Major Augmentation Projects: Analysis of Forecast Load Moderation Options

Terms of Reference

Context

AusNet Services is proposing two major augmentation projects for the 2021 to 2025 regulatory period:

- **Clyde North zone substation:** This project will augment the Clyde North substation capacity by installing a third transformer and a third switchboard. Works would be undertaken over the 2021 to 2023 period with the new transformer and switchboard commissioned in 2023. The total capital cost of this project is $7.77m ($2020).
- **Doreen zone substation:** This project will install a third and final transformer at Doreen Zone substation. Works would be undertaken over 2024 and 2025, with the transformer commissioned in 2025. The total capital cost of this project is $5.12m ($2020).

These projects are within the scope of AusNet Services' negotiation with the Customer Forum. Before agreeing to the projects, the Customer Forum is seeking further analysis of alternative options that are capable of economically deferring the projects.

This Terms of Reference outlines the scope of work and timetable.

This work program will be managed by Deirdre Rose, Principal Regulatory Economist in the Economic Regulation team.

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The economic analysis of additional deferral options is expected to be undertaken by the Network Planning team. It will then be subject to independent review by external engineering consultants. The regulatory team will consult with the EDPR Technical Team on appropriate consultants to approach to submit proposals for this work. The views of CCP17 will also be sought on the most appropriate consultant to engage for the work.

Scope of work

The scope of work for this project is as follows:

1. **Develop and define the following deferral options** for the augmentation projects at Clyde North and Doreen:
   - Large customer demand management: demand management contracts with large commercial and industrial customers capable of shedding load in response to AusNet Services' instruction (at peak periods). Note that this option would build on existing contracts at Clyde North and Doreen;

- Network reconfiguration: feeder reconfiguration and load transfers that would support deferral;
- Household batteries: contract with an aggregator for household battery discharge in response to AusNet Services' instruction (at peak periods);

2. **Economic and technical analysis of each deferral option.** The cost per customer, in both the long and short term, will be estimated and compared to the preferred option. The benefits for customers under each option will also be explained, as well as the technical and operational advantages and disadvantages.

Key milestones

- Define deferral options: By Friday 11 January 2019
- Analysis of deferral options: By Friday 8 February 2019
- Brief Customer Forum on internal findings: By Tuesday 12 February 2019
- External review of analysis and findings by engineering consultant: By Friday 1 March 2019.