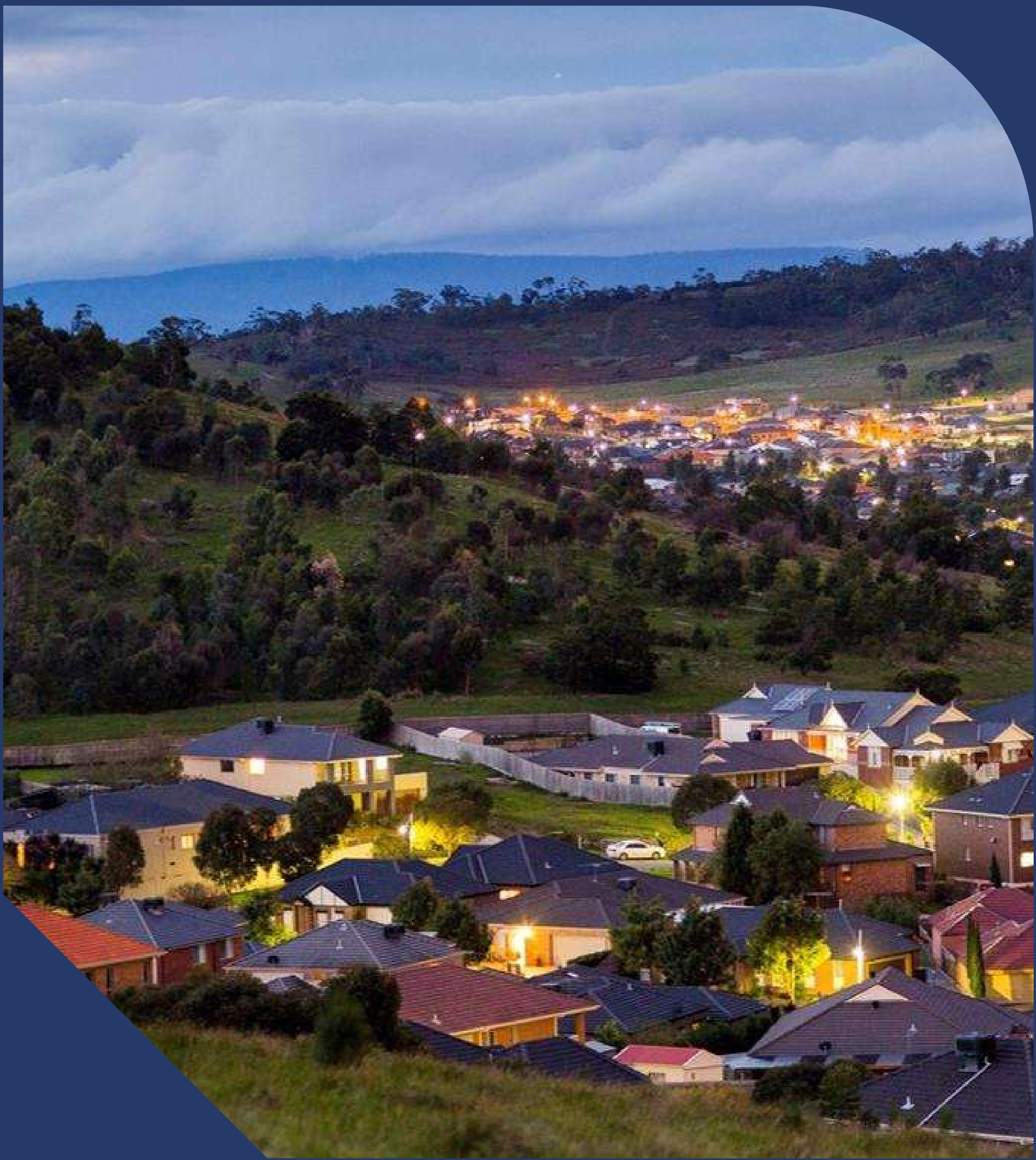
Tranche1 Rectification Low Spans Priority Sites

Regulatory Investment Test for Transmission

Project Specification Consultation Report

Monday, 24 November 2025



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1. Introduction

1.1. Overview

AusNet owns and operates the electricity transmission network in Victoria, which transports electricity from large coal, gas and renewable generators across Victoria and interstate, to terminal stations that supply large customers and the distribution networks.

