

# The Long Shadow of the Link

A Forensic History of the  
Western Renewables Link  
and VNI West

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Energy Grid Alliance (EGA) is a national advocate for best-practice planning and policy in Australia’s energy transition. As a community-focused, independent organisation, EGA engages directly with government agencies, industry bodies, and communities to ensure the development of electricity transmission is environmentally responsible, socially legitimate, and technically robust. Our work is grounded in evidence and extensive engagement, and we are committed to ensuring that the shift to renewable energy is done with communities, not to them. While EGA strongly supports the transition to renewable energy, we hold that it must not come at the expense of people, places, or ecosystems.

## Executive Summary

This report presents a forensic analysis of the Western Renewables Link (WRL) and VNI West, concluding that these projects are the result of a catastrophic failure of governance. The evidence reveals a decade-long process driven by a predetermined strategic agenda, regulatory capture, direct political interference, and a cynical disregard for the communities impacted. The projects, as they stand, lack a valid economic justification and a legitimate social licence, representing a systemic failure of energy planning in Victoria.

### The key findings of this investigation are:

**A False Premise:** The Western Renewables Link was never primarily an energy project to unlock local renewables. A forensic review of the Australian Energy Market Operator's (AEMO) own documents confirms its purpose was to act as a "Trojan horse" for the future VNI West interconnector, a project of speculative land-banking justified by a fear of rising future property values. It was engineered to create irreversible momentum for a much larger project that likely could not have stood on its own merits.

**A Flawed Regulatory Foundation:** The entire process is built upon a Regulatory Investment Test for Transmission (RIT-T) that, by its own rules, explicitly excluded the environmental and social factors the Environment Effects Statement (EES) is meant to evaluate. This foundational economic test has since been rendered meaningless by catastrophic cost blowouts, with the WRL's cost soaring from an initial \$370 million to an estimated \$3 billion—a tenfold increase that obliterates any original claim of a net benefit to consumers.

**Suppression of Feasible Alternatives:** The assessment of alternatives was a sham. AEMO's 2019 tender process contained a "Prohibited contact" clause that gagged bidders from speaking with landowners or local government, making a genuine investigation of less impactful routes impossible. Furthermore, a credible alternative, "Plan B," was publicly ridiculed as "reckless" only for its core principles—utilising existing easements—to be quietly adopted by the state's own planners in a stunning display of hypocrisy.

**Direct Political Interference:** The Victorian Government intervened at the direct, written request of AEMO's CEO. It used extraordinary state powers (NEVA Orders) to bypass the national regulatory framework, shield the projects from a transparent re-evaluation in the face of collapsing economics, and legally require AEMO to select a predetermined outcome. This represents a clear case of regulatory capture and political interference.

**Escalating Coercion and Suppression of Dissent:** When the flawed process failed to win community support, the state's final act was to draft legislation to entrench its power. The proposed Bill seeks to dismantle accountability by exempting the new state planner from Freedom of Information laws, while simultaneously granting it draconian powers to authorise forced entry onto private land and criminalise peaceful protest with heavy fines.

The history of these projects is not one of unforeseen challenges, but of predictable and self-inflicted failures stemming from a top-down planning model that is no longer fit for purpose.

The evidence contained in this report demonstrates that the process is so fundamentally flawed that it cannot be salvaged. A complete reset is now the only credible path forward to restore trust, protect the public interest, and ensure a just and efficient energy transition for all Victorians.

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## 1. The Long Shadow of the Link

### A Forensic History of the Western Renewables Link and VNI West

This report provides a definitive, evidence-based analysis of the Western Renewables Link (WRL) and the Victoria to NSW Interconnector West (VNI West), two of the most significant and contentious transmission projects in Australia's modern energy history. It traces their journey from high-level strategic concepts to on-the-ground realities, critically examining their shifting justifications, the intense scrutiny of their economic viability, the unprecedented government interventions used to advance them, and the profound social and environmental conflicts they have ignited. The analysis demonstrates how these projects serve as a critical case study in the challenges of achieving social licence for the infrastructure required for Australia's energy transition.

## 2. The Genesis - AEMO's Grand Design for the National Grid

The strategic context for the Western Renewables Link and VNI West was established over a decade ago, rooted in a fundamental shift in the Australian Energy Market Operator's (AEMO) planning philosophy. This evolution saw AEMO move from overseeing a collection of regional networks to championing a centralised, national vision for the grid, a change that laid the ideological and regulatory groundwork for the major transmission projects that would follow.

### The NemLink Vision: A Departure from the Past

The conceptual origin of today's large-scale, centrally planned interconnectors can be traced back to AEMO's 2011 National Transmission Network Development Plan (NTNDP)<sup>1</sup>. This document introduced the "NEMLink project," a vision for a "stronger national transmission backbone" that represented a "significant departure from the regional focus of the past," as shown in *Appendix A, Figure 1*. This new approach was a direct response to the anticipated structural changes in the National Electricity Market (NEM), particularly the shift from traditional, centralised coal and gas generation to new renewable generation sources located in more remote areas.<sup>1</sup>

The 2011 NTNDP was prescient in its assessment of the regulatory landscape, explicitly stating that the existing frameworks were insufficient to realise the full benefits of the NEMLink concept.<sup>1</sup> This early acknowledgment foreshadowed the need for future regulatory changes that would eventually empower a central planner to execute such a vision, moving beyond the traditional model where transmission augmentation was driven by regional needs and known load centres.<sup>1</sup>

## **The 'Actionable ISP' and Snowy 2.0: AEMO's Power Solidified**

AEMO's strategic vision began to translate into concrete projects with the release of its inaugural Integrated System Plan (ISP) in 2018<sup>3</sup>. This pivotal document introduced "SnowyLink," a major interconnector proposed between Victoria and New South Wales designed to increase transfer capacity by approximately 1,800 MW, as shown in *Appendix A, Figure 2*. The project's justification was multi-faceted: it was presented as a way to harden the grid against extreme climate events, improve resource sharing, and unlock high-quality renewable energy resources.<sup>3</sup> Critically, it was also designed to provide the essential transmission capacity for the Snowy 2.0 pumped hydro project to function as the so-called "battery of the nation".<sup>3</sup>

The most significant regulatory event in this history occurred in 2020, when changes to the National Electricity Rules made AEMO's ISP "actionable." This change, identified by critics like Professor Bruce Mountain of the Victoria Energy Policy Centre (VEPC) as a "serious policy and regulatory failure," effectively granted AEMO a "monopoly on NEM-wide transmission planning".<sup>5</sup> This rule change was the critical mechanism that transformed AEMO from an advisor into the primary architect of the NEM's future. It provided the authority to designate its preferred development path and projects as "actionable," thereby streamlining their approval and cementing their status as national priorities.

## **From SnowyLink to KerangLink: The Interconnector Takes Shape**

As the project moved from a strategic vision to a tangible planning exercise, its branding evolved. AEMO's 2019 ISP Insights report began referring to the Victoria-NSW interconnector as "KerangLink".<sup>6</sup> This shift to a more geographically specific name coincided with a subtle change in its justification. While still linked to energy storage, the report emphasised that the optimal timing for KerangLink was tied to ensuring system resilience in the face of accelerating coal-fired generation closures, particularly the potential early retirement of Victoria's Yallourn Power Station.<sup>6</sup>

This newly branded project, later to be formally named VNI West, was championed by local councils in northern Victoria, such as the Gannawarra Shire, who saw it as a transformative opportunity. They anticipated that KerangLink would unlock billions of dollars in investment and establish the region as the nation's largest renewable energy zone (REZ).<sup>7</sup> This created a complex political dynamic, where the project was seen as a major economic boon by councils in the designated REZs while simultaneously generating intense opposition in the communities that would bear the direct burden of the new infrastructure.

