

Media Release

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Minister for Energy and Resources
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BOOSTING ENERGY CONNECTIONS WITH NEW SOUTH WALES

The Andrews Labor Government is powering Victoria's clean energy revolution by accelerating a vital new connection between the Victorian and New South Wales electricity grids, helping to secure reliable energy supplies and bring down energy prices.

The Labor Government has enabled the Australian Energy Market Operator (AEMO) to start early works on the Victoria-New South Wales Interconnector (VNI) West project – this has the potential to boost Victoria's import and export capacities with NSW by more than 1,800 megawatts (MW).

Transmission projects like VNI West are the key to delivering cheaper and more reliable renewable and storage capacity as Victoria moves away from ageing and increasingly unreliable coal-fired power. They will also ensure reliability of energy supply during high demand periods, such as very hot days.

VNI West will unlock between 1,900 and 5,000 MW of new renewable projects in Victorian Renewable Energy Zones (REZs), provide an additional market for Victoria's offshore wind and provide access to NSW projects like Snowy 2.0.

An Order has been issued under the National Electricity (Victoria) Act 2005 (NEVA) that enables the market operator to immediately carry out preparatory and planning works.

This will speed up key development activities including stakeholder and community engagement, land use planning, detailed engineering design, and cost estimation. Processes such as the Environment Effects Statement (EES) will be able to start later in 2023, a year earlier than anticipated.

AEMO will also consider alternative options for VNI West, including the WRL connection point, responding to valuable feedback provided by local communities, Traditional Owners and regional stakeholders. This additional analysis and consultation will enable AEMO to assess and select a project option that can best meet local needs.

The VNI West Project is part of the Government's nation-leading action to lower emissions with our renewable energy targets of 65 per cent by 2030, and 95 per cent by 2035 – which will drive down power prices and deliver 59,000 jobs.

For more information, visit: energy.vic.gov.au/renewable-energy/transmission-and-grid-upgrades.

Quotes attributable to Minister for Energy and Resources Lily D'Ambrosio

"As ageing coal-fired generators retire and become increasingly unreliable, Victoria is enabling a once-in-a-generation transformation of our clean energy grid and delivering thousands of jobs along the way."

"Bringing forward VNI West means we can connect cheaper, more reliable renewable energy sooner, putting downward pressure on energy prices."