

We're changing the way we plan and develop electricity transmission infrastructure in Victoria, to ensure it benefits all Victorians

What is the Victorian Transmission Investment Framework?

The Victorian Transmission Investment Framework is a new framework for how major electricity transmission infrastructure and Renewable Energy Zones (REZs) will be planned and developed in Victoria to ensure that cheaper, more reliable renewable energy can be delivered to homes and businesses across the state.

The new framework has five core elements of reforms:

- 1 A Victorian transmission planning objective that incorporates environmental objectives and the state's needs in response to the transition to renewable energy.
- 2 A planning process for new major transmission infrastructure and REZs for the next 25 years. As a result of this process, a Victorian Transmission Plan will be published every 4 years. This Plan will prepare Victoria for a range of possible future scenarios in a way that minimises the risk of both under-investment (not being prepared) and over-investment (building more than is necessary).

Importantly, Traditional Owners, local communities, landowners and other regional stakeholders will feed into this planning process early, well before transmission routes are determined.

- 3 A new approach to specifying and procuring projects to meet Victoria's transmission needs, ensuring timely delivery and value for money.
- 4 New arrangements (access scheme) to encourage more renewable energy developers into Victorian REZs by making it easier for new projects to connect to the grid, and providing greater certainty that renewable electricity generated can get to homes and businesses where it is used.
- 5 Place-based approaches to engagement and benefits for impacted Traditional Owners, local communities and landowners. The focus is on collaborative, long-term approaches to build thriving communities delivered in a defined geographic location.

Why do we need these reforms?

As Victoria's ageing and increasingly unreliable coal-fired power stations retire, more and more renewables – paired with battery storage – will provide the state's electricity as part of our energy transition.

New transmission is critical to our clean energy transition

That's why we are working on transmission network upgrades across the state. This will improve and modernise the grid to connect the areas where sun and wind are abundant so more renewables can flow through Victoria. This will deliver a cleaner, cheaper, stronger energy system for all Victorians.

We are introducing changes to make sure this is done in a timely way that reduces impacts and provides benefits for affected host Traditional Owners, local communities and landowners.

Circumstances have changed markedly since the current transmission planning framework was first introduced in the 1990s. It was not designed to meet a rapidly evolving energy system.

Community needs to be at the heart of our planning. The current transmission planning process does not adequately consider community views, as well as environmental and land-use issues early in the process.

That's why we will introduce new legislation into Victorian Parliament in 2024 to change the way electricity transmission infrastructure in Victoria is planned and developed.

The new framework has been developed following public consultation

Read the summary report of findings at engage.vic.gov.au/victorian-transmission-investment-framework

How will the new framework affect communities?

Strategic Land Use Assessments

The new framework will introduce a strategic land use assessment (SLUA) process. This will give Traditional Owners and community the opportunity to have their say, earlier in the process.

This tool will be used to identify the most appropriate areas to locate transmission, generation and storage infrastructure in Victoria, taking into account Traditional Owner and community values, priorities and concerns. This will happen before a major transmission project or preferred route is chosen, reducing impacts as much as possible.

The SLUA process has two phases:

Phase 1 Landscape level suitability assessment

Phase 2 Detailed identification of transmission corridors

What does this mean for planning and environmental approval processes?

The new framework does not change the planning and environmental approvals processes for transmission infrastructure.

When will government commence work on the first strategic land use assessment?

A range of activities are part of the first SLUA, including a state-wide survey of community landscape values which will commence late 2023.

These activities will identify draft REZ Priority Areas for consultation in early 2024 and inform a draft Victorian Transmission Plan for consultation by late 2024.



Acknowledgement of Traditional Owners









We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.

When and how will I know whether I will be located in, or near, an area that will host new transmission infrastructure?

The new planning process includes four key milestones to provide Traditional Owners and community with greater transparency about transmission infrastructure identified in the Victorian Transmission Plan. With each milestone, the identification of relevant communities and stakeholders becomes more specific.