The evolution from the conceptual NEMLink to the actionable VNI West project was not merely a series of planning updates; it was a deliberate, decade-long process of consolidating planning authority. The 2011 NTNDP identified the existing framework as a barrier to its national vision. The 2018 ISP proposed a specific development path to overcome this. The 2020 "Actionable ISP" rule change then provided the legal and regulatory power to

implement that path. This centralisation of power is a root cause of the subsequent conflicts, as it established a top-down model that prioritises the macro-level economic efficiency of the NEM, as calculated by AEMO's models, over local impacts. By design, this framework pre-determines the *type* of solution (large overhead transmission lines connecting distant REZs) before any detailed assessment of social or environmental feasibility occurs, relegating local concerns to a secondary consideration to be "managed" by a delivery partner rather than being a primary input into the strategic decision itself.

**Table 1: Project Evolution Timeline (2011-2030)**

Year/Date	Key Event	Project(s) Involved	Key Document/Source	Significance/Impact
2011	AEMO introduces "NEMLink" vision.	NEMLink	2011 NTNDP <sup>1</sup>	Establishes the long-term strategic goal of a stronger national transmission backbone.
2017	AEMO commences RIT-T for Western Victoria.	WVTNP	PSCR <sup>9</sup>	Formal start of the regulatory process that would become the Western Renewables Link.
2018	AEMO's inaugural ISP proposes "SnowyLink".	SnowyLink	2018 ISP <sup>3</sup>	Identifies a specific VIC-NSW interconnector to support Snowy 2.0 and unlock REZs.
Jul 2019	AEMO releases WVTNP RIT-T PACR.	WVTNP (WRL)	PACR <sup>10</sup>	"Option C2" (Sydenham-Ballarat-Bulgana) is identified as the preferred option.
Dec 2019	AEMO awards contract to AusNet/Mondo.	WVTNP (WRL)	AEMO Announcement <sup>10</sup>	AusNet is contracted to deliver the pre-defined scope of Option C2.
2020	National Electricity Rules amended.	All ISP Projects	NER Rule Change <sup>5</sup>	AEMO's ISP becomes "actionable," granting it a monopoly on NEM-wide planning.
2022	VNI West identified as "actionable".	VNI West	2022 ISP <sup>13</sup>	VNI West is elevated to the highest national priority, changing the context for WRL.
Feb 2023	Victorian Government issues NEVA Order.	WRL, VNI West	NEVA Order <sup>13</sup>	Minister intervenes to grant AEMO special powers to accelerate and modify the projects.
May 2023	VNI West PACR confirms new route.	VNI West, WRL	VNI West PACR <sup>15</sup>	Route is changed to connect at Bulgana, making WRL's North Ballarat station redundant.
Dec 2023	WRL scope officially changed in ISP.	WRL	2024 ISP <sup>10</sup>	Confirms the removal of the North Ballarat station and upgrade of the line to

				500 kV.
<b>Jul 2025</b>	VNI West completion delayed to late 2030.	VNI West	TCV Announcement <sup>16</sup>	Project delayed by two years due to extended assessments and landholder engagement.

### 3. The Western Renewables Link - A Project in Search of a Purpose?

The project now known as the Western Renewables Link (WRL) was conceived and tendered under a narrow regulatory framework that defined its scope and purpose long before its role as a feeder for VNI West became explicit. This history reveals a project whose justification has been questioned and whose primary benefit may have been to strategically secure a land corridor for a much larger future development.

#### Conception and the RIT-T: A Narrow Economic Mandate

The project began life as the Western Victoria Transmission Network Project (WVTNP), as shown in *Appendix A, Figure 3*, justified through a Regulatory Investment Test for Transmission (RIT-T) that AEMO conducted between 2017 and 2019.<sup>9</sup> The RIT-T is a rigid cost-benefit analysis mandated under the National Electricity Rules, designed solely to identify the investment option that "maximises the present value of net economic benefit to all who produce, consume and transport electricity in the market".<sup>18</sup>

This framework is a foundational source of conflict. The guidelines governing the RIT-T, developed by the Australian Energy Regulator (AER), explicitly exclude consideration of "social and environmental impacts on local communities" unless a project would conflict with existing laws.<sup>20</sup> This limitation was a central concern for communities and local governments like the Moorabool Shire Council, as it legally required the planner to ignore the very impacts that were most important to affected landholders.<sup>20</sup>

In July 2019, AEMO's Project Assessment Conclusions Report (PACR) finalised the RIT-T, identifying "Option C2" as the preferred solution. This option specified a new 500 kV line from Sydenham to a new terminal station north of Ballarat, and a new 220 kV line from there to Bulgana. The estimated cost was \$370 million, with a projected net market benefit of \$300 million.<sup>10</sup>

## **The Tender and AusNet's Constrained Mandate**

Following the RIT-T, AEMO ran a competitive tender process in late 2019, not to find the best overall solution, but to procure a delivery partner for the pre-determined Option C2.<sup>12</sup> In December 2019, the contract was awarded to Mondo, a commercial division of AusNet Services.<sup>10</sup>

The tender process itself reveals AEMO's intent to control the project's outcome and prevent any deviation from its strategic vision. The January 2019 'Call for Expressions of Interest' document contained a "Prohibited contact" clause that explicitly forbade potential bidders from engaging with key stakeholders without AEMO's prior written approval. Recipients were told they "must not... contact, make any enquiry to or have any discussions... with the Commonwealth Government, the State Government or any Local Government or any regulator... contact, or seek to contact, or negotiate with any landowner... in connection with the Project". This gag order ensured that no bidder could independently assess community concerns, investigate alternative routes, or challenge the pre-determined overhead solution. It proves that the sidelining of communities was not an unforeseen outcome of the process, but a foundational feature of AEMO's procurement strategy, designed to deliver its NEMLink vision without interference.

This structure created a fundamental and irreconcilable disconnect between the project proponent and the community. AusNet was contractually and regulatorily bound to deliver the scope defined by AEMO's RIT-T.<sup>20</sup> The tender evaluation criteria focused on a bidder's financial and technical capability to deliver the specified overhead line project, not on their ability to re-evaluate or innovate on the design.<sup>26</sup> This meant that while AusNet was tasked with "consultation," it lacked the authority to substantively alter the project's core design in response to community feedback, such as considering undergrounding, which AEMO had already dismissed as not "economically feasible" during the RIT-T.<sup>20</sup> This structural trap guaranteed conflict, positioning AusNet as the implementer of an unpopular decision and fuelling community accusations of bad-faith consultation.

## **The Standalone Case for WRL: Was it Ever Viable on its Own?**

The initial public justification for WRL was to alleviate network constraints and unlock renewable generation in western Victoria. However, a forensic analysis of AEMO's own planning documents reveals that the project's design was driven from the very beginning by its role as a precursor to the future VNI West interconnector. The 2019 Project Assessment Conclusions Report (PACR) for WRL explicitly states that the preferred option (C2) "takes into account the benefits of reducing the future cost of KerangLink" (the former name for VNI West) and "supports future efficient development of the national transmission network, including a future Victoria to New South Wales interconnector," as shown in *Appendix A, Figure 3*.

