STATUS DEFINITIONS

### Prospective pipeline
Greenfield (construction) or brownfield (government asset divestment) projects needed or likely to occur within the next five years, but is not formally proposed by a state, territory or major local government.

### Credibly Proposed
The project or divestment is supported by a state, territory or major local government, is subject to studies or other processes (such as pre-feasibility or scoping studies or business case development), and is likely to proceed to formal announcement

### Announced
The project has a firm commitment and timeline from a state, territory or major local government, but has not yet entered the market.

### Under procurement
The project or transaction is under procurement (such as a call for Expressions of Interest, requests for tender, or another offer to the market).

### Preferred bidder announced
A preferred bidder has been selected and is in exclusive negotiations.

### Recently closed
Projects that have progressed to contractual close remain on ANZIP for 12 months.

### Disclaimer


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NEW ZEALAND TRADE & ENTERPRISE

Australian Government Department of Infrastructure and Regional Development

Australian Government Infrastructure Australia

# VICTORIA TO NSW INTERCONNECTOR WEST

**PROJECT PIPELINE STATUS**

Prospective pipeline | **Credibly proposed** | Announced | Under procurement | Preferred bidder announced | Recently closed

**STATUS:** Credibly proposed

**SECTOR:** Energy

**JURISDICTION:** VIC, NSW

**PROCUREMENT APPROACH:** Unknown

**TYPE:** Greenfield

## Project Summary

The Victoria to NSW Interconnector West (VNI West) involves the development of new 500-kilovolt high-voltage alternating current (HVAC) interconnector between the Snowy Mountains region and Melbourne to increase transfer capacity between New South Wales and Victoria.

The project (formerly referred to as KerangLink) was listed as priority project in the Australian Energy Market Operator's (AEMO) 2020 Integrated Systems Plan. The ISP notes that the final scope and route selection for the project is yet to be decided. The ISP lays out two possible routes for the transmission line:

- a new substation north of Ballarat to Bendigo to Shepparton to Wagga Wagga (Shepparton Route), or
- a new substation north of Ballarat to Kerang to Darlington Point (or Dinawan) to Wagga Wagga (Kerang Route).

AEMO's 2020 ISP estimates that the Shepparton Route has a cost of between $1.2 billion and $2.2 billion, with a modelled cost of $1.73 billion, including early works up to $150 million. The cost for the Kerang Route is estimated by the ISP to be between $1.7 billion to $3.1 billion, with a modelled cost of $2.4 billion, including early works up to $200 million.

A number of options are being considered, including augmentation of the existing VNI corridor, potential connections via Bendigo, Shepparton, or Kerang, and potential expansions to accommodate renewable energy zones.

## Key Dates

**December 2019**: AEMO and TransGrid published a Project Specification Consultation Report (PSCR) seeking submissions on several transmission investment options currently under consideration. Submissions closed in March 2020.

**2027-28:** Estimated project completion, subject to approvals.

## RELATED RESOURCES

- Integrated System Plan
- Integrated System Plan: Action Plan
- Integrated System Plan: Insights
- AEMC: Last Resort Planning Power - 2018
- TransGrid Project Page
- AEMO Project Page
- RIT-T Project Specification Consultation Report - December 2019
- AEMO 2020 ISP

## Project History

**July 2020**: In its 2020 Integrated System Plan, AEMO identified VNI West as a critical project and provided updated costings for the project.

**Dec 2019**: AEMO and TransGrid commenced joint RIT-T process.

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## Further information

From December 2019 to March 2020, AEMO and TransGrid received submission on several transmission investment options including:

- Augmentation to the existing Victoria to NSW interconnector corridor
- augmentation on new corridors via Bendigo or Shepparton terminal stations
- augmentation on new corridors via Kerang terminal station, and
- potential expansions from Kerang to Red Cliffs, or Shepparton to Glenrowan terminal stations to accommodate renewable energy zones identified in the ISP.

In December 2019, AEMO and TransGrid commenced a joint RIT-T aims to assess the technical and economic viability of expanding interconnector capacity between Victoria and New South Wales, and realise net market benefits by:

- efficiently maintaining supply reliability in Victoria following the closure of further coal-fired generation and the decline in aging generator reliability - including mitigation of the risk that existing plant closes earlier than expected
- facilitating efficient development and dispatch of generation in areas with high quality renewable resources in Victoria and southern New South Wales through improved network capacity and access to demand centres, and by
- enabling more efficient sharing of resources between NEM regions.

In July 2019, AEMO released an Insights paper in support of the 2018 Integrated Systems Plan that the most optimal outcome could be having KerangLink in 2026-27 commissioned around the same time Snowy 2.0 finished.

**Last reviewed:** 14/08/2020