The Regulatory Investment Test for transmission (**RIT-T**) is an economic cost-benefit test used to assess and rank potential investments capable of meeting an 'identified need'. The purpose of the RIT-T is to identify the credible option that maximises the present value of net economic benefit to all those who produce, consume and transport electricity in the National Electricity Market (**the preferred option**).

The publication of this Project Specification Consultation Report (**PSCR**) represents the first step in the RIT-T process. It relates to AusNet's plans to address 16-priority transmission line spans that currently are lower than standard clearance requirements and can create safety hazards to land users and the general public. AusNet considers it necessary to address these 16-priority spans in accordance with our obligations to mitigate risks as far as practicable. These 16-priority spans are part of a total of 114 identified spans where there is a higher risk of flashover when operating at Maximum Conductor Temperature (**MOT**), following a comprehensive review of AusNet's transmission network.

AusNet's preferred technical solution is to instal new pole structures in exchange of existing towers at specific locations. By installing new poles, this option provides a more streamlined solution that avoids the complexity and potential structural risks associated with modifying existing infrastructure including the tower footings. As explained in this PSCR, there are no non-network options that could address the identified need.

In accordance with clause 5.16 of the National Electricity Rules (**NER**) and section 4.2 of the AER's RIT-T Application Guidelines[1], this PSCR sets out:

- the identified need that AusNet is seeking to address, together with the assumptions used in identifying this need;
- a description of the credible network options that may address the identified need, including our reasons why there are no credible non-network options;
- the technical characteristics of each credible option;
- the classes of market benefits that AusNet considers are unlikely to be material, together with our reasoning;
- the estimated construction timetable and commissioning date; and
- the total indicative capital and maintenance costs for each option.

1.2. Consultation

In accordance with clause 4.2 of the AER's Application Guidelines, we are seeking submissions on the matters set out in this PSCR. Notification of our request for submissions will be provided to Registered Participants, AEMO, non-network providers, interested parties as required by the NER. We will also publish this report on our website. The closing date for submissions is 18 February 2026.

Any questions regarding this report should be directed to: rittconsultations@ausnetservices.com.au or please contact to Francis Lirios (03) 9695 6000.

1 Australian Energy Regulator, Application Guidelines, Regulatory Investment Test for transmission, November 2024.

2. Background

The height of an overhead conductor depends on the standard to which they were designed and built, the operating temperature of the conductors (which affects sag), ground conditions and land use that the spans cross, and position along the span (sag profile). The risk to the land users of a flashover depends on land use and whether the span is traversable or not, i.e., 'traversable' is where a vehicle higher than 3m can drive under the span due to the land's accessibility, terrain, topography, swampiness and/or steepness

While new lines are designed to meet AS/NZS 7000 Overhead Lines, there are legacy Line spans that do not meet this standard. To assess the risks associated with low clearances, AusNet's conducted a comprehensive and conservative assessment of its legacy network, to identify including:

- all 66kV spans under 7.5m (despite the standard being AS/NZS 7000 5.5-6.7m depending on traversability);
- all 220kV spans under 7.5m (despite the AS/NZS 7000 standard being 6m for non-traversable lines); and
- all 330kV low spans < 8m (irrespective of traversability).

Table 1 shows that 1,717 spans were subject to AusNet's risk assessment as these spans had the potential to cause a flashover. For the avoidance of doubt, the inclusion of this relatively large number of spans in this assessment does not imply that remedial action is required.

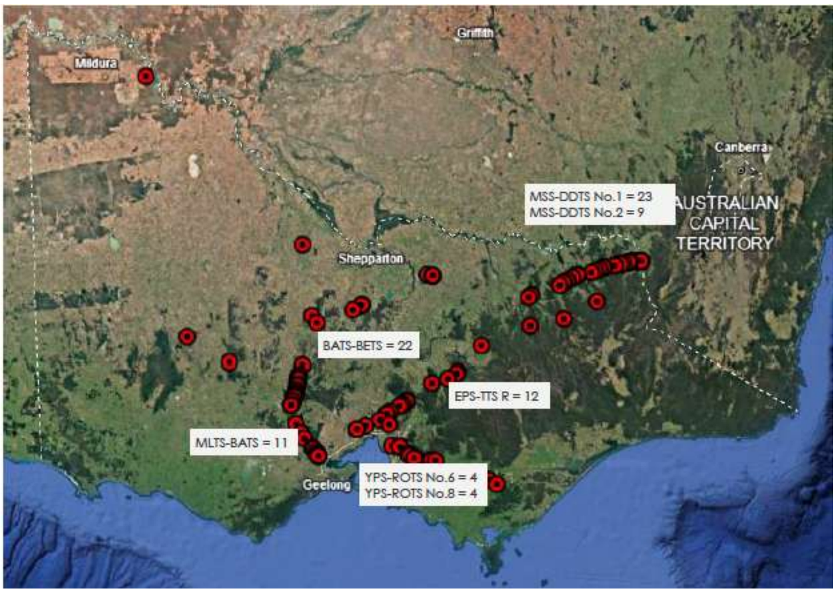
Table 1: AusNet's risk assessment of low spans

