

## Briefing Paper: Why the Western Renewables Link Must Be Cancelled (June 2025)

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### Executive Summary

This document critically challenges the legitimacy of the Western Renewables Link (WRL) and outlines significant procedural, regulatory, and economic flaws within the Draft Victorian Transmission Plan (DVTP). VicGrid's treatment of WRL as a "committed" project despite its status as "anticipated," alongside its failure to consider credible alternatives and inadequate stakeholder engagement, demonstrates the fragility of the plan. The upcoming Environmental Effects Statement (EES) risks becoming a mere formality if the DVTP is allowed to stand. The WRL must be cancelled immediately to protect Victoria's energy future, particularly given the escalating costs, growing social opposition, and availability of alternative solutions that could better align with Australia's energy transition goals.

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### I. Procedural Illegitimacy

#### 1. Misclassification of WRL in the DVTP

VicGrid's treatment of WRL as a "baseline" project is a blatant misrepresentation of the project's status. Under AEMO's 2024 Integrated System Plan (ISP), WRL is clearly classified as "anticipated," not "committed." The DVTP contradicts this classification, treating WRL as if its construction is an established fact. This oversight (or intentional misrepresentation) disregards AEMO's own guidelines and breaches the AER's Cost Benefit Analysis (CBA) principles, which prohibit such treatment of uncommitted infrastructure projects.

- **Key Concern:** The DVTP lacks necessary risk modelling and does not present a scenario where WRL might be delayed, altered, or cancelled. This failure undermines regulatory transparency and accountability.
- The **rising transmission costs** reported by AEMO in the Draft 2025 Electricity Network Options Report only add to the financial uncertainty, with overhead lines now costing up to 55% more than originally projected. This highlights the need for **risk modelling** that incorporates financial uncertainties, yet the DVTP does not adequately address these concerns.

#### 2. Consequences of Misleading Scenario Modelling

By presenting WRL as a foregone conclusion across all planning scenarios, VicGrid has effectively closed the door on a rigorous, unbiased planning process. The lack of scenario flexibility denies the public, decision-makers, and stakeholders the opportunity to critically evaluate alternative options, including more adaptive and cost-effective solutions. This leads to a false certainty that does not reflect the true uncertainty and complexity of the energy transition.

- **Key Legal Argument:** The failure to model alternatives or allow for contingencies is a clear violation of the National Electricity Rules (NER), which mandate comprehensive scenario planning for long-term energy infrastructure.
- The **recent rethinking** of transmission priorities by AEMO, which is now considering the role of local distribution networks and consumer energy resources as cheaper alternatives, directly challenges the assumptions behind WRL's projected necessity.

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## II. Collapse of Economic Justification

### 1. Deficient Cost-Benefit Modelling

The DVTP's economic rationale for WRL is incomplete and deliberately misleading. VicGrid's cost estimates for WRL, based on Class 5B estimates ( $\pm 30\%$  margin of error), lack the investment-grade reliability needed for informed decision-making. This weakens the credibility of the entire project.

- **Real-World Context:** Independent analysis, including from credible sources like *The Australian Financial Review*, suggests the true cost of grid upgrades could be as high as **\$20 billion**—a far cry from VicGrid's estimate of **\$4.3 billion**. This significant underestimation highlights the dangerously flawed economic modelling within the DVTP.
- The **soaring transmission costs** detailed by AEMO in the Draft 2025 Electricity Network Options Report suggest that VicGrid's financial assumptions for WRL are outdated and unrealistic. With costs increasing by up to 55%, it's clear that these figures cannot be relied upon for sound investment decisions.

### 2. Failure to Model Alternatives

The DVTP disregards alternatives like the Syncline Community Cable—a proposed underground transmission line that is environmentally and culturally more acceptable. The failure to incorporate or even evaluate this option is a strategic omission, demonstrating a clear bias toward legacy, large-scale infrastructure over more flexible, localized solutions.

- **Key Legal Argument:** This selective modelling is both unethical and legally indefensible. It effectively ignores potentially lower-cost, less disruptive alternatives that could achieve the same energy objectives without the enormous costs and social impacts associated with WRL.
- The **shift towards leveraging local networks and consumer energy resources** (such as rooftop solar, home batteries, and EVs) in the evolving transmission strategy is a clear signal that **smarter solutions** can be implemented at a fraction of the cost, offering a compelling case for revisiting WRL's place in Victoria's energy future.