The rationale was not about immediate energy needs, but about speculative real estate. AEMO's 2018 Project Assessment Draft Report (PADR) noted that waiting until 2035 to acquire easements for the Sydenham to Ballarat corridor "may present challenges in future as

these areas become more built up and land values increase". Therefore, bringing forward this component via WRL was justified to secure the land before it became more expensive. This was not energy planning; it was strategic land banking to facilitate a future project that had not yet been approved.

This context makes the project's modest standalone claims suspect. The same 2019 PACR admitted that while the project would "reduce the most urgent congestion," it conceded that "additional transmission network augmentations beyond the scope of this RIT-T will likely be required to further accommodate future generation connections." This raises the central question of whether WRL ever had a robust economic justification on its own. The project's history demonstrates a clear path dependency. Once the 2019 RIT-T identified Option C2 as the preferred path, the entire regulatory and commercial apparatus was oriented around its delivery. The subsequent changes to WRL's scope to accommodate VNI West confirm that its most valuable and enduring "benefit" from the central planner's perspective was not unlocking local renewables but strategically acquiring a 190-kilometre easement corridor that would become essential for the far larger, nationally significant VNI West project.

## **4. The Merger - How WRL Became the Foundation for VNI West**

The relationship between WRL and VNI West underwent a critical pivot where WRL's scope and purpose were fundamentally and officially altered. It transformed from a project with a contested standalone justification into an inseparable and foundational component of a larger, national strategic goal, a process driven by community opposition and direct government intervention.

### **The Primacy of VNI West**

The declaration of VNI West as an "actionable" project in AEMO's 2022 ISP elevated it to the highest level of national priority.<sup>13</sup> This immediately reframed the context for WRL, which was still navigating a difficult planning and approvals process. VNI West is a proposed 500 kV double-circuit line connecting WRL at Bulgana with Project EnergyConnect and HumeLink at Dinawan in NSW.<sup>15</sup> With this designation, WRL was no longer merely a Victorian state project; it was now a critical southern anchor for a nationally significant interconnector, as shown in *Appendix A, Figure 3*.

## **The North Ballarat Pivot: A Redundant Asset**

The original plan for VNI West, as outlined in its Project Assessment Draft Report (PADR), involved connecting to WRL at the new North Ballarat Terminal Station.<sup>15</sup> However, this proposal faced "strong pushback from communities".<sup>28</sup> This intense local opposition was the direct cause of a major and costly redesign.

In response to the planning quagmire, and enabled by a subsequent government order, AEMO announced in late 2022 that it was investigating alternative connection points further west.<sup>15</sup> The 2023 Project Assessment Conclusions Report (PACR) for VNI West confirmed a new preferred route, "Option 5A," which connects to WRL at Bulgana.<sup>15</sup>

This decision had a profound impact on WRL. The North Ballarat Terminal Station, a core component of WRL's original RIT-T approval, was rendered obsolete and officially removed from the project's scope.<sup>10</sup> To accommodate the new design, the entire 190 km WRL line was to be constructed at 500 kV, an upgrade from the original hybrid 220 kV/500 kV design.<sup>10</sup> This pivot was the clearest evidence yet that WRL's design was entirely subservient to the evolving needs of VNI West.

## **An Inseparable Pair: The Double-Counting Dilemma**

The merger of the two projects, as shown in *Appendix A, Figure 4*, created significant regulatory and transparency issues. The economic justification for VNI West was conducted on the assumption that WRL would be built, treating its costs as a given.<sup>15</sup> Critics argue this sequential assessment of two deeply integrated projects creates a risk of "dual benefit sharing" and obscures the true net benefit of the combined investment.<sup>30</sup>

The Energy Grid Alliance submission on the VNI West PADR highlighted this issue, noting the material uncertainty surrounding WRL's final approval and arguing that a "realistic counter-factual scenario where the WRL does not exist" should have been considered.<sup>30</sup> The decision to fundamentally alter WRL's scope was made outside of its own RIT-T process, driven instead by the VNI West RIT-T and government orders, further blurring the lines of regulatory accountability.

This process exemplifies a pattern of "project stacking" in infrastructure planning. A smaller, more easily justifiable project (WRL) is approved first, securing land access and establishing a development path. A larger, more ambitious project (VNI West) is then "stacked" on top, treating the first project's existence as a sunk cost. This incremental approach makes it difficult for stakeholders to assess the true, total cost and impact of the overall strategic objective from the outset, making the smaller initial investment more palatable and creating a sense of inevitability for the larger one.

## 5. The Crucible of Controversy - Scrutiny of the Cost-Benefit Analysis

The economic assessments underpinning both WRL and VNI West have been subjected to a cascade of credible, expert-led criticism that has cast serious doubt on their claimed benefits. This scrutiny reveals not just a disagreement over numbers, but a fundamental clash over the validity of the regulatory framework itself and the planning philosophy it enables.

### The RIT-T Under the Microscope

The RIT-T process is the central mechanism for approving major transmission investments, with the sole objective of maximising net economic benefit within the electricity market.<sup>18</sup> Both AEMO and project proponents like AusNet acknowledge its narrow scope. An AusNet factsheet explicitly confirms the RIT-T "exclude[s] matters related to social and environmental impacts on local communities".<sup>20</sup> This regulatory framework is itself a source of conflict, as it legally requires planners to ignore the very impacts that are most important to affected communities, ensuring that any project approved under its strictures will struggle to achieve social licence.

### A Cascade of Criticism: Flawed Assumptions and Biased Assessments

A range of independent experts and community groups have mounted a sustained and technically detailed challenge to the projects' economic justifications.

- **Victoria Energy Policy Centre (VEPC):** Led by Professor Bruce Mountain, VEPC has consistently argued that AEMO has produced "biased assessments of transmission expansion".<sup>5</sup> A stark example cited was that AEMO's initial 2019 justification for VNI West relied on modelling that assumed Victorian brown coal production would continue until 2075, an assumption wildly at odds with climate policy.<sup>31</sup>
- **Professor Simon Bartlett AM:** An expert in electricity transmission, Professor Bartlett identified "apparent non-compliances and major errors" in the WRL PACR's financial assessments.<sup>32</sup> His analysis of AEMO's publicly available data revealed a spreadsheet error that omitted approximately 93% of the operations and maintenance (O&M) costs over 50 years. Correcting this error alone, he argued, would reduce the project's net benefit to a negative value. He also identified a \$115 million market benefit that was incorrectly credited to the preferred option for deferring its own investment, an accounting anomaly that improperly inflated the project's value.<sup>32</sup>
- **Energy Grid Alliance (EGA):** EGA has lodged multiple critical submissions, questioning the VNI West RIT-T's heavy reliance on "avoided/deferred generation and storage costs" as its primary benefit class (accounting for 71-75% of gross benefits). They argue this creates a perverse incentive, allowing proponents to simply "assume" enough deferral benefits to produce a positive outcome, leading to the "gold-plating" of

the network that the RIT-T was designed to prevent.<sup>33</sup>

- Moorabool Shire Council & MCHPA:** The council commissioned its own economic assessment, which found the RIT-T failed to account for local impacts and confirmed the viability of undergrounding options that AEMO had dismissed.<sup>21</sup> The associated Moorabool & Central Highlands Power Alliance (MCHPA) went further, lodging a formal dispute with the AER regarding the VNI West PACR, alleging it was non-compliant with the National Electricity Rules for failing to properly assess all credible options.<sup>34</sup> While the AER ultimately determined that the proponents had complied with the RIT-T's procedural requirements, the dispute highlighted the deep-seated belief that the process was flawed.<sup>35</sup>