Voltage	Total No. of spans on AusNet Tx Network	AS/NZS 7000[1] Clearance Standards		Span heights included in our risk assessment	No. of Spans included in our risk assessment
		Traversable[2]	Non-Traversable		
66kV	260	6.7m	5.5m	< 7.5m	42
220kV	10,380	7.5m	6.0m	< 7.5m	1,413
275kV	779	7.5m	6.0m	< 7.5m	0
330kV	2,249	8.0m	6.7m	< 8m	262
500kV	3,633	9.0m	7.5m	< 9m	0
TOTAL	**17,301**				**1,717[3]**

1. AS7000 standards reflect the design and construction standards of the current day.
2. A traversable span is where a vehicle higher than 3m can drive under the span considering the land's accessibility, terrain, topography, swampiness and/or steepness.
3. Only 1350 spans found to be below AS/NZS 7000 if consider true clearance standards by voltage and traversability. 1,717 is a comprehensive conservative approach of what to include in the risk assessment.

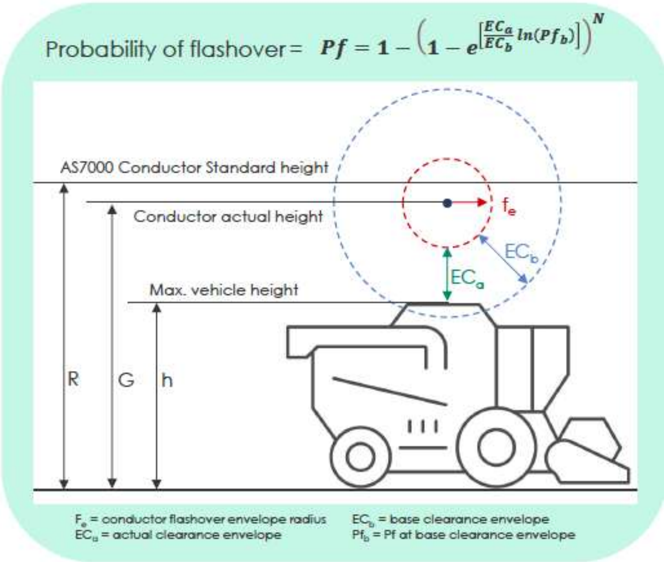
Figure 1 below shows that these 1,717 spans are concentrated across a relatively small number of lines on AusNet's network.

Figure 1: Location of spans subject to low clearance risk assessment



To determine the appropriate course of action, , to address the risks associated with low clearances AusNet adopted a three-step methodology which commenced with a consideration of the probability of a flashover occurring, as shown Figure 2. This methodology is consistent with the following standards ENA NENS 04-2006, IEC 60071and EPRI.

Figure 2: Methodology for assessing the probability of flashover



The second step in AusNet's methodology was to assess the level of risk acceptability, having regard to the risk of a flashover occurring. This aspect of the methodology reflects AusNet's view that some level of risk exposure is unacceptable and should be eliminated irrespective of the formal cost-benefit assessment, whereas other risk levels may be mitigated by monitoring and additional control. This methodology is summarised in Figure 2 below.