 	 	 	 
Publish REZ Priority Areas	Publish draft Victorian Transmission Plan	Publish draft REZ declaration	Publish REZ declaration
<p>Phase 1 of the SLUA will identify REZ Priority Areas (around 20-50km across) within Victoria's REZs (as shown in Figure 1) that are best suited for generation and transmission development, as well as areas where development should be minimised or avoided.</p>	<p>Following identification of REZ Priority areas, Phase 2 of the SLUA commences to identify preferred corridors for locating transmission within each REZ Priority Area.</p>	<p>VicGrid will publish a draft declaration seeking feedback from the public and engage directly with stakeholders in the areas in which declared REZs and major transmission projects are being proposed.</p> <p>REZ declarations will specify geographical areas with new transmission infrastructure supporting expected renewable energy generation.</p>	<p>Geographical areas identified in the final Victorian Transmission Plan will be declared in a sequential manner, driven by the needs and timing of the Plan. The REZ declaration process will set out:</p> <hr/> <p>Geographic boundary of the REZ, typically determined using outputs from the SLUA.</p> <hr/> <p>Transmission hosting capacity and infrastructure within the REZ.</p> <hr/> <p>Access scheme that will apply within the REZ to incentivise investment.</p> <hr/> <p>Identification of host communities for the purposes of engagement and benefits.</p>

Partnering with Traditional Owners and community

The scale of change required to meet the state's future energy needs means development of renewable energy infrastructure will bring both challenges and opportunities for some communities.

Alongside better co-ordination and planning, we need genuine partnerships with Traditional Owners, communities and key industries like agriculture.

The new framework will offer early, deeper and on-going engagement opportunities to influence the planning and development of major transmission infrastructure and REZs. We will establish a centralised engagement function and a range of place-based measures.

Centralised community engagement function

A dedicated, centralised community engagement function will oversee engagement standards to ensure consistent, high-quality engagement is being delivered across REZs. This function will also play an active role in raising community awareness and understanding of why large-scale transmission is critical in the context of the energy transition, how these projects and broader REZ development will affect communities, and the potential opportunities from REZ development.