**Table 2: Summary of Key Critiques of the WRL & VNI West Cost-Benefit Analyses**

Critic/Source	Project(s) Criticised	Key Claim	Evidence/Source Snippet(s)	AEMO/Government Response/Source Snippet(s)
<b>VEPC (Prof. Mountain)</b>	VNI West	Biased assessments; initial justification relied on brown coal continuing to 2075.	<sup>5</sup>	AEMO described claims as "reckless." The Govt-commissioned Jacobs Report found AEMO's analysis "appropriate" and "conservative." <sup>36</sup>
<b>Prof. Simon Bartlett AM</b>	WRL	Major errors in PACR: ~93% of O&M costs omitted; \$115m benefit incorrectly credited.	<sup>32</sup>	AEMO advised it could not respond due to ongoing legal proceedings. <sup>32</sup>
<b>Energy Grid Alliance (EGA)</b>	VNI West / WRL	"Implausible" project stacking; over-reliance on "avoided/deferred costs" (71-75% of benefits) risks gold-plating.	<sup>38</sup>	The Jacobs Report supported AEMO's cost-benefit analysis. <sup>36</sup>
<b>Moorabool Shire Council</b>	WRL	RIT-T ignores local, indirect, and non-market impacts; fails to properly consider viable undergrounding options.	<sup>21</sup>	AusNet factsheet acknowledges RIT-T excludes social/environmental impacts. <sup>20</sup>
<b>MCHPA</b>	VNI West	Formal dispute lodged with AER alleging the PACR was non-compliant with NER for failing to assess all credible options.	<sup>34</sup>	The AER determined that the RIT-T proponents had complied with the requirements of the NER. <sup>35</sup>

## **The Official Rebuttal: Defending the Process**

AEMO and the Victorian Government have consistently defended the projects and the integrity of their analysis. In an unusual public statement, AEMO described the critiques from VEPC as "reckless" and contrary to numerous independent analyses.<sup>37</sup> AEMO argued that while WRL and VNI West would increase the transmission cost component of Victorian bills by an estimated 25%, this would be "more than offset by lower wholesale costs" from new renewable generation.<sup>37</sup>

The Victorian Government reinforced this position by commissioning its own independent assessment of VEPC's "Plan B" alternative from the Jacobs Group. The Jacobs review fully supported AEMO's analysis, concluding that VNI West provides value to consumers, that AEMO's cost-benefit analysis was "appropriate" and even "conservative," and that the proposed alternative was unlikely to be reliable without significant further uncosted investment.<sup>36</sup>

The controversy reveals the opaque nature of complex energy market modelling and the immense power it confers upon the modeler. Critics allege that by adjusting inputs and assumptions, a desired outcome can be engineered.<sup>31</sup> Because the models are so complex, external verification is exceedingly difficult, leading to a breakdown in trust. The dispute becomes a battle of credentials rather than a transparent debate, ultimately undermining the legitimacy of the entire regulatory process.

## **6. A Tale of Two Plans: The Dismissal and Quiet Adoption of an Alternative**

The official defence of the WRL/VNI West projects was not limited to rebutting critiques; it extended to aggressively dismissing credible alternatives. This revelation exposes a planning process driven not by evidence, but by the imperative to defend a predetermined outcome, laying bare a culture of hypocrisy that has fundamentally eroded public trust.

### **"Plan B": A Credible Alternative**

In 2023, the Victoria Energy Policy Centre (VEPC) published "Plan B," a detailed alternative designed to meet Victoria's legislated Renewable Energy Targets (VRET) of 65% by 2030 and 95% by 2035. Its core principle was to minimise public opposition and environmental impact by maximising the use of existing transmission easements for upgrades, rather than creating vast new greenfield corridors. It was a whole-of-state plan focused on achieving Victoria's policy goals with the least possible disruption.

### **The Official Rejection: A Coordinated Dismissal**

The response from AEMO and the Victorian Government was swift and hostile. AEMO publicly labelled Plan B "reckless".<sup>37</sup> The government commissioned the Jacobs Group to conduct an "independent assessment," which systematically rejected Plan B's proposals. The Jacobs review claimed that Plan B's assumption of using "spare easements" was incorrect and that it would require "roughly the same amount of new easements" as WRL and VNI West. It further concluded that Plan B was "unlikely to be reliable without more investment" in uncosted batteries or gas generation.<sup>36</sup> The message was clear: the official plan was sound, and the alternative was unworkable.

### **The VicGrid Reversal: A Quiet Contradiction**

This unified front crumbled with the release of the Draft and, ultimately, the Final 2025 Victorian Transmission Plan (VTP) by VicGrid, the new state-controlled planning body. In a stunning reversal, the draft VTP embraced the core philosophy of the very plan it had so recently ridiculed. The VTP stated that the "majority of candidate development projects consist of network augmentations and 'may not require new transmission easements'" and that only three of its proposed programs would likely need new corridors.

This was a complete backflip. The principles that were dismissed as reckless and unworkable when proposed by VEPC were now presented as the prudent basis for Victoria's future grid

development. This unacknowledged shift suggests the initial dismissal of Plan B was not a reasoned, technical rebuttal, but a strategic rejection of an idea that threatened the entrenched WRL/VNI West agenda.

The hypocrisy was further compounded when AusNet Services, the proponent of the greenfield WRL, publicly praised VicGrid's new "clear emphasis on upgrading and strengthening the existing transmission network," noting it is "typically more cost-effective, faster to deliver, and less disruptive to communities", a direct contradiction of the project they continue to champion.

The contradiction was laid bare again when a senior AusNet representative publicly acknowledged that "AEMO currently undervalues existing transmission easements," and suggested that upgrading existing 220 kV lines to 500 kV would be the quickest and least disruptive way to ease constraints and improve inter-state flows, adding that communities already hosting infrastructure were less resistant than those facing new transmission corridors. This comment, made in direct dialogue with VEPC's Professor Bruce Mountain, reinforces the core logic of Plan B and further erodes the credibility of AEMO's public efforts to discredit it, both in the media and in official forums.

This mounting pattern of public hypocrisy has exposed a planning process guided not by transparent evaluation, but by political expedience designed to validate a predetermined outcome.

## **7. The State Intervenes - The Role of the NEVA Order**

Faced with a stalled project and entrenched opposition, the Victorian Government took the extraordinary step of using state-specific legislative powers to directly intervene, fundamentally altering the project's regulatory pathway in a move seen by opponents as a circumvention of due process.

### **Bypassing the Standard Process**

On 20 February 2023, the Victorian Minister for Energy and Resources issued a Ministerial Order under the *National Electricity (Victoria) Act 2005* (NEVA).<sup>14</sup> The NEVA is a powerful piece of state legislation that allows the Minister to issue orders that can modify or override provisions of the national electricity framework as they apply in Victoria.<sup>40</sup> This creates a mechanism for the state to forge a bespoke regulatory pathway for a specific project, bypassing the national rules.

