

# Response to the Draft 2025 Victorian Transmission Plan

20 June 2025

From Bryan Pedersen

In summary, the Draft 2025 Victorian Transmission Plan (VTP) includes plans for,

- Declaring some renewable energy zones to host large-scale renewable energy installations
- Electricity transmission upgrades
- Some guidance for industry about how to exploit the zones and upgrades
- A very minimal explanation of community benefits to flow

Without even commenting on the technical details behind the document there are strategic issues that are highlighted by the document.

**Firstly**, why is it called a “transmission” plan rather than an electricity plan? It is most disappointing that VicGrid have fallen into the same strategic misalignment that the Australian Energy Market Operator (AEMO) is now realising.

The Victorian Transmission Plan is now really one step behind the AEMO Integrated System Plan (ISP). AEMO, and now VicGrid it seems, have been trying very hard to do a like-for-like energy transition. ISP 2024 and the VTP are completely tunnelled into a “large scale generation plus transmission” model. In a large part this has been caused by the very close association of AEMO and the Transmission Network Service providers (TNSPs). Now VicGrid has launched a plan based on the same thinking.

Only now, in preparation for ISP 2026 are AEMO recognising the importance of distribution and Consumer Energy Resources (CER). This effectively places VicGrid one two-year iteration behind AEMO.

That’s very disappointing.

**Secondly**, while only referenced in this plan, the community benefits proposed by the VTP are completely inadequate and poorly structured. Not only are they inadequate, but they are also very much based on after-the-fact thinking. That’s too late. Communities are being torn apart now and VicGrid are doing nothing. This is unconscionable.

Without giving specific commentary on the landholder and neighbours compensation schemes there are some common downsides across all the proposed community benefits.

In general, landholders and neighbours are being asked to put all future risks into an upfront payment. This is not sensible and completely rejected by most of those affected.

The widespread and large devaluation of land due to all aspects of the energy transition are not even being recognised let alone being compensated.

A huge concern is the lack of consideration for cumulative effects. Many properties will have proximity to transmission and generation. A more holistic approach is required. The change in sense of place and devaluation of land will be massive for those affected. And as above, many of those will receive no compensation. This appears to be a deliberate oversight by VicGrid.

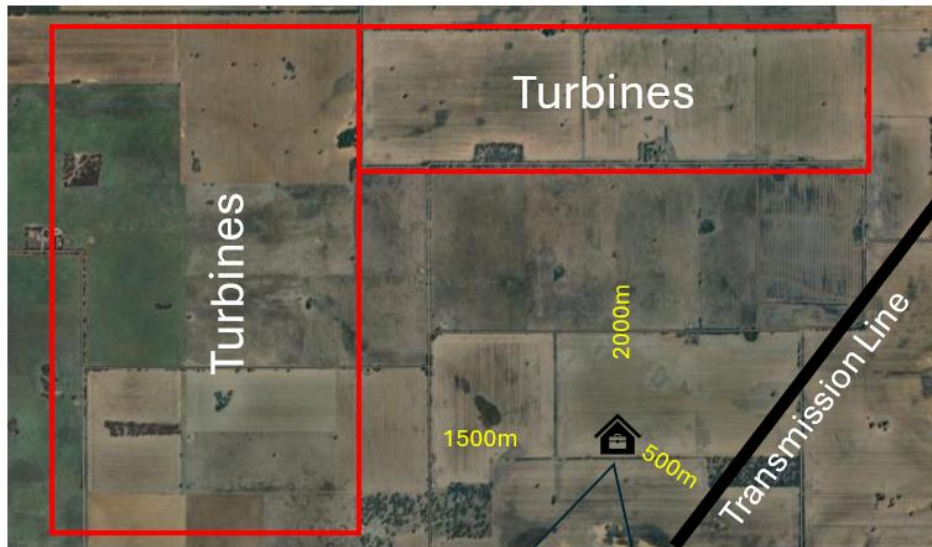
The proposed Community Benefits Fund is extremely likely to flow to non-affected parties. Whereas the nearest regional town (as against rural town) is likely to absorb a lot of these funds, many of the most affected will receive no compensation whatsoever. This is already well evidenced in the distribution of funds from existing wind generation facilities.