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## III. Failure of Social Licence and Community Engagement

### 1. Inadequate Consultation with Stakeholders

VicGrid has failed to genuinely engage with affected communities, Traditional Owners, and landholders. Despite documented opposition to the WRL, VicGrid continues to treat the project as inevitable, proceeding with a performative consultation process that is nothing more than box-ticking.

- **Key Concern:** The DVTP's own acknowledgment of incomplete cultural heritage data and social consultation confirms the failure of VicGrid's engagement process. These shortcomings demonstrate that VicGrid is prioritizing political expediency over genuine, inclusive decision-making.

- **Social licence** has become a **major cost driver** for transmission projects, as AEMO’s Draft 2025 Electricity Network Options Report notes that **additional community consultation** and **route realignment** to avoid sensitive areas have driven up transmission costs. The failure to engage with local communities meaningfully has made these projects even more expensive and contentious.

## 2. Exploitation of Community Benefit Schemes

VicGrid’s use of community benefit-sharing schemes is a stark example of “tokenism” rather than meaningful collaboration. Offering financial compensation in exchange for community acceptance is not a substitute for authentic engagement and trust-building. Without transparent processes and real opportunities for local decision-making, these schemes become transactional, rather than transformational.

- **Key Political Argument:** This approach alienates communities and erodes the legitimacy of VicGrid’s planning process. It underscores the deep social fractures that WRL and the DVTP risk creating if allowed to proceed unchallenged.

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## IV. The EES Process: Compromised Before It Begins

The Environmental Effects Statement (EES) process, intended to assess WRL’s environmental and social impacts, is undermined by the DVTP’s pre-determined conclusions. By treating WRL as a foregone conclusion, the EES risks becoming a hollow formality that fails to serve its intended function as a genuine safeguard for public and environmental interests.

- **Key Legal Argument:** The pre-determined nature of the WRL decision-making process raises significant due process concerns. If the EES is allowed to proceed under these conditions, it could be challenged in court for not fulfilling its intended purpose as an independent and transparent environmental review.

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## V. Political and Planning Fragility

### 1. Political Manipulation of Timelines

The WRL’s projected timeline has been delayed multiple times, yet it continues to be presented as a deliverable project by 2027. This includes significant political manipulation, with VicGrid now pushing timelines beyond the 2026 state election.

- **Key Political Argument:** This delay reflects political interference and a lack of actual progress. VicGrid’s overconfidence in their ability to “push through” WRL is misplaced, as the project faces **legal, financial, and social opposition** that remains unresolved. The delay reflects growing resistance and a failure to account for emerging realities in cost, planning, and community acceptance.

### 2. The Fragility of the Plan

VicGrid’s failure to adapt to escalating costs, evolving technologies, and increasing community opposition has created a precarious situation. Recent reports from experts and media, including in **RenewEconomy**, suggest that the WRL and associated transmission projects are out of step with evolving market conditions. These factors, combined with the ongoing community pushback, highlight the fragility of the current transmission plan.

- The **failure to account for emerging technologies**—such as local renewable generation, storage, and electric vehicle integration—further undermines the WRL’s viability. AEMO’s report acknowledges that relying on traditional transmission infrastructure is no longer realistic in the face of shifting market dynamics.
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## VI. Recommendations

1. **Withdraw WRL as a baseline assumption:** The project must be treated as contingent, not inevitable.
  2. **Suspend the EES process:** The current process is compromised and must be paused until an independent review of the DVTP is conducted.
  3. **Publish comparative analysis of all alternatives:** This includes the Syncline Community Cable, localized distribution networks, and consumer energy resources.
  4. **Create a genuine negotiated settlement framework:** Empower Traditional Owners and communities in co-design, not post-design.
  5. **Reform VicGrid’s community engagement:** Transform consultation from a procedural checkbox into a process of co-governance.
  6. **Establish an independent Transmission Planning Integrity Panel:** Oversight is essential for all future modelling, planning, and classification decisions.
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## VII. Conclusion

The Draft Victorian Transmission Plan (DVTP), as it stands, is a legislative and planning failure that will burden Victoria with a **\$20 billion** legacy of poor decision-making, lack of transparency, and failed community engagement. If allowed to proceed, it risks entrenching public opposition, wasting public funds, and derailing the very energy transition it claims to support. The WRL must be immediately cancelled. If this does not happen voluntarily, legal or political intervention will be necessary to prevent further harm. The time for VicGrid to reconsider its course is now—before it becomes an irreversible mistake.

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