Figure 3: Overview of risk acceptability levels in relation to flashovers

ENA C(b)1 Levels of Risk Acceptability Triangle		Actions to take	Examples
Risk should be eliminated	High <10,000-year event	ACTION TO REDUCE RISK BY INCREASING GROUND CLEARANCE Apply the most cost-effective engineering solution[2] that will reduce the risk level to at least Negligible or Trivial	**Example 1: Crop Farming** (T200-201 BATS-BETS 220KV) • Probability of flashover = 4.17×10^{-2} • Therefore, risk level is high • Proposed action – reduce risk to negligible or trivial
Limit for HSE UK, Royal Soc. UK	1×10^{-4}/yr		
Risk tolerable if reduction is impractical or cost is grossly disproportionate to the improvement gained (AFAP principle)	Tolerable <100,000-year event	APPLY A COST BENEFIT ANALYSIS TO DETERMINE APPROPRIATE ACTION IN LINE WITH AFAP • See next slide for more information • Apply controls to AFAP	**Example 2: General Farming** (T012-013 YPS -ROTS 5 220KV) • Probability of flashover = 1.66×10^{-6} • Therefore, risk level is assessed as tolerable • Proposed action – move to step 3 cost benefit analysis and apply controls to AFAP
Objective for NSW DoP, HSE UK, Royal Soc. UK[1]	1×10^{-6}/yr		
Broadly acceptable	Negligible <1,000,000-year event	MONITOR AND CONTROL • Apply controls to AFAP • Monitor ongoing risk and action if situation changes • Incorporate engineering solutions into planned future capex programs where relevant	**Example 3: Residential** (T316-317 DDTS-SHTS 220KV) • Probability of flashover = 3.05×10^{-7} • Therefore, risk level is assessed as trivial • Proposed action – apply controls to AFAP, monitor ongoing risk and action if situation changes
	3×10^{-7}/yr		
Acceptable	Trivial >3,000,000-year event		

The third step in the methodology examines the costs and benefits of taking remedial action to reduce the probability of a flashover, where the risk of flashover below the 'unacceptable' level, as explained in Figure 4~~Figure 3~~ below. In many instances, the expected benefit from increasing the clearance is substantially below the costs of remedial action, even after applying a disproportionality factor which recognises AusNet's obligation to reduce risk as far as practicable.

Figure 43: Cost Benefit Assessment of raising the span clearance.

Low Spans CBA Equation:

Decision to raise span if:

Cost < **3xBenefit**

of Raising Span	of Reduced Risk
=	=
The annualised cost of the preferred engineering solution to raise the span.	The achieved reduction in Pf multiplied by the statistical value of a life: $= 3^*(Pf_1 – Pf_2)^*\$5.7m$

We conduct a cost benefit analysis for the spans which have a 'tolerable' risk level to assess if applying an engineering solution is a proportionate solution or whether other risk mitigation strategies are better suited.

CBA compares engineering cost of raising the span with the benefit of reducing the risk of flashover

Determining the benefit:

- The benefit side of the equation is determined by multiplying the risk reduction value with the economic consequence of flashover under the worst-case scenario:
  - The **risk reduction** is calculated as the amount by which the Probability of Flashover is reduced by raising the span ($Pf_1 – Pf_2$)
  - The **economic consequence** is determined by assuming the worst-case scenario of a human fatality and applying the Australian Government's **value of a statistical life ($5.7m[1])**
- In line with the standard for the electricity industry in context of the known risks associated with energy infrastructure, a **disproportionality factor[2] of 3** is applicable in the context of the potential for single fatalities (public or worker)
  - *Note that in the context of this risk assessment, applying a disproportionality factor of **up to 49** would not change the outcome*
- The resultant equation for determining the benefit side of the equation is therefore:

$$\text{Benefit} = 3 * (Pf_1 – Pf_2) * \$5.7m$$

In applying the three-step methodology described above, and having regard to the risks of associated with low clearances, AusNet identified as a Tranche 1, sixteen priority spans for rectification. These spans were selected based on a combination of low ground clearance (in some cases, less than 5m) and identified risk based on known land use. Further information on these spans is provided in the table below.