## Decoding the Order: Empowering AEMO

The NEVA order was the legal instrument that enabled the "North Ballarat pivot." It designated WRL and VNI West as "specified augmentations" and conferred new functions on AEMO to "accelerate" the projects.<sup>13</sup>

Crucially, the order empowered AEMO to assess alternative routes and designs outside the formal RIT-T process and to carry out "early works".<sup>13</sup> It also explicitly stated that VNI West and any variations to WRL were "not contestable augmentations" and dis-applied numerous clauses of the National Electricity Rules related to the RIT-T.<sup>14</sup> This gave AEMO the authority to abandon the original RIT-T-approved plan and select the new Bulgana connection point based on a multi-criteria analysis that considered factors beyond the strict economic confines of the RIT-T.<sup>15</sup>

## Implications for Regulatory Integrity

While AEMO presented the order as a positive step that would allow for "improved engagement" and consideration of factors "outside the scope of the regulatory investment test" <sup>13</sup>, opponents viewed it as an abuse of power. The Victorian Farmers Federation (VFF) argued the government was attempting to "press ahead... without genuine community consultation".<sup>43</sup> For critics, the order was a tool to bypass the very regulatory tests and community opposition that had stalled the project, undermining the integrity of the national framework.

This intervention was a direct political response to the failure of the standard RIT-T process to deliver a socially and politically tenable outcome. The national process had produced a technically and economically "optimal" solution that was proving undeliverable on the ground. The NEVA order was the *deus ex machina* required to break the deadlock. However, its use signals a potential fragmentation of the NEM's regulatory framework. If states resort to jurisdictional powers whenever the national process fails to align with their policy objectives, it could lead to a patchwork of bespoke project rules, undermining the consistency and predictability the national framework was designed to provide.

In December 2023, the Moorabool and Central Highlands Power Alliance brought a Supreme Court challenge<sup>48</sup> against the Minister's use of the NEVA Order to fast-track the Western Renewables Link, alleging that the intervention was unlawful and made for improper purposes. Justice Michael McDonald dismissed the claim, ruling there was no factual basis to support the allegation. While the case failed, it revealed the extent to which the community viewed the NEVA process as a subversion of regulatory norms. The outcome also confirmed the state's strategic use of the NEVA Order to shield the project from a re-opened cost-benefit analysis — a legal shield the government explicitly embedded in the Order's drafting. The dismissal further entrenched public perceptions that affected communities had no meaningful legal or procedural avenue to challenge the predetermined outcome.

## 8. A Case Study in Political Interference: The State, The Operator, and The Order

A forensic examination of the Victorian Government's intervention in the Western Renewables Link (WRL) and VNI West projects reveals a disturbing pattern of political interference, regulatory capture, and a process seemingly engineered to deliver a pre-determined outcome, regardless of cost or community opposition. The evidence suggests a government not merely "blinded by AEMO," but acting as a willing and powerful enabler for AEMO's long-held strategic vision, using extraordinary legislative tools to bypass scrutiny and silence dissent.

### The NEVA Orders: A Political Fix, Requested and Delivered

The most damning evidence of political interference lies within the government's own Ministerial Orders, issued under the *National Electricity (Victoria) Act 2005* (NEVA). These orders were not just a response to a stalled project; they were a surgical intervention designed to dismantle the standard regulatory process and grant AEMO unprecedented power.

The first order, issued on 20 February 2023, was justified by the Minister on the basis of AEMO's advice.<sup>14</sup> The Minister's official reasons state that "AEMO is constrained by the National Electricity Rules and National Electricity Law (NEL) from taking actions necessary to accelerate the development and delivery of these transmission projects". This is a direct admission that the government was using state-specific powers to help AEMO circumvent the national framework that was proving to be a roadblock.

Crucially, this order contained a provision (Clause 6.10) stating that the order itself, and anything done because of it, "shall not constitute a material change in circumstances" for the purposes of the Regulatory Investment Test for Transmission (RIT-T). This is a calculated legal manoeuvre. It was designed to prevent the very mechanism, a re-opened cost-benefit analysis, that would have forced a transparent re-evaluation of the project's merit in light of its radical redesign.

The second order, issued on 27 May 2023<sup>44</sup>, exposes the true nature of the collaboration. The Minister's official reasons explicitly state that the order was made following a direct request from AEMO's leadership.

- On 3 May 2023, AEMO's CEO, Daniel Westerman, sent the Minister's office a draft of the final Project Assessment Conclusions Report (PACR) for VNI West.
- On 22 May 2023, Mr. Westerman wrote again, and in doing so, "AEMO also requested that the State consider making the Order I make today".

This is the smoking gun: the state's intervention was not a high-level policy decision made at

arm's length, but a specific action requested by the market operator to lock in its preferred outcome. The order then goes a step further, moving from enabling AEMO to directing it. Clause 4.5 of the May 2023 order *requires* AEMO to identify the new "Option 5A" as the preferred option in its final report. This transforms the PACR from a regulatory assessment into a scripted conclusion, pre-determined by the Minister at AEMO's request.

### **Regulatory Sleight of Hand: Splitting, Stacking, and Sinking Costs**

The political interference seen in the NEVA orders is the culmination of a longer-term strategy that appears designed to create an unstoppable momentum for these projects.

1. **The SnowyLink Split:** The projects now known as WRL and VNI West originated as the southern leg of "SnowyLink," a single interconnector concept from AEMO's 2018 Integrated System Plan.<sup>3</sup> By splitting this single strategic objective into two separate projects, planners could obscure the total cost and potentially claim overlapping benefits for each part, making it easier for each to pass the RIT-T cost-benefit test individually. The NEVA orders<sup>14,44</sup> then effectively re-combined the projects into a single undertaking while simultaneously removing the requirement to re-apply the RIT-T, a classic case of regulatory sleight of hand.
2. **Project Stacking:** WRL was advanced first, justified on the grounds of unlocking renewables in Western Victoria. However, AEMO's 2019 WRL PACR<sup>56</sup> revealed a different motive for fast-tracking the Sydenham-Ballarat section: a fear that "increasing urbanisation and land values would make the corridor harder to secure in future". This is not urgent energy planning; it is speculative land banking. By pushing WRL through first, it becomes a sunk cost and a fixed geographical fact, creating an artificial and powerful justification for the larger VNI West project to follow the same path.

### **Consultation as Theatre**

While the political and regulatory manoeuvres were happening behind the scenes, the public-facing consultation process was viewed by many as a sham. Community groups noted that AEMO held a workshop on VNI West options on 2 December 2022, just weeks before the government intervention in February 2023 was gazetted. This raises the question: "Why did this 2 December session even occur when AEMO knew the release of the Ministerial Order was pending?". The timing suggests the consultation was performative, designed to create an appearance of engagement while the real decision was being finalised through political channels.

This perception was reinforced by the nature of the consultation materials, highly technical, multi-volume reports that even industry professionals found difficult to digest, released with short deadlines for public response. This is not a process designed to facilitate genuine input; it is a process designed to tick a box and manufacture consent.

## **A Plan Driven by Vision, Not Verification**

The evidence does not paint a picture of a government misled by AEMO. Instead, it shows a government acting in lockstep with the market operator to execute a long-held strategic vision, the "NEMLink" concept of a stronger national grid, at any cost. The government's reward is the political "headline": accelerating the energy transition, delivering renewable energy, and "keeping the lights on".

The details and realities, a subverted regulatory framework, a cost-benefit analysis shielded from scrutiny, and the sidelining of entire communities, are deemed acceptable collateral damage. The process reveals that AEMO's plan is not a "plan" in the sense of a rigorously tested, independently verified, and publicly accepted strategy. It is an agenda, pursued with the full force of state political power, where the conclusion was written long before the analysis began.