The lack of focus on community engagement is in direct opposition to statements from VicGrid. There is clearly no desire to get this right, which is at the heart of the community engagement problem.

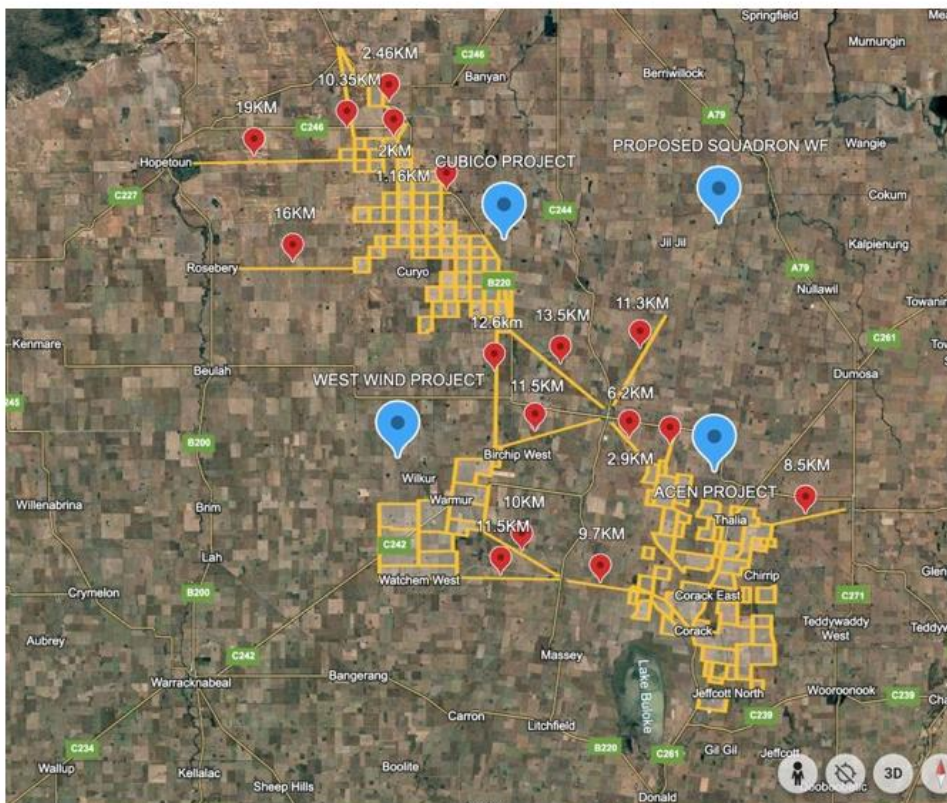
DEECA recently conducted an innovation challenge called - Victorian startups to innovate solutions for a renewable future. This is commendable, but how about an Energy Tech Challenge for community benefits solutions? Is there a tech solution that would engage better and distribute community benefits with more fairness and equity? Nothing to do with “strengthen the grid”, but definitely would “accelerate Victoria’s switch to renewable energy”.

The following page shows a couple of examples of situations that exist, but are shown here in mock up, and that are disastrous for individuals and communities.

At the moment, VicGrid are not addressing these issues and are not even proposing to address these issues. Therefore it is fair to say that opposition to the VTP will continue.



This dwelling will suffer major devaluation,  
but there is no compensation.



This is a real example. Notice the gaps in the area covered by the proposal. These gaps and adjacencies have already resulted in physical altercations. Early and conceptual or not, this is happening now. VicGrid must have solutions at hand to properly address these situations.

VicGrid should,

- Accelerate their approach on the utilisation of distribution and consumer resources.
- Improve their land value mapping to include many more factors related to sense of place and so properly recognise an expanded number of affected parties. At the moment, VicGrid cannot even answer a simple question like how many residences are within 1km of VNI West (let alone their value)?
- Include and evaluate the cumulative effects of all projects on communities.
- Completely restructure the various compensation approaches for affected parties.