Table 2: AusNet's high-risk spans identified for rectification, all 220kV

High-risk Span	Traversability	Land Use Category	Existing Ground Clearance at MOT (m)	AS/NZS7000 MOT Ground Clearance (m)	Min. Ground Clearance with Solution (m)	Solution Type
BATS-BETS T195-196	Traversable	CROP FARMING	6.31	7.5	8.59	New Strain Pole @P195A; Re-tension span
BATS-BETS T197-198	Traversable	CROP FARMING	6.11	7.5	8.39	Re-tension span
BATS-BETS T198-199	Traversable	CROP FARMING	6.51	7.5	8.79	Re-tension span
BATS-BETS T199-200	Traversable	CROP FARMING	6.51	7.5	8.79	Re-tension span
BATS-BETS T200-201	Traversable	CROP FARMING	6.09	7.5	8.21	Re-tension span
BATS-BETS T201-202	Traversable	CROP FARMING	6.11	7.5	8.54	Re-tension span
BATS-BETS T202-203	Traversable	CROP FARMING	6.06	7.5	8.54	New Suspension Pole @P202A ; Re-tension span
BATS-BETS T205-206	Traversable	CROP FARMING	6.46	7.5	8.74	Re-tension span
BATS-BETS T206-207	Traversable	CROP FARMING	6.44	7.5	8.72	Re-tension span; New Strain Pole @ P208A
BATS-BETS T224-225	Traversable	CROP FARMING	5.52	7.5	8.24	New Strain Pole@ P224A; Re-tension span
BATS-BETS T228-229	Traversable	CROP FARMING	6.29	7.5	8.57	Re-tension span
BATS-BETS T229-230	Traversable	CROP FARMING	6.13	7.5	8.41	Re-tension span
BATS-BETS T230-231	Traversable	CROP FARMING	5.93	7.5	8.57	Re-tension span; New Strain Pole @ P231A
ERTS-CBTS T001-002	Non-Traversable*	COMMERCIAL	4.85	6.0	6.74	Floating strain at T002
HWPS-ROTS T263-264	Traversable	FARMING	4.20	7.5	8.15	New Suspension Pole @P263A
HWPS-ROTS T335-336	Traversable	COMMERCIAL	5.62	7.5	7.85	New Suspension Pole @P335A

'* - ERTS-CBTS No.2 T001-2 is <5 metres at MOT, with High Risk of Flashover

3. Identified need

3.1. Description

The identified need is to minimise the risks associated with low clearance spans on AusNet's networks to "as far as practicable" levels in accordance with AusNet's regulatory obligations. The identified need arises because it is known that some spans do not currently comply with AS/NZS 7000 engineering standards and, therefore, there is a potential need to take remedial action.

3.2. Assumptions

This section summarises the assumptions that have led to the identified need, focusing in particular on the consequences of the risk of flashover resulting from a low clearance.

3.2.1. Health and safety risks

The Electricity Safety Act 1998 requires AusNet to design, construct, operate, maintain, and decommission its network to minimise hazards and risks to the safety of any person as far as practicable or until the costs become disproportionate to the benefits from managing those risks. Evidently, this obligation requires AusNet to take action to mitigate the risk of associated with low clearances.

In relation to conducting a cost-benefit analysis, as explained in the previous section, AusNet has adopted a well-accepted methodology for estimating the risk of a flashover. This validity of this methodology is, therefore, a key assumption that underpins the identified need.

By applying this methodology, AusNet is able to attribute a cost to the safety risks from a flashover by considering the value of statistical life to estimate the benefits of reducing the risk of death[2] and applying a disproportionality factor.[3] AusNet's approach to assessing the risk and consequence is consistent with the guidance provided by the AER.[4]

3.2.2. Bushfire risk costs

Some transmission lines are situated in easements through high density fuel loads in grasslands and forests. In extreme weather conditions ground fires started close to such fuel loads can develop into widespread bushfires. Bushfire loss consequence modelling performed by Dr. Kevin Tolhurst of Melbourne University has enabled the establishment of quantitative bushfire consequence values for transmission line assets.

AusNet regards a proactive asset inspection and replacement program as essential in continuing to minimise bushfire risk in accordance with our regulatory obligations and community expectations. At this stage, AusNet has assumed that flashovers will not likely to increase bushfire risk and, therefore, this risk has not been factored into the cost-benefit assessment.

3.2.3. Other assumptions

In the event of a flashover event, AusNet has assumed that:

- costs will not be incurred in replacing assets or any consequential damage to other assets; and
- there will be no market impact arising from the event.

AusNet considers these assumptions to be reasonable, noting that any costs associated with asset damage or market impacts are likely to be modest compared to the direct Health and Safety impacts of a flashover event.

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2 Department of the Prime Minister and Cabinet, Australian Government, "Best Practice Regulation Guidance Note: Value of statistical life," available at https://www.pmc.gov.au/resource-centre/regulation/best-practice-regulation-guidance-note-value-statistical-life.

3 Health and Safety Executive's submission to the1987 Sizewell B Inquiry suggesting that a factor of up to 3 (i.e. costs three times larger than benefits) would apply for risks to workers; for low risks to members of the public a factor of 2, for high risks a factor of 10. The Sizewell B Inquiry was a public inquiry conducted between January 1983 and March 1985 into a proposal to construct a nuclear power station in the UK.