## **9. The Inevitable Collapse: A Project Derailed by Delays and Soaring Costs**

The predictable consequence of a decade of flawed planning, questionable economics, and political interference has now arrived. The entire business case for the Western Renewables Link (WRL) and VNI West has collapsed under the weight of massive cost blowouts and significant delays, validating the long-held warnings of communities, councils, economists, and even market participants.

In July 2025, AEMO was forced to announce a two-year delay for VNI West, pushing its completion to late 2030. The reasons cited, extended environmental assessments and landholder engagement, amounted to a tacit admission that the project's failure to achieve social licence was now materially delaying delivery. But while AEMO now points to the need to "prioritise local engagement" and "adjust project scope and routes to accommodate feedback," the truth is that these delays are of AEMO's own making.

**AEMO bears full responsibility for the current state of these projects, not because communities resisted, but because AEMO refused to listen.**

The evidence is overwhelming and damning.

As early as February 2018, AusNet Services warned AEMO that "there are a number of alternative transmission options to those identified in the ISP" that may better achieve both renewable energy access and interconnection diversity. In 2020, AusNet again submitted to the Draft ISP and to the VNI West RIT-T PSCR, warning that "the best solution may be one

that is not currently being considered.” Their proposed “V” variation promoted a 500 kV backbone using **existing easements to the maximum extent possible**, specifically to avoid creating a supercritical flow between **Ballarat and Sydenham**.

At the same time, the Victorian Renewable Energy Zones Development Plan Directions Paper (February 2021) flagged the Western V3 alignment (North Ballarat to Bulgana) as high risk due to the need for vegetation clearing, proximity to sensitive areas, land availability issues, and anticipated community resistance. These risks were documented. They were known. They were ignored.

Other market actors made similar submissions to the market operator, explicitly warning that **development through new greenfield areas would trigger substantial community opposition and regulatory delay**. AEMO, however, proceeded with its preferred corridor, locked in its preferred SnowyLink South development path, and designed the WRL tender process to eliminate alternative routes from consideration.

Now, facing fierce opposition, procedural disputes, and collapsing public trust, AEMO seeks to reframe the problem as one of external resistance, of communities unwilling to cooperate. This is not only false, but also a grotesque inversion of the truth.

The delays now being attributed to “prioritising local engagement” are not a response to unforeseen obstacles. They are the direct and predictable outcome of AEMO’s arrogance and refusal to consider credible alternatives when it mattered.

That refusal has consequences. In its 2025 Network Options Report, AEMO acknowledges that costs are “being driven by a range of factors, including sustained supply chain pressures, project complexity, costs of social licence, and additional community and landholder engagement along deeply unpopular transmission line routes.” But even here, AEMO fails to acknowledge its own role in **choosing those routes, ignoring those warnings, and engineering a process designed to avoid meaningful challenge**.

This is not a cost blowout caused by inflation or geopolitics. It is a **strategic failure of planning and governance**. A failure that has left Victoria with two partially dismantled projects, a fractured grid strategy, and a political and regulatory apparatus now resorting to coercive legislation to salvage control.

Weeks later, the financial bombshell landed. AEMO's 2025 Electricity Network Options Report revealed that transmission costs were spiralling out of control, with some estimates up to 100% higher than those used in the 2024 ISP. The cost of VNI West, originally pegged at \$3.9 billion in December 2023, had exploded to an estimated \$7 billion, with developers' own figures reaching as high as \$7.6 billion.

This catastrophic cost escalation renders the original cost-benefit analyses for both projects completely obsolete. The WRL, which was justified in its 2019 RIT-T on a cost of just \$370 million, would now, based on the new cost-per-kilometre rate of \$16 million, cost over \$3 billion, a tenfold increase. The original, modest net benefit of \$300 million has been

vaporised, replaced by a multi-billion-dollar liability for consumers.

This reality exposes the true purpose of the government's February 2023 NEVA order. Its provision that the order "shall not constitute a material change in circumstances" for the RIT-T was a political shield, designed to prevent exactly this kind of re-evaluation. The government and AEMO attempted to lock in the project, knowing that any transparent reassessment in the face of such a monumental cost blowout would prove it to be grossly uneconomic.

The response from impacted communities has been swift and damning. The Victorian Farmers Federation, citing the cost blowouts, has called for the projects to be "scrapped entirely," labelling the energy transition a "failure" and condemning the government's "incredibly clumsy" handling of rural communities. Their call for the government to "own their mistakes and start again" encapsulates the complete breakdown of trust and legitimacy.

## **10. The Legislative Endgame: Entrenching Power and Neutralising Opposition**

When political intervention and regulatory workarounds proved insufficient to overcome entrenched community opposition, the state escalated its strategy. The proposed "National Electricity (Victoria) Amendment (VicGrid Stage 2 Reform) Bill 2025<sup>57</sup>" is the legislative endgame, a move to permanently rewrite the rules, dismantle accountability, and grant the state coercive powers to enforce its will.

### **From Independent Planner to State Control**

The Bill's primary function is to transfer transmission planning power from AEMO, a national operator, to VicGrid, a state-controlled corporate body. This is a fundamental shift that removes the veneer of arm's-length, independent planning and makes it a direct instrument of government policy. It ensures that political objectives, not necessarily optimal engineering or economic outcomes, will drive future development.

### **A Minister Unbound, A Process in Secret**

The Bill contains extraordinary new powers that concentrate authority and eliminate transparency.

- **Unilateral "Special Orders":** The new Section 16ZHA empowers the Minister to issue "Special Orders" to amend previous NEVA orders without any requirement to consult with the Premier, the Treasurer, AEMO, or VicGrid, and without any obligation to

publish the reasons for doing so. This creates a legal black box, allowing the rules of the game to be changed at any time to suit a political agenda.

- **Exemption from Scrutiny:** The new Section 55H explicitly exempts VicGrid from the *Freedom of Information Act 1982* for any documents related to its planning functions. This is a deliberate act to shield the new state planner from public scrutiny, preventing landowners, journalists, and researchers from accessing the data and analysis underpinning its decisions.

### **Criminalising Dissent and Overriding Property Rights**

For affected communities, the Bill represents a direct assault on their rights. The new land access provisions in Part 3 are draconian, creating a framework for forced entry and criminalising protest.

- **Forced Entry:** The Bill allows "authorised officers" to apply to the Magistrates' Court for an "entry order." This order explicitly authorises the use of "reasonable force to gain entry," including removing obstructions, and can be accompanied by police. This transforms a civil planning dispute into a quasi-criminal enforcement action on private land.
- **Criminalising Protest:** It becomes an offence to "hinder, obstruct or delay" an authorised activity, carrying a penalty of over \$12,000. This is a clear attempt to create a chilling effect and intimidate citizens who might consider peacefully protesting on their own property.

### **An Assault on Democratic Norms**

Beyond its immediate consequences, the Bill sets a dangerous precedent for democratic governance in Victoria. By centralising unchecked ministerial discretion, stripping FOI transparency, and authorising forced entry onto private land, it arguably violates the foundational principles of responsible government and the rule of law.

Legal scholars have warned that such powers, exercised without judicial or parliamentary oversight, risk undermining implied constitutional freedoms, including the freedom of political communication. Furthermore, criminalising protest on private property may breach human rights obligations under Victoria's Charter of Human Rights and Responsibilities Act 2006, particularly rights to peaceful assembly, property, and participation in public life.

These are not the features of a healthy regulatory framework. They are the hallmarks of a legislative regime designed to neutralise dissent, suppress scrutiny, and silence opposition, not through persuasion or evidence, but by force and fiat.