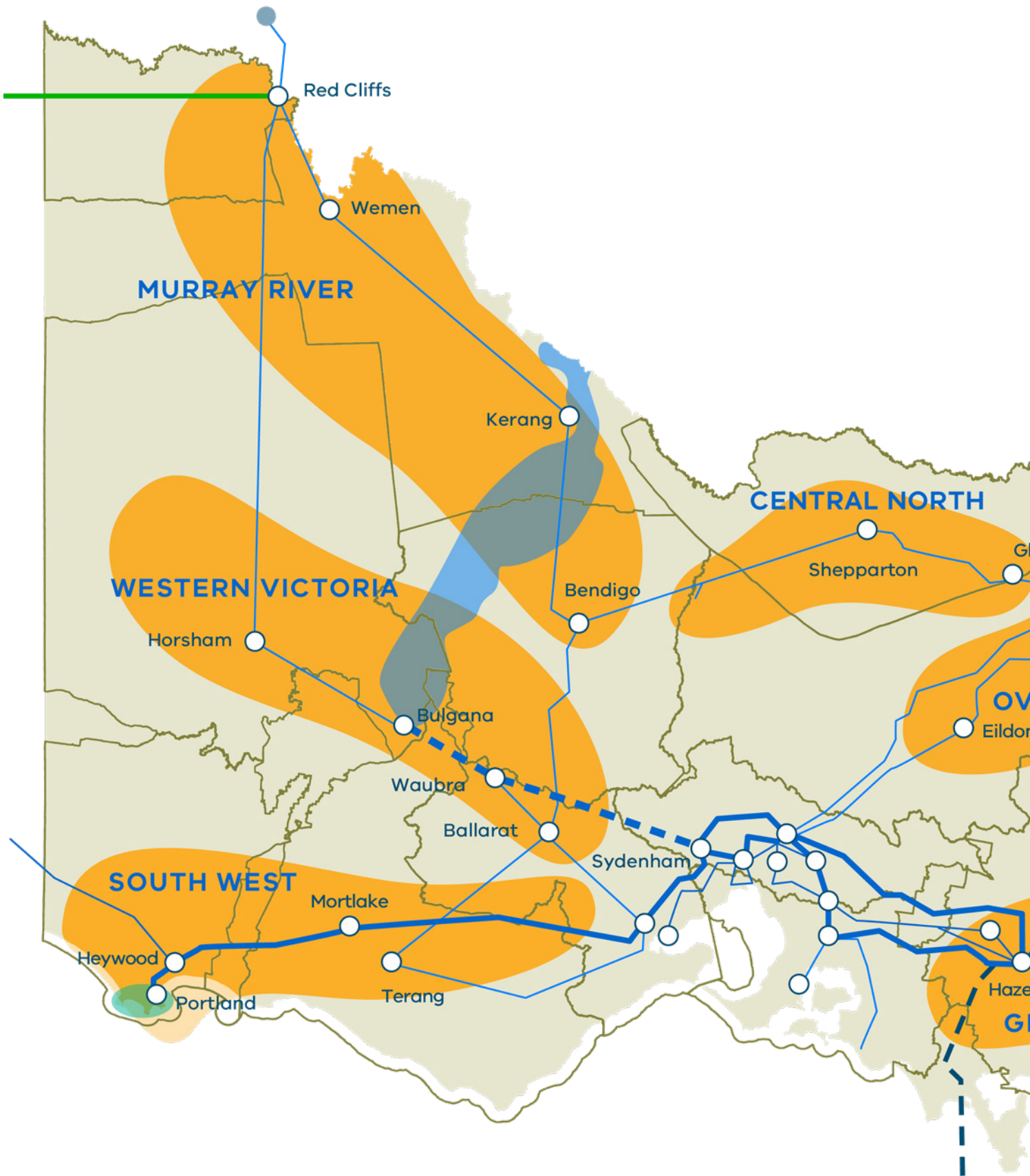
Place-based measures

Place-based measures will help tailor engagement to the needs of the stakeholder groups within REZ communities and the stage of the planning and development lifecycle and include:

- Use of representative, local reference groups as advisory bodies in each REZ.
- A physical presence in local communities, employing local staff to build trust and confidence in the planning process.
- A framework for government-industry-community partnerships to minimise adverse impacts and maximise regional development opportunities.



Victorian Renewable Energy Zones



New major transmission links under development

INTEGRATED SYSTEM PLAN



Western Renewables Link (WRL)

PROPOSED ROUTE

New 190km high voltage overhead transmission line from Sydenham to Bulgana in Victoria's west



VNI-West¹

AREA OF INTEREST FOR CURRENT PREFERRED PROJECT OPTION 5A (TO BULGANA)

New high voltage overhead transmission line connecting Victoria and NSW. Option 5A connects WRL (at Bulgana) with EnergyConnect (at Dinawan) via a new terminal station near Kerang, and crossing the Murray River north of Kerang



MarinusLink

PROPOSED ROUTE

New 1500MW undersea and underground electricity connection to further link Tasmania and Victoria.