4 Australian Energy Regulator, "Industry practice application note for asset replacement planning," available at https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/industry-practice-application-note-for-asset-replacement-planning.

4. Potential Credible Options

This section describes the credible options that have been considered to address the identified need, including:

- the technical characteristics of each option;
- the estimated construction timetable and commissioning date; and
- the total indicative capital and operating and maintenance costs.

The purpose of the RIT-T is to identify the credible option for addressing an identified need that maximises the net market benefit. An important aspect of this task is to consider non-network and network options on an equal footing, so that the optimal solution can be identified.

As the identified need in this case arises from low clearance, there are no credible non-network options that could address this identified need. In effect, the nature of the risk is asset-related and cannot be mitigated by a non-network option given the significant costs of retiring the assets.

The credible options are:

- Option 1: Raise conductors using one of/or combining the following actions: conversion of suspension insulators to floating strain; increase tension of conductor span; modification of structure purpose from suspension to strain.
- Option 2: Raise conductors by replacing existing towers with new poles, where appropriate, and then increase or balance the tension of the conductor spans.

Neither option is expected to have an inter-regional impact. Each credible option is discussed below.

4.1. Option 0: Do Nothing/BAU

The Do Nothing/BAU option assumes that AusNet would not undertake any investment, outside of the normal operational and maintenance processes. The Do Nothing/BAU option establishes the base level of risk and provides a basis for comparing other credible options. Whilst the direct capital cost of this option is zero, the continued exposure to residual risks means that this option has significant risk costs associated with it. In relation to this project, 'do nothing' or 'BAU' is not a credible option.

4.2. Option 1: Modifications to existing assets

This option leverages existing infrastructure without requiring new structures. This approach encompasses section re-tensioning, upgrading suspension insulator sets to floating strain sets, converting suspension towers to strain configurations through cross arm modifications, and strengthening existing towers. The scope also includes provisional works for potential footing reinforcement to provide structural integrity.

By utilising and enhancing existing assets, this option offers a mitigation strategy that addresses clearance requirements while minimizing the need for additional land acquisition and new construction activities.

The total capital expenditure for this option is estimated to be $39.2 million (nominal). In relation to operating expenditure, we do not expect this option to have a material impact on our future costs i.e., routine maintenance expenditure would be substantially unchanged.

4.3. Option 2: Installation of new poles

This option provides an alternative mitigation strategy through the installation of new pole structures. This approach eliminates the need for extensive strengthening works on existing towers, such as cruciform leg reinforcement and/or footing modification, while effectively mitigating the risk of unbalanced tension forces that could result from re-tensioning isolated sections. By installing new poles, this option provides a more streamlined solution that avoids the complexity and potential structural risks associated with modifying existing infrastructure.

Option 2 is the preferred solution for rectifying transmission line clearance deficiencies, as it provides superior technical outcomes while mitigating significant engineering risks associated with Option 1, as summarised below:

- **Elimination of complex strengthening requirements**

  Option 2 removes the need for major structural modifications to existing infrastructure by installing new poles rather than retrofitting existing towers. This approach avoids complex and costly cruciform leg and footing reinforcement work on existing structures while eliminating concerns about structural and foundation integrity. Instead of intricate modification work, the project involves installation of new poles designed to current standards, significantly reducing construction complexity.

- **Superior load and tension management**

  The new pole approach provides better load management along the strain-to-strain section by preventing unbalanced tension forces that could result from partial re-tensioning of existing systems. Complete structural replacement provides uniform load distribution across all spans, as new poles are specifically designed for the required tension loads.

- **Design flexibility and futureproofing**

  New pole installation offers significant design advantages, including height optimization to meet specific clearance requirements, using composite insulator strings, and construction to modern AS/NZS 7000 engineering standards. This approach provides future-proofing benefits through new assets with extended service life and reduced maintenance needs, ensuring long-term operational efficiency and reliability.

- **Structural integrity and construction risk**

  New poles provide structural integrity assurance through purpose-built foundations that eliminate concerns about existing foundation capacity, with all components meeting the latest performance requirements. This significantly reduces failure probability compared to modified existing infrastructure. The construction approach offers predictable outcomes using well-established installation procedures, providing full oversight of materials and construction quality control that isn't possible when working within the constraints of existing structure modifications.