Unable to win the argument on merit, the government is now changing the law to ensure it doesn't have to. This legislation is the ultimate admission of failure, a failure of planning, a failure of consultation, and a failure of the democratic process itself.

## 11. The Human Cost - Community Sidelined in the Path of Progress

The history of WRL and VNI West is defined by the profound social impact on the communities in their path. The sustained, organised, and sophisticated opposition that has emerged is a direct consequence of a planning and consultation process that residents and landowners feel has fundamentally failed them.

### **A Failure of Consultation: "Manufacturing Consent"**

A pervasive theme from community groups is the perception of the consultation process as a sham. The Western Victorian Community Alliance described the EES process as a "bureaucratic tool designed more to manufacture consent than to seek it".<sup>45</sup> This sentiment was echoed by local stakeholders, such as the Melton Football Club president, who felt AusNet was just "ticking boxes".<sup>46</sup>

The process itself was seen as inaccessible. Community members and the Mayor of Moorabool described the nearly 10,000-page EES document and the 40-business-day submission period as overwhelming for ordinary citizens.<sup>46</sup> This was compounded by a deep mistrust in the data itself, with the Alliance claiming that less than 10% of the affected land was physically surveyed for the EES, and that generational, on-the-ground knowledge was dismissed as "anecdotal" in favour of desktop models.<sup>45</sup>

### **The Fight for a Voice: A Sustained Campaign**

In response, community opposition has been widespread and highly organised, led by groups like the Moorabool and Central Highlands Power Alliance (MCHPA) under the banner "Stop Labor's Towers".<sup>45</sup> The campaign has deployed a range of tactics, from large-scale protests including tractor rallies in Melbourne to legal challenges against the government's decisions.<sup>48</sup>

The Victorian Farmers Federation has been a key ally, calling for the projects to be "scrapped entirely" and protesting legislative changes that would allow police-enforced access to farms with fines of up to \$12,100 for non-compliance.<sup>43</sup> This opposition is not a simple "Not In My Backyard" (NIMBY) reaction, but a sophisticated campaign that has engaged with the regulatory process on its own terms, commissioning expert reports, lodging formal regulatory disputes, and producing detailed, chapter-by-chapter critiques of the EES.<sup>21</sup>

## Unaddressed Concerns: The Core of the Dispute

The core concerns of the community have remained consistent and, in their view, unaddressed. These include the heightened risk of bushfires from overhead lines, the permanent loss of prime agricultural land, the destruction of sensitive environmental and heritage areas like the Wombat State Park, the devaluation of property, and specific threats to local assets like the Melton Aerodrome.<sup>45</sup>

The community's primary demand has been for a full, independent review of alternatives, particularly undergrounding the transmission lines, which they see as a "smarter, safer solution".<sup>47</sup> This has been consistently rejected by proponents on cost grounds, with AusNet claiming it would be approximately 16 times more expensive.<sup>48</sup>

This impasse highlights the fundamental breakdown of the traditional social contract for infrastructure development. The old model, where technocrats decide on a project's necessity and proponents then "consult" on mitigating its impacts, is no longer tenable. Communities are now demanding a seat at the table during the initial strategic planning phase, challenging not just the *how* and *where*, but the fundamental *why* of a project.

The failure of the planning framework to adapt to this new reality is the primary reason these projects have lost their social licence.

**Table 3: Community Concerns vs. Proponent/Government Responses**

Community Concern	Community Argument/Evidence	Proponent/Govt. Stated Mitigation/Response	Community Rebuttal/Perceived Inadequacy
<b>Flawed Consultation</b>	EES process is a "tick-box" exercise designed to "manufacture consent"; 10,000-page document with a 40-day response time is inaccessible. <sup>45</sup>	AusNet encourages attendance at information sessions to speak with technical specialists. The 40-day EES exhibition is longer than the standard 30 days. <sup>46</sup>	Consultation has not led to substantive change; proponent lacks authority to alter core project design; process devalues local knowledge. <sup>45</sup>
<b>Undergrounding Alternative</b>	A "smarter, safer solution" that would mitigate bushfire risk, agricultural impact, and visual amenity loss. Council reports confirm viability. <sup>21</sup>	AusNet claims undergrounding is approx. 16 times more expensive. AEMO excluded it from the RIT-T as not "economically feasible." <sup>20</sup>	The RIT-T's narrow economic focus improperly excludes the long-term costs of bushfires and agricultural loss, making the cost comparison flawed. <sup>21</sup>
<b>Bushfire Risk</b>	Overhead lines ignited deadly Black Saturday fires. The project puts communities in the "firing line." <sup>47</sup>	Project will be designed, built, and operated to meet or exceed all safety standards. <sup>21</sup>	Administrative standards do not eliminate the inherent physical risk of high-voltage overhead lines in fire-prone landscapes. <sup>47</sup>
<b>Impact on Agriculture</b>	The project will sacrifice prime agricultural land that "feeds Australia" for an "outdated" overhead network. <sup>47</sup>	EES includes an agricultural impact assessment and proposes mitigation measures. Landholders will be compensated. <sup>17</sup>	Compensation does not replace the permanent loss of productive land. Mitigation measures are superficial and do not address long-term impacts. <sup>43</sup>
<b>Aviation Safety</b>	Towers pose a permanent, significant safety impact to	The EES includes an aviation impact assessment.	The assessment downplays risks as 'minor' and relies on

	Melton Aerodrome and a risk to aerial agriculture and firefighting operations. <sup>45</sup>	<sup>53</sup>	inadequate mitigation (administrative notifications), creating a permanent hazard. <sup>45</sup>
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## 12. Conclusion

### Synthesis of Findings

This forensic analysis exposes the Western Renewables Link and VNI West not as sound, evidence-based infrastructure projects, but as the inevitable outcomes of a top-down, politically driven agenda rooted in institutional arrogance. The entire process was engineered to deliver AEMO’s decade-old "NEMLink" vision, as shown in *Appendix A, Figures 1 and 4*, starting with a cost-benefit framework deliberately designed to ignore community and environmental impacts.

This was followed by a procurement process that gagged bidders from speaking to landowners, a series of AEMO-requested government interventions that systematically dismantled regulatory checks and balances, and the disingenuous public discrediting of a viable alternative whose principles the government's own planners later quietly adopted.

Crucially, this path was pursued despite repeated warnings from market participants, delivery partners, and government agencies who identified the immense risks and proposed superior alternatives. When the project's flawed economics inevitably collapsed under soaring costs and self-inflicted delays, the state's final act was not to reconsider, but to draft legislation that entrenches its own power, removes transparency, and grants it the authority to use force and financial penalties against its own citizens.

## **The Central Questions Revisited**

This report sought to answer several key questions. The evidence provides damning conclusions.

### **1. Was the Western Renewables Link ever an energy project, or was it a Trojan horse for speculative land-banking?**

The evidence is now unequivocal: WRL was never primarily about unlocking local renewables. AEMO's own documents confirm its purpose was to act as a Trojan horse for VNI West, a project of speculative land-banking justified by a fear of rising future property values. It was a prequel engineered to create irreversible momentum and sink public costs into a much larger, unapproved project that likely could not have stood on its own economic merits.

### **2. How did a flawed planning process escalate from sidelining communities to the suppression of dissent?**

Communities were not merely sidelined; they were systematically overpowered. They were first rendered invisible by a regulatory test that legally excluded their concerns. They were then silenced by a tender process that forbade bidders from speaking to them. They were bypassed by Ministerial Orders, requested by AEMO, that rendered their opposition legally irrelevant. Finally, they face proposed legislation that seeks to criminalise their protest and authorise forced entry onto their land. This was not a failure of consultation; it was the deliberate and escalating suppression of dissent.