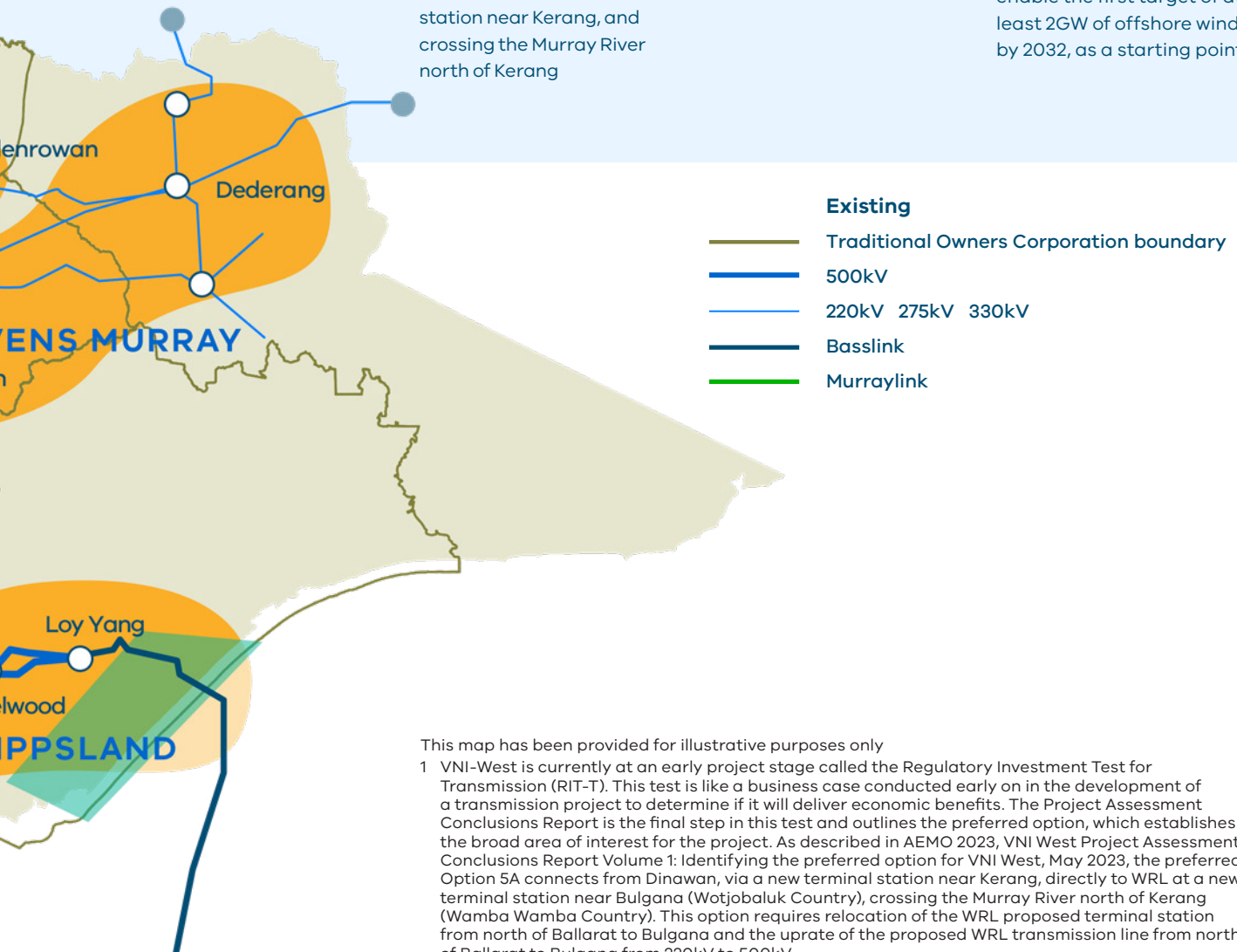
REZ DEVELOPMENT



Offshore Wind Transmission²

AREA OF INTEREST FOR OFFSHORE WIND CONNECTION POINTS

Development of transmission infrastructure to provide coordinated connection points for offshore wind developers in Gippsland and Portland to enable the first target of at least 2GW of offshore wind by 2032, as a starting point.