- **Long-term asset management**

  New poles deliver extended asset life, providing decades of reliable service with lower ongoing maintenance costs compared to strengthened existing towers. The structures are designed specifically for required clearances and operating conditions, ensuring performance certainty and reducing long-term operational risks.

- **Project execution**

  Option 2 requires comprehensive preparatory work including new geotechnical studies for foundation design, structural engineering for poles and foundations to current standards, and site-specific assessments to provide customized solutions for each location's unique requirements. During execution, the approach provides cleaner construction sites through removal and replacement rather than complex modification work, resulting in reduced outage duration and lower construction safety risks compared to extensive strengthening work on existing structures.

- **Performance benefits**

  Option 2 significantly outperforms tower strengthening by eliminating uncertainty about existing structure capacity and avoiding the complex engineering challenges of retrofitting existing assets. Compared to partial re-tensioning approaches, new pole installation prevents unbalanced tension forces across the strain-to-strain section and facilitates consistent performance across all spans.

4.4. Preferred option scope, costs and timeframes

For the reasons set out in the previous section, Option 2 is the preferred option. In summary, although it requires initial capital investment for new structures, it delivers superior long-term value through lower lifecycle costs and reduced maintenance costs. The approach provides risk cost avoidance by eliminating potential costs from safety incidents, while guaranteeing regulatory compliance certainty with AS/NZS 7000 standards. New assets provide decades of reliable service and eliminate ongoing compliance concerns for these spans.

The scope of work to deliver this option is summarised below:

Line Section	Voltage / Circuit	Proposed Rectification Works	Remarks
BATS-BETS T195 to T208	220kV / Single Circuit	1. Supply and Install New 40m Strain steel pole offset from the existing tower T195 towards T194. Assume new foundation is 2.1m Bored Pile with 10m depth. • New 6 nos. Strain Insulator Sets, 1 OHEW set 2. Supply and Install New 42m Suspension steel pole offset from the existing tower T202 towards T203. Assume new foundation is 1.5m Bored Pile with 10m depth. • New 3 nos. Suspension Insulator Sets, 1 OHEW set 3. Supply and Install New Strain steel pole offset from the existing tower T208 towards T207 • Assume new foundation is 2.1m Bored Pile with 10m depth. 4. New 6 nos. Strain Insulator Sets, 1 OHEW set. Convert bottom phase suspension to floating strain @T201. 5. Re-tension section T195-T208 (total 13 spans), all phases required. 6. Prior to re-tensioning work, tower strengthening works may be required for existing tower (TBC) 3 T194, T203, T207 tower @0.3ton	o Original Section T174-T200, T200-T268 o Allow 30T for strain poles @ T195, T208 & 20T for suspension Pole @ T202 o Convert bottom phase suspension to floating strain (2 sets of strain insulators)
BATS-BETS T224 to T231	220kV / Single Circuit	1. Supply and Install New 44m Strain steel pole offset from the existing tower T224 towards T223. Assume new foundation is 2.1m Bored Pile with 10m depth. • New 6 nos. Strain Insulator Sets, 1 OHEW set 2. Supply and Install New 36m Strain steel pole offset from the existing tower T231 towards T232. Assume new foundation is 2.1m Bored Pile with 10m depth. • New 6 nos. Strain Insulator Sets, 1 OHEW set 3. Re-tension section T224-T231 (total 7 spans), all phases required Prior to re-tensioning work, tower strengthening works may be required for existing tower (TBC) 2 tower @0.3ton	o Original Section 200-268 o Total of 6 Phase crossarm modification and 12 new Strain sets for Suspension to Strain conversion @ T224 and T231. o Allow 30T for strain poles @ T224, and T231
HWPS-ROTS T263 to T267	220kV / Double Circuit	1. Supply and Install New 47m Suspension steel pole offset from the existing tower T263 towards T264. Assume new foundation is 2.4m Bored Pile with 10m depth. (TBC) • New 6 nos. Suspension Insulator Sets, 1 OHEW set (OPGW STRAIN SET) 2. Balance the tensions by un-clamp and re-clamp the suspension clamps on adjacent existing suspension towers. 3. Install qty 1 No. of OPGW splice box on adjacent tower T261 and string one span of new OPGW between T261 and P263A. Install balance strain plate on exiting tower T261 to allow stringing new span of OPGW between T261 and P263A.	o Original Section T177-T267 o Allow 30T for suspension pole @ T263
HWPS-ROTS T335 to T338	220kV / Double Circuit	1. Supply and Install New 37m Suspension steel pole offset from the existing tower T335 towards T336. • Assume new foundation is 2.4m Bored Pile with 8m depth. (TBC) • New 6 nos. Suspension Insulator Sets, 2 OHEW sets 2. Balance the tensions by un-clamp and re-clamp the suspension clamps on adjacent existing suspension towers.	o Original Section T331-T338 o Allow 25T for suspension pole @ T335

