



1 March 2017

Hugo Klingenberg  
Senior Manager Network Development  
ElectraNet

By email: [consultation@electranet.com.au](mailto:consultation@electranet.com.au)

Dear Mr Klingenberg

**South Australian Energy Transformation  
RIT-T: Project Specification Consultation Report**

The South Australian Chamber of Mines and Energy (SACOME) welcomes the opportunity to provide comment on the RIT-T: Project Specification Consultation Report for interconnector options being explored by ElectraNet.

SACOME is the peak industry association for all companies with business interests in the resources industry in South Australia (SA), including those with business, vocational or professional interests in minerals exploration, mining and processing, oil and gas exploration, extraction and processing, power generation, transmission and distribution, logistics, transport, infrastructure, and those with clients in these sectors.

The current energy system is in crisis and is having an impact on consumers and businesses in SA. The high price, high volatility, and unreliability of the power network is impacting on the competitiveness of the state. If business and industry lose confidence in the reliability, security and cost of electricity, there will be broad economic development consequences through companies leaving the state, cutting jobs, curtailing expansion investment, or diverting new investment elsewhere.

The interconnector closure and blackouts in 2016 cost South Australia's large mining operations alone in excess of A\$180m.

SACOME agrees that it is imperative to assess long term options to manage a changing and dynamic electricity system. SACOME suggests that ElectraNet consider the potential consequences of an additional interconnector on existing SA generators, and carefully review the location of the interconnector in light of stated renewable energy targets and planned coal generation closures in Victoria.

However the immediacy of the issue for South Australia requires the transformation to begin now otherwise the current problems in the system will likely result in material damage to our local community and SACOME members.

SACOME recommends that ElectraNet also direct attention to shorter term, non-network options that could provide immediate benefits to the market in terms of reliability and cost, and which can be integrated and support the chosen long term solution

SACOME considers the inability to consider wider economic implications is a limitation of the RIT-T framework, and suggests that ElectraNet consider and provide supplementary analysis on these issues. The critical nature of the economic impacts to South Australia require they be addressed in the RIT-T for the interconnector options to be investigated to get the most efficient and effective economic and social benefits.

Should you wish to discuss this submission further, please contact me on 08 8202 9999 or via e-mail at [nlong@sacome.org.au](mailto:nlong@sacome.org.au).

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Nigel Long', written over a light grey circular watermark.

Dr Nigel Long  
Director, Industry & Government Advocacy