This map has been provided for illustrative purposes only

1 VNI-West is currently at an early project stage called the Regulatory Investment Test for Transmission (RIT-T). This test is like a business case conducted early on in the development of a transmission project to determine if it will deliver economic benefits. The Project Assessment Conclusions Report is the final step in this test and outlines the preferred option, which establishes the broad area of interest for the project. As described in AEMO 2023, VNI West Project Assessment Conclusions Report Volume 1: Identifying the preferred option for VNI West, May 2023, the preferred Option 5A connects from Dinawan, via a new terminal station near Kerang, directly to WRL at a new terminal station near Bulgana (Wotjobaluk Country), crossing the Murray River north of Kerang (Wamba Wamba Country). This option requires relocation of the WRL proposed terminal station from north of Ballarat to Bulgana and the uprate of the proposed WRL transmission line from north of Ballarat to Bulgana from 220kV to 500kV.

2 Offshore Wind Implementation Statement 1, October 2022, p12-13

Creating funds for community benefits and Traditional Owners

An important part of the new framework is introducing community benefits so that Traditional Owners and communities that host new transmission infrastructure also directly benefit through that development.

To achieve this, the new framework will introduce:

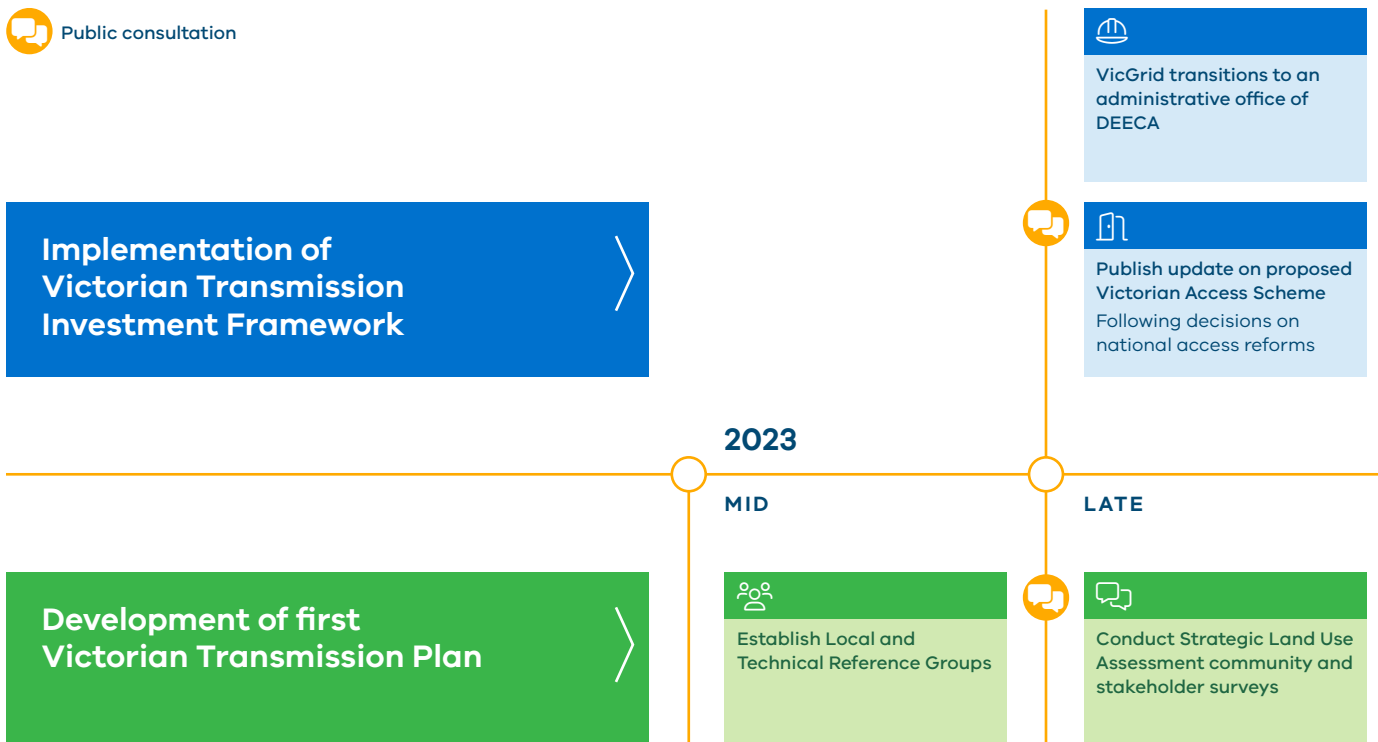
- Additional payments to private landholders hosting easements for major new transmission infrastructure, recognising their important role in the energy transition and the impact of hosting this crucial infrastructure.
- REZ Development Funds for hosting communities of renewable energy infrastructure in and between declared REZs.

