

Shared Transmission Network Services Prices in Victoria – 1 July 2024 to 30 June 2025

Pursuant to section 66 of the *National Electricity (Victoria) Act 2005* (Vic) (NEVA), which came into effect on 15 May 2024, the Chief Executive Officer (CEO) of VicGrid may determine fees and charges for performing Renewable Energy Zone (REZ) planning functions. These fees and charges will be recovered through Transmission Use of System (TUOS) charges collected by the Australian Energy Market Operator (AEMO), subject to Chapter 6A of the NER (as modified by section 67 of the NEVA), which provides for the economic regulation of transmission services.

VicGrid's fees and charges for its REZ planning functions in the financial year commencing 1 July 2024 is budgeted to be \$26.54 million. These fees and charges reflect VicGrid's costs in relation to the preparation and publishing of the Victorian Transmission Plan (VTP) and the VTP guidelines.

VicGrid's fees and charges will be collected by AEMO through prices charged to TUOS Customers, which in turn will be passed on to consumer bills. VicGrid estimates this to be an additional cost of approximately \$3.20 for residential consumers for the year ending 30 June 2025 based on a number of assumptions, including the number of residential customers in Victoria.

VicGrid's REZ planning functions will provide multiple long-term benefits to Victorian electricity consumers through its delivery of the VTP, including:

- **Early and meaningful engagement to improve community outcomes** - Improving the way transmission infrastructure is planned and developed by undertaking earlier and more extensive community and stakeholder engagement, builds trust and understanding with local communities and First Peoples (including Traditional Owners), delivering an energy system that meets both community expectations and our net zero targets.
- **Lowering transmission costs in the long term and reducing impacts on communities, land use and the environment** – Improving the coordination between government, transmission operators, renewable energy generation developers and suppliers will reduce the risk of transmission line duplication, inefficient resource allocation and inefficient procurement. Without mitigation, a lack of coordination is likely to result in a higher cost of transmission infrastructure build that is passed on to electricity consumers. A lack of coordination can also result in additional community and environmental impacts. VicGrid's REZ planning functions support the efficient delivery of transmission infrastructure that minimises impacts to communities, land use and environmental harm by considering social elements important to local communities and coordinating environmental protection measures.
- **Ensuring transmission capacity is available for new energy generation** – this work will ensure transmission capacity is available for new renewable energy generation to connect in a timely manner as Victoria undertakes the energy transition away from coal. This results in an orderly transition in which the State's energy affordability, reliability and security are delivered.

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