# Emerald – Notice of Withdrawal of Recommendation

4 July 2014

# Introduction

Ergon Energy Corporation Limited (Ergon Energy) identified emerging limitations in the electricity distribution network supplying the Emerald area in 2013. In accordance with the requirements of the National Electricity Rules, a Regulatory Test of suitable options was undertaken, which resulted in the publication of a Final Report[1] on 20 May 2014.

The Final Report documented the evaluation of options and declared Ergon Energy's intent to proceed with its internal option to construct a new dual circuit 66 kV line from Blackwater Substation to Emerald Substation.

[1] Ergon Energy, *Emerald_Final-Recommendation.pdf*, 20 May 2014

# Option 1 as recommended in the Final Report

In order to meet its security of supply criteria applicable at the time, Ergon Energy recommended the following works in its Final Report for this consultation:

1. Construct a new Dual Circuit 66kV Line Blackwater – Emerald

# Withdrawal of Recommendations

Although the ENCAP Review, which resulted in new security standards did not trigger a change to the recommended option, further changes to the security standards that were recommended by the Inter-Departmental Committee and Independent Review Panel, and accepted by the Government, necessitated that Ergon Energy adopt a probabilistic approach to planning.

**These changes, together with the firming of a large customer connection proposal in the area indicate that it would not be prudent and efficient for Ergon Energy to proceed with the works recommended in the Final Report.**

Ergon Energy will commence within 30 business days a new consultation with the market in accordance with the Regulatory Investment Test – Distribution process that replaced the former Regulatory Test process on 1 January 2014.

Information relating to the consultation about this project is provided on our web site:

https://www.ergon.com.au/community--and--our-network/network-infrastructure/regulatory-test-consultations

For further information, please contact: regulatory.tests@ergon.com.au