The purpose of the REZ Development Funds is to coordinate financial contributions by project proponents towards regional infrastructure and programs according to local needs and priorities. The proposed approach to the funds will be developed following further community and stakeholder consultation.

VicGrid are committed to work in partnership with Traditional Owners as distinct rights holders, embedding their self-determination outcomes and ensuring that First Peoples are at the centre of decision-making processes around issues and opportunities that directly affect them.

VicGrid will partner with Traditional Owners to co-design an approach that provides resources and benefits for Traditional Owners' self-determination purposes.

FIGURE 1 Key milestones and opportunities for consultation



The Victorian Government recognises the important role that landholders hosting transmission infrastructure will play in the energy transition. As a result VicGrid will develop a coordinated, consistent and meaningful approach to payments for hosting landholders.

This will include new payments to directly-affected landholders of new transmission easements at a standard rate for a typical easement area of \$8,000 per year per kilometre for 25 years, indexed to inflation.

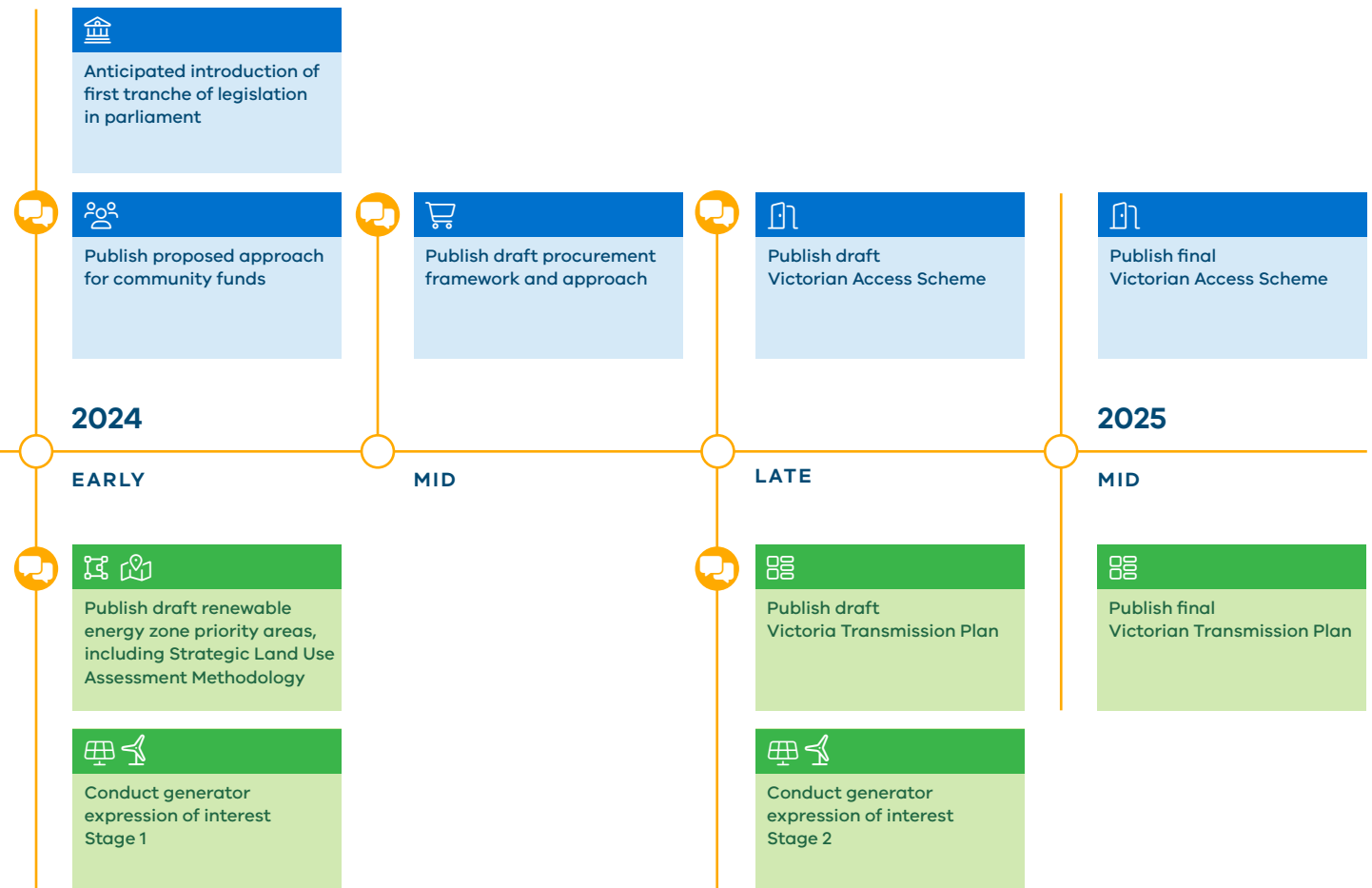
This is separate to any compensation under existing arrangements for transmission easements under the *Land Acquisition and Compensation Act 1986*, which ensures that property owners are fully and fairly paid for the acquisition of their land or an interest in their land (such as easement), including the impact to any business operations undertaken on the land and the costs to landholders of the acquisition process.