### **3. What does the systemic failure of these projects reveal about the integrity of AEMO's planning and the Victorian Government's commitment to democratic governance?**

Any claim to merit has been obliterated by the process used to advance them. The projects are founded on a cost-benefit analysis plagued by credible allegations of errors and now rendered meaningless by a catastrophic cost blowout. Their delivery required the direct subversion of the national regulatory framework at the request of the market operator and the cynical dismissal of a superior alternative. Their continuation now appears to require new laws that abandon the principles of procedural fairness, transparency, and the rule of law.

If a project is so fundamentally flawed that its business case has collapsed and it can only be delivered by overriding regulations, silencing opposition, and legislating the power to use force against citizens, it has no merit. The process itself is the most compelling evidence that AEMO's vision was never a viable plan, but an agenda that the government was foolish enough to endorse and is now determined to enforce at any cost to its citizens and to the principles of democratic governance.

## Appendix A – The Staged Evolution of NEMLink

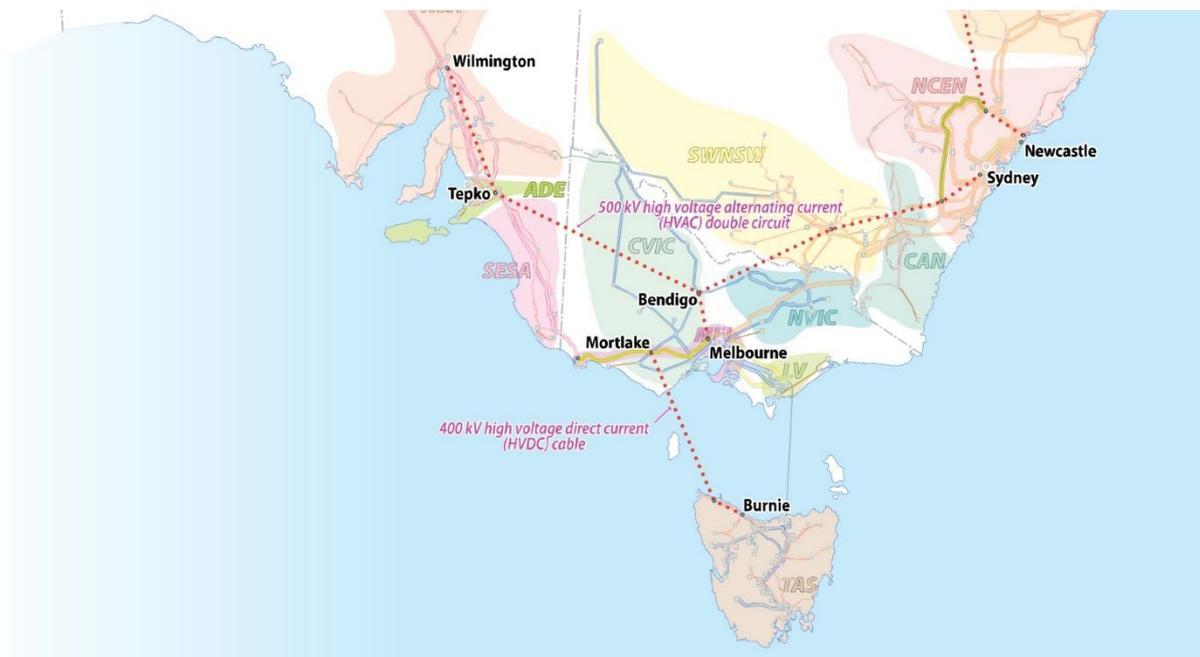
### From SnowyLink to WRL and VNI West

The following figures document the strategic staging of transmission infrastructure in eastern Australia, beginning with AEMO’s 2010 NEMLink concept and culminating in the current configuration of the Western Renewables Link (WRL) and VNI West. This appendix provides visual evidence of how a single long-range interconnector vision was deliberately split into discrete project stages, each justified under the Regulatory Investment Test for Transmission (RIT-T) based on partial or speculative benefits.

By fragmenting the original NEMLink corridor into WRL and VNI West, planners were able to manufacture standalone business cases that only deliver net benefits when subsequent stages are assumed. This practice, known as staging, enables proponents to claim “option value” or cost deferral benefits for future projects that may never eventuate or have not been committed<sup>54</sup>. As shown in the following figures, WRL was advanced not to meet an immediate network need, but to pre-emptively secure easements and establish sunk infrastructure costs for VNI West — locking in a transmission path that was never subject to a proportionate alternatives analysis or integrated community consultation.

Each figure highlights a critical point in the conceptual, strategic, and regulatory progression from a unified national transmission vision to a fractured, controversial delivery model marked by political intervention, inflated costs, and loss of public trust.

**Figure 1: NEMlink Concept Plan (2010)**



*This map, extracted from AEMO’s 2010 National Transmission Network Development Plan (Figure 5-1), illustrates the original “NEMLink” vision — a proposed 500 kV alternating current (AC) transmission backbone spanning the National Electricity Market. The concept marked a significant departure from decentralised, state-based planning, and laid the ideological groundwork for future projects like SnowyLink, KerangLink, VNI West, and the Western Renewables Link. The map also depicts an early 400 kV HVDC interconnector from Tasmania to Victoria, indicating a whole-of-NEM ambition to integrate geographically dispersed renewable generation.*

**Figure 2: SnowyLink South (later known as KerangLink)**



*This figure, from AEMO’s July 2019 “Building Power System Resilience with Pumped Hydro” insights paper, illustrates the proposed SnowyLink South interconnector, later renamed KerangLink. The project was designed to enable 1,500 MW of transfer capacity from Snowy 2.0 southward into Victoria to mitigate reliability risks and unlock energy storage during peak demand. Its alignment — connecting Wagga Wagga to Melbourne — forms the backbone of what would later become VNI West. The map also shows its relationship with complementary ISP priority projects: HumeLink, Mariner Link, and EnergyConnect.*

**Figure 3: WRL (formerly WVTNP) and VNI West — Staged Development of SnowyLink South**



*This map depicts the staged evolution of AEMO’s original SnowyLink South concept, now split into two linked projects: the Western Renewables Link (in green) and VNI West (in blue). The WRL delivers a 500 kV line from Sydenham to Ballarat, then a 220 kV line onwards to Bulgana, strategically securing land between Sydenham and Ballarat to enable a future interconnection. VNI West builds upon this infrastructure by continuing north to Kerang and across the border to Dinawan in NSW. This sequencing reflects a deliberate “staged development” model designed to bypass regulatory hurdles and defer full cost scrutiny by breaking a single national interconnector into multiple interdependent approvals.*

**Figure 4: Combined WRL and VNI West — Fulfilling the 2010 NEMLink Vision**



*This map, produced by Transmission Company Victoria, illustrates the fully integrated WRL–VNI West development pathway. It shows the Western Renewables Link terminating at Bulgana and directly connecting into VNI West’s preferred easement (in navy) through to Kerang, then continuing along the NSW corridor (in yellow) to Dinawan. Together, these interlinked projects effectively fulfil AEMO’s 2010 NEMLink vision of a continuous, high-capacity transmission spine from Melbourne to New South Wales. The visual confirms the strategic use of WRL as a foundational stage to secure land and infrastructure for a national interconnector that could not have passed regulatory tests on its own.*

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