ERTS-CBTS T001 to T002	220kV / Double Circuit (Twin)	1. Supply and Install 1x FST (All Phases) @T002 replacing existing suspension insulator. 2. Re-tension (all phases) T001 to T002.	o Original Section T001-T006 o Total of 6 FST sets (12 Strain Insulator) required

The total capital expenditure for Option 2 is $39.2 million (nominal). The principal capital expenditure elements, expressed in nominal terms, are:

- Design and internal labour, $7.2 million.
- Materials, $3.1 million;
- Plant & equipment, $0.15 million.
- Contracts, $23.8 million; and
- Other, $5.0 million

The 'other' expenditure relates to an allowance for risk.

Construction would commence in 2026 with project completion expected by 30 June 2029.

5. Economic assessment of the credible options

5.1. Market benefits and assessment approach

Clause 5.16.4 (b)(6)(iii) of the NER requires the RIT-T proponent to provide information about the classes of market benefits that the RIT-T proponent considers are likely not to be material in accordance with 5.15A.2(b)(6). To address this requirement, the table below discusses our approach to each of the market benefits listed in that clause for both credible options.

Table 3~~2~~: Analysis of Market Benefits

Class of Market Benefit	Analysis
(i) changes in fuel consumption arising through different patterns of generation dispatch;	The credible options are not expected to have any impact on this class of market benefit.
(ii) changes in voluntary load curtailment;	The credible options are not expected to lead to changes in voluntary load curtailment.
(iii) changes in involuntary load shedding with the market benefit to be considered using a reasonable forecast of the value of electricity to consumers;	The credible options are not expected to have a material impact on involuntary load shedding, given the level of redundancy in the transmission network.
(iv) changes in costs for parties, other than the RIT-T proponent, due to differences in: *(A) the timing of new plant;* *(B) capital costs; and* *(C) the operating and maintenance costs;*	There is not expected to be any difference between the credible options in relation to these matters.
(v) differences in the timing of expenditure;	There is not expected to be any difference between the credible options.
(vi) changes in network losses;	The credible options will not result in changes to electrical energy losses.
(vii) changes in ancillary services costs	The credible options will not have any impact on ancillary service costs.
(viii) changes in Australia's greenhouse gas emissions	The credible options will not have any impact on Australia's greenhouse gas emissions.
(ix) competition benefits	The credible options will not provide any competition benefits.
(x) any additional option value (where this value has not already been included in the other classes of market benefits) gained or foregone from implementing the credible option with respect to the likely future investment needs of the National Electricity Market;	There will be no impact on the option value in respect of the likely future investment needs of the NEM.
(xi) any other class of market benefit determined to be relevant by the AER.	There are no other classes of market benefit that are relevant to the credible options.

As explained in the above table and the previous section, the principal driver in identifying the preferred option is the need to minimise safety and bushfire risks in accordance with AusNet's regulatory obligations.

5.2. Identifying the preferred option

As explained in section 4.4, at this stage it is expected that Option 2, which is to address the low clearance by installing new poles, where appropriate. In the next phase of the RIT-T process, AusNet will set out the detailed cost-benefit analysis to determine the preferred option in accordance with the requirement of the RIT-T.

6. Next steps

AusNet intends to publish a Project Assessment Draft Report (PADR) in relation to this project. However, AusNet notes that a PADR may not be required if this project benefits from the exemption provided by clause 5.16.4(z1), which requires that:

- the preferred option, Option 2, has a capital cost of less than $54 million which would be below the threshold amount determined by the AER in November 2024;
- the PSCR identifies the preferred option and explains our reasons for selecting it;
- all credible options will not have a material class of market benefits for the purpose of the RIT-T; and
- submissions to this PSCR did not identify any additional credible options that could deliver a material market benefit.

Accordingly, and subject to reviewing the submissions to this PSCR, AusNet may instead publish a Project Assessment Conclusions Report (**PACR**), rather than a PADR. In any event, AusNet expects to publish either the PADR or PACR in March 2026.

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