Finally, it is recognised that some neighbouring properties to transmission line developments may still be affected even after mitigation actions associated with project siting and screening are undertaken. VicGrid is further developing guidance to address this issue which will be released later this year.

How will the new framework apply to transmission projects currently underway?

Although transmission projects already underway will not be delivered under the new framework, its defining principles will be applied to current projects where possible. In particular, the focus on strengthening community engagement principles and benefits for transmission projects.

The new additional landholder payments, REZ development funds and dedicated benefits for Traditional Owners will also apply to the Western Renewables Link and VNI West projects as well as Marinus Link and the transmission connections for offshore wind.



Next steps

VicGrid is developing a comprehensive legislative and regulatory reform package to implement reforms, with the first tranche of legislation to be introduced into the Victorian Parliament in 2024.

VicGrid strongly values public consultation and will be undertaking a range of consultation activities during 2023 and 2024 on reforms.

VicGrid is also progressing the development of the first Victorian Transmission Plan, to be published in mid-2025.

VicGrid will adopt a collaborative approach to developing the first Victorian Transmission Plan in consultation with local communities and stakeholders, and in partnership with Traditional Owners.

Publication dates and timing of key milestones and engagement opportunities are outlined in [Figure 1](#) and further described in more detail in the Victorian Transmission Investment Framework Final Design Paper.

Find out more

For more information, and to read the Victorian Transmission Investment Framework Final Design Paper, please visit



engage.vic.gov.au/victorian-transmission-investment-framework

For further information about our work developing Victoria's REZs, please visit



energy.vic.gov.au/renewable-energy/renewable-energy-zones

For a summary of proposed transmission projects already underway at various stages of development across the state, please visit



energy.vic.gov.au/renewable-energy/transmission-and-grid-upgrades

For questions or to provide feedback, please contact your DEECA Program Manager Aboriginal Partnerships or Regional Manager, Community and Partnership Programs, or



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Department of Energy, Environment
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ISBN 978-1-76136-234-7 (PDF/online/MS word)

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